

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

**\$150,000,000**

**Massachusetts Water Resources Authority  
Tax-Exempt Commercial Paper Notes  
Series 2016**

Certificate Regarding the Sixty-Ninth Supplemental Resolution

The undersigned, Treasurer of the Massachusetts Water Resources Authority (the "Authority"), hereby certifies that the document appended hereto is a true, correct and complete copy of the final form of the resolution entitled "Sixty-Ninth Supplemental Resolution Authorizing the Issuance of up to \$150,000,000 Tax-Exempt Commercial Paper Notes, Series 2016" approved and adopted by the Authority on October 14, 2015, with such changes as were deemed necessary and desirable by the undersigned, an Authorized Officer acting pursuant to the Issuance Resolution adopted by the Authority on October 14, 2015. The undersigned further certifies that said Resolution has not been amended, supplemented or rescinded and remains in full force and effect as of the date hereof.

MASSACHUSETTS WATER RESOURCES  
AUTHORITY



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Matthew R. Horan, Treasurer

Dated: April 12, 2016

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**MASSACHUSETTS WATER RESOURCES AUTHORITY**

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**SIXTY-NINTH SUPPLEMENTAL RESOLUTION  
AUTHORIZING THE ISSUANCE OF \$150,000,000  
TAX-EXEMPT COMMERCIAL PAPER NOTES  
SERIES 2016**

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**Adopted October 14, 2015**

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TABLE OF CONTENTS

ARTICLE I    DEFINITIONS AND AUTHORITY ..... 1

    SECTION 1.1.    Definitions.....1

    SECTION 1.2.    Authority for this Supplemental Resolution .....3

ARTICLE II    THE BORROWING .....3

    SECTION 2.1.    Authorization of Secured Bonds .....3

    SECTION 2.2.    Authorization of Notes.....4

    SECTION 2.3.    Terms, Form and Execution of Notes.....4

    SECTION 2.4.    Delivery of Notes to Issuing and Paying Agent .....5

    SECTION 2.5.    Issuance and Sale of Notes; Maturities and Interest Rates .....6

    SECTION 2.6.    Application of Proceeds.....7

    SECTION 2.7.    Custody of Canceled Notes.....7

ARTICLE III    DETERMINATIONS PURSUANT TO THE GENERAL  
RESOLUTION; APPLICATION OF PROCEEDS.....8

    SECTION 3.1.    Establishment of Accounts and Subaccounts.....8

    SECTION 3.2.    Refundable Principal Installments..... 11

    SECTION 3.3.    Deposits to Funds and Accounts; Application of Proceeds ..... 11

    SECTION 3.4.    Non-Certificated Form..... 12

    SECTION 3.5.    Pledge of Revenues..... 14

    SECTION 3.6.    Payment of Interest on Notes ..... 15

ARTICLE IV    RELATED AGREEMENTS AND DOCUMENTS ..... 15

    SECTION 4.1.    Issuing and Paying Agent Agreement ..... 15

    SECTION 4.2.    Dealer Agreement..... 16

    SECTION 4.3.    Letter of Credit and Reimbursement Agreement ..... 16

ARTICLE V    REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY..... 17

    SECTION 5.1.    Corporate Existence..... 17

    SECTION 5.2.    Corporate Authority..... 17

    SECTION 5.3.    Due Authorization and Approval of the Supplemental  
Resolution, Notes and Related Agreements..... 17

    SECTION 5.4.    Supplemental Resolution and Related Agreements to  
Constitute Legal, Valid and Binding Obligations of the  
Authority ..... 18

    SECTION 5.5.    Notes to Constitute Legal, Valid and Binding Obligations of  
the Authority ..... 18

    SECTION 5.6.    No Litigation ..... 18

ARTICLE VI	COVENANTS OF THE AUTHORITY .....	18
SECTION 6.1.	Amount of Notes Outstanding.....	18
SECTION 6.2.	Exemption of the Notes from Taxation .....	18
SECTION 6.3.	Use of Note Proceeds: Restrictions on Amendments .....	19
SECTION 6.4.	Maintenance of Letter of Credit .....	19
SECTION 6.5.	Reaffirmation of Covenants .....	19
ARTICLE VII	MISCELLANEOUS .....	19
SECTION 7.1.	Forms of Requisitions .....	19
SECTION 7.2.	Effective Date.....	20
SECTION 7.3.	Certain Notices to Owners .....	20
SECTION 7.4.	Voting Rights .....	20

EXHIBITS

Exhibit A	Form of Note .....	A-1
Exhibit B	Form of Master Certificate .....	B-1
Exhibit C	Form of Issuing and Paying Agent Agreement .....	C-1
Exhibit D	Form of Dealer Agreement .....	D-1
Exhibit F	Form of Letter of Credit and Reimbursement Agreement.....	E-1
Exhibit G-1	Form of Disbursement Request (Construction Fund).....	G-1
Exhibit G-2	Form of Disbursement Request (Cost of Issuance Fund) .....	G-2

**SIXTY-NINTH SUPPLEMENTAL RESOLUTION AUTHORIZING  
THE ISSUANCE OF \$150,000,000 TAX-EXEMPT  
COMMERCIAL PAPER NOTES, SERIES 2016**

WHEREAS, the Massachusetts Water Resources Authority (hereinafter sometimes referred to as the “Authority”) is empowered to issue its Bond Anticipation Notes under the Massachusetts Water Resources Authority Act and pursuant to the Amended and Restated General Revenue Bond Resolution of the Authority dated April 23, 2015 (as amended and supplemented from time to time, the “General Resolution”) to finance the Costs of Projects; and

WHEREAS, in order to assure the availability of a portion of funds needed to finance the Costs of Projects, the Authority has determined that it is necessary and desirable at this time to authorize and from time to time to issue and sell its Tax-exempt Commercial Paper Notes, Series 2016 (the “Notes”) therefor, in accordance with the provisions of the General Resolution, the Issuing and Paying Agent Agreement, the Offering Memorandum and the Dealer Agreement referred to herein; and

WHEREAS, in order to enhance the marketability of the Notes, the Authority has determined that a Letter of Credit shall be issued which will permit the Issuing and Paying Agent to draw certain amounts in order to pay the principal of and interest on the Notes as provided herein and in such Letter of Credit; and

WHEREAS, the Authority has determined that the Notes shall be issued under the General Resolution as Subordinated Parity Bond Anticipation Notes and that the interest thereon shall be secured by a subordinated pledge of Revenues under Section 501(b) of the General Resolution; and

WHEREAS, the Authority has determined that the Reimbursement Obligation of the Authority to the issuer of the Letter of Credit, together with the interest thereon, shall be secured by a subordinated pledge of Revenues under Section 501(b) of the General Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Massachusetts Water Resources Authority as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORITY**

**SECTION 1.1. Definitions.**

(a) Capitalized terms used herein and not otherwise defined shall have the respective meanings accorded such terms in the General Resolution; provided that, unless the context shall clearly indicate some other meaning, terms not defined herein or in the General Resolution which are defined in the Letter of Credit and Reimbursement Agreement or which are defined in the form of Note attached as Exhibit A hereto shall have the meanings for the purposes hereof as are set forth therein.

(b) The following terms shall have the following meanings herein unless the context otherwise requires:

“Annual Installment Date” shall mean a date selected by the Authority within 60 days after each Bond Year which date is not a Rebate Installment Date.

“Bank” shall mean TD Bank, N.A. as issuer of the Letter of Credit securing the Notes and any successor thereto as issuer of a Letter of Credit.

“Bank Note” shall mean a note of the Authority evidencing the obligation of the Authority to pay the Reimbursement Obligation to the Bank pursuant to the Letter of Credit and Reimbursement Agreement.

“Bond Year” shall mean the period ending each July 1.

“Dealer” shall mean Goldman Sachs & Co. and Morgan Stanley & Co., each acting as dealer under the applicable Dealer Agreement between it and the Authority, and any successor thereto or substitute therefor.

“Dealer Agreement” means each Dealer Agreement between the Authority and the applicable Dealer authorized pursuant to Section 4.2 hereof, and any successor or substitute dealer agreement entered into by the Authority with respect to the Notes or any portion thereof.

“General Resolution” shall have the meaning provided in the recitals hereof.

“Issuance Resolution” shall mean the Issuance Resolution adopted by the Board of Directors on October 14, 2015.

“Issuing and Paying Agent Agreement” shall mean the Issuing and Paying Agent Agreement between the Authority and the Issuing and Paying Agent authorized pursuant to Section 4.1 hereof.

“Issuing and Paying Agent” shall mean U.S. Bank , National Association acting in such capacity pursuant to the Issuing and Paying Agent Agreement, and any successor thereto or substitute therefor.

“Letter of Credit” shall mean the Letter of Credit issued by the Bank pursuant to the Letter of Credit and Reimbursement Agreement, including any amended Letter of Credit.

“Letter of Credit and Reimbursement Agreement” shall mean the Letter of Credit and Reimbursement Agreement between the Authority and the Bank providing for the issuance of a Letter of Credit to secure the Notes as provided in Section 4.3 hereof.

“Nonpurpose Payments” shall have the meaning ascribed to such term in the Regulations.

“Note Payment Date” shall mean each date on which interest or principal or both shall be due and payable on any Note according to its terms.

“Notes” shall have the meaning provided in the recitals hereof.

“Offering Memorandum” shall mean the Offering Memorandum that provides information relating to the issuance of the Notes.

“Outstanding”, when used to modify Notes, shall refer to Notes issued hereunder, excluding: (i) Notes that have been paid; (ii) Notes that have become due and for the payment of principal of and interest on which moneys have been duly provided to the Issuing and Paying Agent; and (iii) Notes for which there have been set aside from proceeds of refunding Notes or other sources with the Trustee in the Note Payment Account pursuant to the General Resolution, sufficient funds, or obligations in which the Authority may legally invest, bearing interest at such rates and with such maturities as will provide sufficient funds, to reimburse the Bank for Principal and Interest Drawings under the Letter of Credit drawn to pay the principal of and interest on such Notes when due.

“Rebate Installment Date” shall mean each date selected by the Authority pursuant to the Regulations for the computation of rebate as provided in Section 3.1(b) hereof, the first of which shall be no later than five years after the date of issue of the Notes. Each succeeding Rebate Installment Date shall be no more than five years following the next preceding Rebate Installment Date. Rebate Installment Date shall also include the date on which the final payment of the Notes is made.

“Rebate Payment Date” shall mean, with respect to any Rebate Installment Date, 60 days after the Rebate Installment Date.

“Regulations” shall mean the Treasury Regulations applicable to Code §148(f), as from time to time in effect.

“Related Agreements” shall have the meaning set forth in Section 5.2 hereof.

“Sixty-Ninth Supplemental Resolution” shall mean this Sixty-Ninth Supplemental Resolution Authorizing the Issuance of \$150,000,000 Massachusetts Water Resources Authority Tax-exempt Commercial Paper Notes, Series 2016.

“Termination Date” shall have the meaning ascribed to such term in the Letter of Credit and Reimbursement Agreement.

SECTION 1.2. Authority for this Supplemental Resolution. This Sixty-Ninth Supplemental Resolution is adopted pursuant to the provisions of the General Resolution and the Act.

## ARTICLE II

### THE BORROWING

#### SECTION 2.1. Authorization of Secured Bonds.

(a) Pursuant to the provisions of the General Resolution, a Series of Secured Bonds entitled to the benefit, protection and security of the General Resolution is hereby authorized in the aggregate principal amount of \$150,000,000. Such Secured Bonds shall be secured by a pledge of Revenues of the Authority under Section 501(a) or 501(b) of the General Resolution as

the Authority shall determine at or prior to the issue thereof and as shall be set forth in a Supplemental Resolution adopted by the Board of Directors. The net proceeds of such Secured Bonds shall be used to pay principal of the Notes, including rollover Notes, at maturity. Such Secured Bonds shall have such maturities, principal installments and redemption prices and terms, shall bear interest, shall be in such forms and denominations, shall bear such identifying numbers and letters and shall have such other attributes as the Authority shall determine at or prior to the issue thereof and as shall be set forth in a Supplemental Resolution adopted by the Board of Directors; provided that the Board of Directors may by subsequent resolution authorize an Authorized Representative to approve the specific terms and to do any and all other acts necessary to execute and deliver such Secured Bonds.

(b) The Authority hereby covenants, until the latest Termination Date from time to time in effect under any Letter of Credit, (i) to maintain sufficient capacity under its statutory debt limitation and (ii) to set the Rates and Charges at a level sufficient according to the certificates to be provided under Section 206(f) of the General Resolution, to allow the Authority to issue a Series of Bonds or Secured Bonds, at the time selected by the Authority, to pay, together with any other moneys available under the General Resolution, the principal of the Notes at maturity. The issue of Bonds or Secured Bonds referred to in the preceding sentence shall include an allowance for costs of issuance and reserves equal in the aggregate to 10% of the principal amount of such issue.

SECTION 2.2. Authorization of Notes. The Authority is hereby authorized to borrow money from time to time pursuant to Section 12 of the Act and to evidence such borrowings by the issuance pursuant to Section 208 of the General Resolution of Subordinated Parity Bond Anticipation Notes to be designated as “Tax-Exempt Commercial Paper Notes, Series 2016” in an aggregate principal amount Outstanding at any one time which shall not exceed One Hundred Fifty Million Dollars (\$150,000,000); provided, that Notes described in clause (iii) of the definition of “Outstanding” in Section 1.1(b) hereof shall be counted toward this limitation. The purposes for which the Notes may be issued are (i) to finance portions of the Costs of Projects, (ii) to refund Notes when due, provided that Notes issued to refund Notes shall not be issued more than fifteen (15) days prior to the maturity date of the Notes being so refunded, (iii) to refund Bond Anticipation Notes of the Authority, (iv) to provide for Capitalized Interest on the Notes and (v) to pay the expenses of issuance of the Notes. In addition, at the option of the Authority, Notes also may be issued to current-refund outstanding Secured Bonds of the Authority; provided, that no Notes shall be issued for such purposes unless the Authority shall have received a Bond Counsel’s Opinion confirming that the opinion issued in connection with the original issuance of Notes shall remain in full force and effect with respect to the Notes issued for such additional purpose.

SECTION 2.3. Terms, Form and Execution of Notes. The Notes shall be dated the date of actual issuance thereof and shall be in substantially the form attached as Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required hereby and by the



General Resolution and the Act, and provided that so long as the Notes are issued in book-entry form there shall be a single Master Note in the form of Exhibit B to the form of Issuing and Paying Agent Agreement. The Authority, the Issuing and Paying Agent and the Dealer may treat the registered owner thereof (or, if the Notes are not issued in book-entry form and are registered to bearer, the bearer thereof) as the absolute owner of any Note for the purpose of receiving payment thereof and for all other purposes, and none of the Authority, the Issuing and Paying Agent or the Dealer shall be affected by any notice or knowledge to the contrary. The Notes shall be numbered serially from 1 upwards in order of their issuance, shall be in denominations of integral multiples of \$1,000 with a minimum denomination of \$100,000, and shall each mature not later than the earlier of (i) October 14, 2045, or (ii) 270 days from the date of issuance of said Note, or (iii) fifteen (15) days prior to the Termination Date of the Letter of Credit. The Authority shall maintain the records necessary to comply with the provisions of this Section 2.3 relating to the maturity of Notes. The principal amount, date of issuance, maturity date and rate of interest (calculated on the basis of the actual number of days elapsed and a 365/366 day year as appropriate) of each Note shall be as specified in instructions delivered to the Issuing and Paying Agent pursuant to Section 2.5 hereof. The Notes shall not be subject to redemption by the Authority prior to maturity. The Notes shall be executed on behalf of the Authority by the manual or facsimile signature of an Authorized Representative. In case any Authorized Representative whose signature shall appear on any Note shall cease to be an Authorized Representative before the issuance of such Note, such signature shall nevertheless be valid and sufficient for all purposes, and such Note may be authenticated and issued the same as if such Authorized Representative had remained an Authorized Representative until such issuance. The principal of and interest on the Notes are payable both as to principal and interest at maturity in immediately available funds, at the corporate trust office of the Issuing and Paying Agent, to the registered owner thereof (or, if the Notes are not issued in book-entry form and are registered to bearer, the bearer thereof).

SECTION 2.4. Delivery of Notes to Issuing and Paying Agent. In the event that any Notes shall not be issued in book-entry form, upon the adoption of this Sixty-Ninth Supplemental Resolution and from time to time thereafter as may be required in connection with the issuance of the Notes authorized hereby, the Authority shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions hereof and with the Issuing and Paying Agent Agreement, Notes executed on behalf of the Authority, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Note shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of Section 2.5 hereof and the Issuing and Paying Agent Agreement.

SECTION 2.5. Issuance and Sale of Notes; Maturities and Interest Rates.

(a) The Authority may issue and sell Notes pursuant to the Dealer Agreement and the Issuing and Paying Agent Agreement at such times, in such amounts, with such maturities, at such rates of interest and upon such other terms and conditions as shall be fixed by an Authorized Representative at the time of sale, subject only to the provisions of the General Resolution; and the Board of Directors of the Authority hereby finds and determines that such manner of sale is in the best interests of the Authority.

(b) The delivery to the Issuing and Paying Agent of instructions pursuant to Sections 5(a) and 5(e) of the Issuing and Paying Agent Agreement to complete, authenticate and issue Notes shall constitute a certification by the Authority as of the date of said instructions to the following effects:

(i) the representations and warranties of the Authority contained herein and in the Letter of Credit and Reimbursement Agreement, the Issuing and Paying Agent Agreement and the Dealer Agreement are true and correct and all covenants contained herein and therein have been duly performed and observed;

(ii) no default under the Letter of Credit and Reimbursement Agreement has occurred;

(iii) the certifications and statements contained in the Authority's Master Certificate in the form of Exhibit B hereto are true, correct and complete with respect to the Notes referred to in such instructions;

(iv) there is no Event of Default by the Authority with respect to the performance of any of the covenants, conditions, agreements or provisions contained in the General Resolution;

(v) the total principal amount of Indebtedness Outstanding, including therein 110% of the currently outstanding principal amount of the Notes (including the Notes requested to be issued), will not exceed the limits imposed by the Act;

(vi) for the most recent period of twelve consecutive months preceding the date of issue of such Notes for which such information is available, Revenues Available for Bond Debt Service were at least sufficient to maintain a Secured Bond Debt Service Coverage Ratio of 1.10;

(vii) for the fiscal year in which such Notes are to be issued, projected Revenues Available for Bond Debt Service, calculated without assuming any increase in Rates and Charges other than those approved in accordance with Section 705(a) of the General Resolution, and assuming transfers from the Rate Stabilization Fund only to the extent such assumption has been set forth in a Certificate of the Authority, are at least equal to the sum of (x) the Required Debt Service Fund Deposits and Required Subordinated Debt Service Fund Deposits for all Series of Bonds and Subordinated Bonds then Outstanding in such Fiscal Year, taking into account the Notes to be issued,

(y) any amounts required to be deposited in the Operating Reserve Fund, the Insurance Reserve Fund or the Renewal and Replacement Reserve Fund to satisfy the applicable Requirement for such Fund;

(viii) for the Fiscal Year immediately following the Fiscal Year in which such Notes are issued, projected Revenues Available for Bond Debt Service as calculated for Section 206A(b)(ii)(B)(1) of the General Resolution, but adjusted to reflect any increases in Operating Expenses shown on the Authority's proposed or final Operating Budget for such following Fiscal Year or, if such Budget has not been submitted, as adjusted to reflect an increase in Operating Expenses not less than the average percentage increase in Operating Expenses over the previous three Fiscal Years, are at least equal to the sum of (x) the Required Debt Service Fund Deposits and the Required Subordinated Debt Service Fund Deposits on Series of Bonds and Subordinated Bonds included for purposes of Section 206A(b)(ii)(B)(1) of the General Resolution, (y) any amounts required to be deposited in the Operating Reserve Fund to satisfy the applicable Requirement for such Fund in such Fiscal Year; and

(ix) all actions required to be performed by the Authority with respect to such Notes have been duly performed, including without limitation the delivery of the Bond Counsel's Opinion, the written order of delivery, the Supplemental Resolution and the directions required by Sections 206(a), 206(b), 206(c), 206(h) and 206A of the General Resolution.

(c) An Authorized Representative of the Authority is hereby authorized to prepare, make public, execute and distribute such disclosure documents as may be deemed necessary or appropriate in connection with the sale of the Notes in such form as such Authorized Representative deems appropriate.

(d) For purposes of paragraphs (a) and (b) of this Section 2.5 and for the purposes of Section 3.3 hereof, "Authorized Representative" shall include such additional Authority personnel as are identified in a Certificate executed by the Director of Finance or the Treasurer of the Authority.

**SECTION 2.6. Application of Proceeds.** The Authority shall apply the proceeds of the Notes to purposes specified in Section 2.2 hereof pursuant to instructions delivered by an Authorized Representative pursuant to Section 3.3. Proceeds of Notes issued to refund Notes prior to the maturity of such refunded Notes shall be held by the Trustee in the Note Payment Fund, prior to their application pursuant to Section 520 of the General Resolution to reimburse the Bank for Principal and Interest Drawings under the Letter of Credit made to pay the refunded Notes at maturity.

**SECTION 2.7. Custody of Canceled Notes.** All Notes shall upon the payment of the principal thereof and interest thereon be canceled by the Issuing and Paying Agent and disposed of by the Issuing and Paying Agent as directed by the Authority.

## ARTICLE III

### DETERMINATIONS PURSUANT TO THE GENERAL RESOLUTION; APPLICATION OF PROCEEDS

#### SECTION 3.1. Establishment of Accounts and Subaccounts.

(a) Pursuant to Section 502(b) of the General Resolution, there are hereby established within the Funds and Accounts heretofore established under the General Resolution, the following subaccounts:

- (i) In the Construction Fund:
  - (A) 2016 Notes Waterworks System Subaccount
  - (B) 2016 Notes Sewer System Subaccount
- (ii) In the Subordinated Debt Service Fund:
  - (A) 2016 Notes Interest Subaccount
  - (B) 2016 Notes Capitalized Interest Subaccount
  - (C) 2016 Reimbursement Obligation Interest Subaccount
  - (D) 2016 Reimbursement Obligation Principal Subaccount
  - (E) 2016 Reimbursement Obligation Redemption Subaccount
- (iii) In the Cost of Issuance Fund:
  - (A) 2016 Notes Cost of Issuance Subaccount
- (iv) In the Note Payment Fund:
  - (A) 2016 Notes Account

(b) Subaccount of the Rebate Fund.

(i) Establishment. There is hereby established within the Rebate Fund, for the purpose of compliance with Code §148(f), a 2016 Notes Subaccount which shall be used solely for purposes of making the payments described in this Section 3.1(b) until the requirements of Code §148(f) and the Regulations applicable thereto shall have been satisfied. The Authority agrees that the requirements of this Section 3.1(b) are subject to, and shall be interpreted in accordance with, Code §148(f) and the Regulations applicable thereto, including without limitation the provisions of Code §148(f)(4)(C)(viii) if an election has been made thereunder.

(ii) Calculations of Rebate Deposits and Payments.

(A) Promptly upon the close of each Bond Year and also upon the retirement of the Notes, the Trustee and each Depository shall provide the Authority with a statement of earnings on all Funds, Accounts and Subaccounts with respect to the Notes held in trust under the General Resolution which are subject to the requirements of this Section 3.1(b) during any period not covered by a prior statement delivered pursuant to this Section 3.1(b). The statement shall include the purchase and sale prices of each investment (including any commission paid thereon which shall be separately stated), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium, and such other information known to the Trustee or each Depository as the Authority shall reasonably require.

(B) The Authority agrees to notify promptly the Trustee of each date which it selects as a Rebate Installment Date. At least 15 days prior to each Rebate Payment Date, and additionally at least 15 days after each Annual Installment Date, the Authority shall, in accordance with the Regulations, determine and deliver to the Trustee a Certificate of the Authority setting forth the amount, if any, to be deposited into the Rebate Fund pursuant to Section 506(a) of the General Resolution based upon Nonpurpose Payments and Nonpurpose Receipts allocable to the Notes. Such amount shall equal: (1) the difference between the future values, as of the applicable Rebate Installment Date or Annual Installment Date, of all Nonpurpose Payments (including, as authorized by the Regulations, any rebate previously paid) and Nonpurpose Receipts (whether held under the General Resolution or otherwise), reduced by (2) any amounts already on deposit in the 2016 Notes Subaccount of the Rebate Fund on the applicable Rebate Installment Date or Annual Installment Date. For purposes of calculating the foregoing future values, the yield on the 2016 Notes Subaccount, determined in accordance with the Regulations, shall be used. Except as may otherwise be provided by law, the computation of the amounts to be deposited into the 2016 Notes Subaccount of the Rebate Fund need not take into account any earnings on any "tax-exempt bond" under Code §150(a)(6) and Treas. Reg. §1.150-1 which is not a specified private activity bond as defined in Code §57(a)(5)(C) or any earnings as to which exceptions are provided under Code §148(f)(4)(A), (B) or (C) or Treas. Reg. §1.148-7. The Authority shall also determine and so certify the amount of any applicable "yield reduction payments", as provided under Treas. Reg. §1.148-5(c).

(iii) The Trustee shall deposit from the Revenue Fund, pursuant to Section 506(a)(viii) of the General Resolution, the amounts determined as provided under subsection (ii) above to the 2016 Notes Subaccount of the Rebate Fund. If, according to the calculations made pursuant to subsection (ii), together with calculations and payments made in prior years pursuant to such subsection, the amount on deposit in the Rebate Fund exceeds the amount required to be on deposit therein as of the Annual Installment Date, the Trustee shall transfer such excess, as directed by the Authority, to the Revenue Fund.

(iv) Payment of Rebate.

(A) No earlier than 60 days, or later than 35 days, before each Rebate Payment Date, the Trustee shall notify the Authority of its obligation to furnish the following not later than 15 days prior to the applicable Rebate Payment Date: (1) a copy of Form 8038-T, (2) a Certificate of the Authority stating the amount due to be paid over to the United States on the Rebate Payment Date and (3) a certificate of a firm of accountants or other professionals with expertise in calculating the amount required to be paid pursuant to Code §148(f) as to the accuracy of such determination. Upon the receipt of the foregoing, the Trustee shall make the payment provided for in subsection (iv)(B) below, but if the Trustee shall not have received all of the foregoing on the date due, the Trustee on such date shall pay over to the United States all of the funds then held in the 2016 Notes Subaccount of the Rebate Fund, together with a copy of the applicable Form 8038-T, if available, unless on or before such date, the Authority shall have provided to the Trustee an unqualified Bond Counsel's Opinion stating that no further action by the Authority or the Trustee is necessary for compliance as of such Rebate Installment Date with Code §148(f).

(B) No later than each Rebate Payment Date, the Trustee, at the direction of the Authority to be contained in the Certificate described in subsection 3.1(b)(iv)(A) above, shall pay to the United States from amounts on deposit in the 2016 Notes Subaccount of the Rebate Fund any "yield reduction payments" as aforesaid and/or a rebate amount which is at least 90% of the amount required to be paid pursuant to the provisions of Code §148(f), taking into account any credits permitted by the Regulations. On a date selected by the Authority no later than 60 days after the date on which the Notes have been paid in full, the Trustee, at the direction of the Authority, shall pay to the United States from amounts on deposit in the 2016 Notes Subaccount of the Rebate Fund any "yield reduction payments" as aforesaid and/or a rebate payment equal to 100% of the entire amount then payable pursuant to Code §148(0) as calculated by or on behalf of the Authority, including actual or imputed earnings as provided by the Regulations. Any amounts in such Subaccount in excess of amounts due shall be deposited in the Revenue Fund. Unless otherwise provided by law, each payment shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 or any other address specified by the Internal Revenue Service and accompanied by a copy of Form 8038-T furnished by the Authority.

(v) Conclusive Compliance by Trustee. The Trustee shall be deemed conclusively to have complied with the provisions of this Section 3.1(b) if it makes payments in accordance with the certifications and directions of the Authority provided in accordance with this Section. By agreeing to give the notices referred to in subsection (iv) of this Section 3.1(b) and to make the payments referred to in this Section 3.1(b), the Trustee assumes no responsibility whatsoever for compliance by the Authority with the requirements of Code §148(0).

(vi) Records. The Authority, each Depository and the Trustee shall keep such records as will enable them to fulfill their respective responsibilities under this Section

3.1(b) and Code §148(f), and the Authority shall engage, at the Authority's expense, a firm of accountants or other professionals with appropriate expertise in the area for which they have been retained as may be necessary in connection with such responsibilities. For purposes of the computation required under this Section 3.1(b), the Trustee and each Depository shall make available to the Authority during normal business hours all information in the control of the Trustee or Depository as the case may be which is necessary to such computations.

(vii) Section 3.1(b) to Survive Defeasance of the General Resolution. This Section 3.1(b), as amended from time to time, shall survive the defeasance of the General Resolution and of the Notes. Only upon (i) the retirement of the Notes or provision for the same pursuant to Section 1201 of the General Resolution, (ii) the payment of all amounts due under Code §148 with respect to the Notes and

(viii) presentation of a certificate in a form satisfactory to the Trustee that the provisions of Code §148 have been satisfied with respect to the Notes, shall any amounts remaining in the 2016 Notes Subaccount of the Rebate Fund be paid to the Revenue Fund.

(c) For purposes of Section 502(c) of the General Resolution, no Special Account is established with respect to the Notes in the Debt Service Reserve Fund or in the Subordinated Debt Service Reserve Fund.

(d) For purposes of Section 502(b)(ii) of the General Resolution, no Subaccount for the Notes shall be established in the Principal Account of the Subordinated Debt Service Fund.

(e) For purposes of Section 502(b)(iii), no Subaccount for the Notes or the Reimbursement Obligations relating to the Notes shall be established in the Common Account of the Debt Service Reserve Fund or the Subordinated Debt Service Reserve Fund or in the General Account of the Community Obligation and Revenue Enhancement Fund.

**SECTION 3.2. Refundable Principal Installments.** The Notes will not have Principal Installments. Pursuant to Section 206(c)(xiv) of the General Resolution, it is hereby determined that the Principal Installments, if any, for the Reimbursement Obligations relating to the Notes shall be Refundable Principal Installments and that the Refundable Principal Installment Pro Forma Interest Rate with respect thereto (determined on a level debt service basis from the Termination Date through 30 years after the Termination Date) is 7% per annum. A schedule showing the Adjusted Debt Service for the Reimbursement Obligations shall be issued by the Authority not later than the 45th day on which any Drawing under a Letter of Credit shall remain unreimbursed.

**SECTION 3.3. Deposits to Funds and Accounts; Application of Proceeds.** Pursuant to Section 206(d) of the General Resolution, the Authority hereby directs that the proceeds of sale of the Notes transmitted by the Issuing and Paying Agent to the Trustee pursuant to Section 6(b) of the Issuing and Paying Agent Agreement shall be deposited to various

accounts and subaccounts as may be directed from time to time by a Certificate of an Authorized Representative, as follows:

- (i) to fund the 2016 Notes Waterworks System Subaccount of the Construction Fund;
- (ii) to fund the 2016 Notes Sewer System Subaccount of the Construction Fund;
- (iii) to fund the 2016 Notes Cost of Issuance Subaccount of the Cost of Issuance Fund;
- (iv) to fund the 2016 Notes Capitalized Interest Subaccount of the Subordinated Debt Service Fund;
- (v) to fund the 2016 Notes Account of the Note Payment Fund; and
- (vi) in the event that proceeds of Notes are being applied to current-refund Secured Bonds of the Authority, to such other Fund or Account as the Authorized Representative may, designate.

Amounts so deposited in the 2016 Notes Waterworks System Subaccount of the Construction Fund, the 2016 Notes Sewer System Subaccount of the Construction Fund and the 2016 Notes Cost of Issuance Subaccount of the Cost of Issuance Fund shall be disbursed pursuant to requisitions submitted by the Authority as provided in Section 7.1 hereof. Amounts so deposited in the 2016 Notes Capitalized Interest Subaccount of the Subordinated Debt Service Fund shall be transmitted to the Issuing and Paying Agent as necessary to reimburse the Bank for the interest portions of drawings under the Letter of Credit to pay interest on maturing Notes, as provided in Section 509 of the General Resolution. Amounts so deposited in the 2016 Notes Account of the Note Payment Fund shall be transmitted to the Issuing and Paying Agent as necessary to reimburse the Bank for the principal portions (and if the Authority shall so designate, the interest portions) of drawings under the Letter of Credit to pay maturing Notes, as provided in Section 520 of the General Resolution.

Notwithstanding the provisions of the fourth sentence of Section 523(b) of the General Resolution, interest and other investment earnings on any moneys or investments in the 2016 Notes Waterworks System Subaccount of the Construction Fund and in the 2016 Notes Sewer System Subaccount of the Construction Fund shall be paid on the last Business Day of each month to the 2016 Notes Capitalized Interest Subaccount of the Subordinated Debt Service Fund, unless the Authority shall have instructed the Trustee in any particular instance to pay such interest or earnings as otherwise provided in said fourth sentence.

#### SECTION 3.4. Non-Certificated Form.

(a) In accordance with Section 303 of the General Resolution, the Authority hereby determines that the Notes shall be issued exclusively in “book-entry” form. The initial owner of the Notes shall be Cede & Co. (“Cede”), on behalf of The Depository Trust Company (“DTC”), which shall hold one immobilized certificate representing the Notes. With respect to the Notes so registered in the name of Cede, the Authority, the Trustee and the Issuing and Paying Agent shall



have no obligation or responsibility to any DTC participant, indirect participant or beneficial owner of the Notes. Without limiting the immediately preceding sentence, the Authority, the Trustee and the Issuing and Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect participant with respect to any beneficial ownership interest in the Notes, (ii) the delivery to any DTC participant, indirect participant, beneficial owner or any other person, other than DTC, of any notice with respect to the Notes or (iii) the payment to any DTC participant, beneficial owner or any other person other than DTC, of any amount with respect to the principal of or interest on the Notes. The Authority and the Issuing and Paying Agent may treat as, and deem DTC to be, the absolute owner of the Notes for the purposes of (i) payment of the principal of and interest on the Notes, (ii) giving notices of redemption and other matters with respect to such Notes and (iii) registering transfers with respect to such Notes, and for all other purposes whatsoever. The Issuing and Paying Agent shall pay all principal of and interest on the Notes only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a Note evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Sixty-Ninth Supplemental Resolution or the General Resolution. Upon delivery by DTC to the Issuing and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Sixty-Ninth Supplemental Resolution shall refer to such new nominee of DTC. All transfers of Notes shall be effected as set forth in Section 306 of the General Resolution; provided that the Authority acknowledges and agrees that DTC shall establish procedures with its participants for recording and transferring the ownership of beneficial interests in the Notes. The Authority and the Issuing and Paying Agent may enter into a letter of representation and other documentation necessary or desirable to effectuate the issuance of the Notes in book-entry form.

(b) For purposes of determining consents of the owners of the Notes under Articles VIII, IX and X and Section 1202 of the General Resolution, the determination of ownership of such Notes shall be made by DTC on the date that notice from the Trustee or the Issuing and Paying Agent requesting such determination is received.

(c) (i) DTC may determine to discontinue providing its services with respect to the Notes at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Notes if the Authority determines, and shall terminate the services of DTC with respect to the Notes upon receipt by the Authority and the Issuing and Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect participants having interests, as shown in the records of DTC, in an aggregate amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Notes, that: (A) DTC is unable to discharge its responsibilities with respect to the Notes; or (B) a continuation of the requirement that all the Outstanding Notes be registered in the registration books kept by the Issuing and Paying Agent in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of the Notes.

(iii) Upon the termination of the services of DTC with respect to the Notes pursuant to Section 3.4(c)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Notes pursuant to Section 3.4(c)(i) or 3.4(c)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Notes shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever names Noteholders transferring or exchanging Notes shall designate, in accordance with the provisions of Article III of the General Resolution.

(iv) The Authority may hereafter amend this Sixty-Ninth Supplemental Resolution without notice to or consent of the owners of any of the Notes in order to (x) effect the certification of Notes pursuant to this Section 3.4, (y) substitute another securities depository for DTC pursuant to this Section 3.4 or (z) prevent the reduction or withdrawal of the rating of the Notes from Standard & Poor's, Moody's Investors Service, Inc. or Fitch IBCA, Inc.

(d) Notwithstanding any other provision of this Sixty-Ninth Supplemental Resolution or the General Resolution to the contrary, so long as any Note is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal and interest on, and all notices with respect to such Notes shall be made and given, respectively, to DTC as provided in the Representation Letter of the Authority and the Issuing and Paying Agent addressed to DTC, the form of which is annexed to the Issuing and Paying Agent Agreement as Exhibit A thereto, with respect to the Notes.

(e) While DTC or its nominee, or any other securities depository, is the registered owner of the Notes all notices of redemption shall be sent for receipt by the registered owner at least two days prior to the date of general publication or release to the public.

#### SECTION 3.5. Pledge of Revenues.

(a) Pursuant to Section 208 of the General Resolution, it is hereby determined to Pledge and the Authority does hereby pledge to the Trustee for the benefit of the holders of the Notes, the Revenues of the Authority for the payment of interest on the Notes subject to the prior pledge thereof created for the payment of Bonds in Section 501(a) of the General Resolution and on a parity with the pledge created for the payment of Subordinated Bonds in Section 501(b) of the General Resolution and Article III of the Sixth Supplemental Resolution. The foregoing pledge of Revenues shall not extend to the payment of the principal of the Notes.

(b) Pursuant to Section 210 of the General Resolution, it is hereby determined to pledge and the Authority does hereby pledge to the Bank the Revenues of the Authority for the payment of both the principal of and interest on the Reimbursement Obligations relating to the Letter of Credit and Notes subject to the prior pledge thereof created for the payment of Bonds in Section 501(a) of the General Resolution and on a parity with the pledge created for the payment of Subordinated Bonds in Section 501(b) of the General Resolution.

(c) The principal of and interest on the Notes and the principal of and interest on the related Reimbursement Obligations constitute general obligations of the Authority, to which its full faith and credit are pledged.

(d) The Authority agrees for the benefit and protection of the registered owners from time to time of the Notes that payments of principal of and interest on the Notes shall be made to the registered owners first from funds drawn under the Letter of Credit; provided, however, that if for any reason insufficient funds are available under the Letter of Credit to make such payments, the Authority shall use funds of the Authority available for such payment to make such payment.

SECTION 3.6. Payment of Interest on Notes. So long as the Letter of Credit shall remain in effect and the aggregate principal amount of Notes Outstanding plus accrued and unpaid interest thereon shall not exceed the Available Amount, no deposits to the 2016 Notes Interest Subaccount of the Subordinated Debt Service Fund shall be required under Section 506(a)(iii) of the General Resolution; provided, however, that such amounts of interest on the Notes (unless paid as Capitalized Interest) nonetheless shall be included in calculating the Required Subordinated Debt Service Fund Deposits for the purposes of Sections 305 and 306 of the Sixth Supplemental Resolution and for the purposes of Sections 2.5(b)(vi), (vii) and (viii) of this Sixty-Ninth Supplemental Resolution.

## ARTICLE IV

### RELATED AGREEMENTS AND DOCUMENTS

SECTION 4.1. Issuing and Paying Agent Agreement. The Authority hereby appoints U.S. Bank, National Association as Issuing and Paying Agent and approves the terms of an Issuing and Paying Agent Agreement with U.S. Bank, National Association in substantially the form attached hereto as Exhibit C and hereby authorizes and directs that the same be executed and delivered by either of the Director of Finance or the Treasurer of the Authority, acting singly, in substantially such form with such changes therein as the Director of Finance or the Treasurer may approve, her or his execution thereof to constitute conclusive evidence of such approval and the approval of such Agreement by the Board of Directors of the Authority. The Authority may remove the Issuing and Paying Agent and the Issuing and Paying Agent may resign and be discharged of the duties and obligations created by this Sixty-Ninth Supplemental Resolution as provided in the Issuing and Paying Agent Agreement. The Director of Finance or the Treasurer shall designate on behalf of the Authority a successor, if the Issuing and Paying Agent is removed, resigns or otherwise becomes ineligible. The Authority shall give written notice of any removal, resignation, ineligibility or appointment of the Issuing and Paying Agent to the Bank and the Dealer.

SECTION 4.2. Dealer Agreement. The Authority hereby appoints Goldman, Sachs & Co. and Morgan Stanley & Co., each acting as Dealer and approves the terms of a Dealer Agreement with each of Goldman, Sachs & Co. and Morgan Stanley & Co. in substantially the forms as attached hereto as Exhibit D and Exhibit E, respectively, and hereby authorizes and directs that the same be executed and delivered by either of the Director of Finance or the Treasurer of the Authority, acting singly, in substantially such form with such changes therein as the Director of Finance or the Treasurer may approve, her or his execution thereof to constitute conclusive evidence of such approval and the approval of such changes by the Board of Directors of the Authority. The Authority may remove the Dealer and the Dealer may resign and be discharged of the duties and obligations created by this Sixty-Ninth Supplemental Resolution as provided in the Dealer Agreement. The Director of Finance or the Treasurer shall designate on behalf of the Authority a successor, if the Dealer is removed, resigns or otherwise becomes ineligible. The Authority shall give written notice of any removal, resignation, ineligibility or appointment of the Dealer to the Bank and the Issuing and Paying Agent.

SECTION 4.3. Letter of Credit and Reimbursement Agreement.

(a) For purposes of providing funds for the payment of the principal of and interest on the Notes when due, the Authority shall cause to be delivered to the Issuing and Paying Agent the Letter of Credit of TD Bank, N.A. in the initial stated amount of \$161,095,891. The Authority hereby appoints TD Bank, N.A. as the Bank issuing the Letter of Credit provided in the preceding sentence and approves the terms of a Letter of Credit and Reimbursement Agreement with such Bank, in substantially the form attached hereto as Exhibit F and hereby authorizes and directs that the same be executed and delivered by either of the Director of Finance or the Treasurer of the Authority, acting singly, in substantially such form with such changes therein as the Director of Finance or the Treasurer may approve, her or his execution thereof to be conclusive evidence of such approval and the Approval of the Board of Directors of the Authority of such changes.

(b) On the maturity date of each Note, the Issuing and Paying Agent shall draw under the Letter of Credit (at such times required therein in order to have funds available on the maturity date) sufficient funds to pay the principal of and interest on such Note due on such date. If funds drawn under such Letter of Credit are insufficient to meet all the purposes for which such funds are to be drawn and applied on such date, such funds as are available shall be applied as follows:

FIRST: to the payment of interest on the Notes due on such date and, if the amount available shall not be sufficient to pay in full all such interest, then to the payment ratably, according to the amount of interest due on each Note, without any discrimination or preference; and SECOND: to the payment of principal of the Notes due on such date and, if the amount available shall not be sufficient to pay in full all such principal, then to the payment thereof ratably, according to the amounts of principal due on each Note, without any discrimination or preference.

All funds drawn under the Letter of Credit shall be held at all times separate from funds of the Authority in trust by the Issuing and Paying Agent for the benefit of the registered owners of the Notes secured thereby, to be applied solely in accordance with the purposes for which such amounts are drawn as provided above. All such funds shall be held in cash and uninvested.

(c) All amounts drawn under each Letter of Credit shall be reimbursed to the Bank by the Authority in immediately available funds immediately following the payment by the Bank of such draw. To the extent the Authority fails to reimburse the Bank the amount of any draw on the date of such draw, the Authority shall pay to the Bank the amount of such draw with interest thereon in the manner and at the times provided in the form of Bank Note issued pursuant to the Letter of Credit and Reimbursement Agreement.

(d) Provision for reinstatement of certain amounts drawn under the Letter of Credit is made in the Letter of Credit under terms and conditions set forth therein.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

The Authority represents, warrants and agrees as follows:

SECTION 5.1. Corporate Existence. The Authority is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, duly organized and validly existing pursuant to the Act.

SECTION 5.2. Corporate Authority. The Authority has full legal right, power and authority to (i) adopt this Sixty-Ninth Supplemental Resolution, (ii) enter into the Issuing and Paying Agent Agreement, the Dealer Agreement and the Letter of Credit and Reimbursement Agreement (such Agreements being hereinafter collectively referred to as the “Related Agreements”), (iii) sell, issue and deliver the Notes as provided herein and (iv) carry out and consummate all other transactions contemplated by this Sixty-Ninth Supplemental Resolution and the Related Agreements.

SECTION 5.3. Due Authorization and Approval of the Supplemental Resolution, Notes and Related Agreements. By all necessary official action prior to or concurrently herewith, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations arising from, the Notes, this Sixty-Ninth Supplemental Resolution and the Related Agreements and the consummation by it of all other transactions contemplated by this Sixty-Ninth Supplemental Resolution and the Related Agreements in connection with the issuance of the Notes, and such authorizations and approvals are in full force and effect and have not been amended, modified or supplemented in any material respect.

SECTION 5.4. Supplemental Resolution and Related Agreements to Constitute Legal, Valid and Binding Obligations of the Authority. This Sixty-Ninth Supplemental Resolution constitutes, and the Related Agreements, when executed and delivered, will constitute, the legal, valid and binding obligations of the Authority.

SECTION 5.5. Notes to Constitute Legal, Valid and Binding Obligations of the Authority. The Notes, when issued and authenticated in accordance with Sections 2.2, 2.4 and 2.5 hereof will constitute the legal, valid and binding obligations of the Authority.

SECTION 5.6. No Litigation. To the best knowledge of the Authority, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, is pending or threatened against the Authority affecting the corporate existence of the Authority or the titles of its Authorized Representatives to their respective offices or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Notes or contests or affects the powers of the Authority with respect to or the validity or enforceability of, or any authority for, the issuance and sale of the Notes, the adoption of this Sixty-Ninth Supplemental Resolution or the execution and delivery by the Authority of the Related Agreements.

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

SECTION 6.1. Amount of Notes Outstanding. The Authority covenants that at no time will it have Notes Outstanding such that (i) the aggregate principal amount of such Notes Outstanding (including Notes no longer considered Outstanding pursuant to clause (iii) of the definition of Outstanding contained herein) exceeds the Principal Portion under the Letter of Credit or (ii) the aggregate interest payable on such Notes exceeds the Interest Portion under the Letter of Credit.

SECTION 6.2. Exemption of the Notes from Taxation. The Authority covenants to take all lawful action, including all action necessary under the Code, including the payment of required rebates, to ensure that interest on the Notes will remain excludable from gross income for federal income tax purposes and exempt from Massachusetts personal income taxes and to refrain from taking any action that will cause interest on the Notes to become includable in gross income or subject to such Massachusetts personal income taxes. The Authority represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

SECTION 6.3. Use of Note Proceeds: Restrictions on Amendments. The Authority covenants that none of the proceeds of the Notes will be used for any purpose other than as provided in this Sixty-Ninth Supplemental Resolution and that the Authority shall not suffer any amendment or supplement to this Sixty-Ninth Supplemental Resolution, or any departure from the due performance of the obligations of the Authority hereunder, which might materially adversely affect the rights of the holders from time to time of the Notes.

SECTION 6.4. Maintenance of Letter of Credit. The Authority covenants that, as long as any Notes are Outstanding, it will not agree to or acquiesce in (i) any reduction of the Amount Available under the Letter of Credit such that the Authority is not in compliance with the covenant contained in Section 6.1 hereof or (ii) any termination of the Letter of Credit prior to the maturity of the Notes. The Authority covenants that it will not replace the Letter of Credit with a substitute letter of credit unless and until (a) all Notes then outstanding shall be paid in full on or prior to the date of such substitution and (b) each of the Rating Agencies issuing a rating with respect to the Notes shall confirm, reissue or terminate such rating. All notices of such substitution shall be provided to each Owner of the Notes and to each such Rating Agency as stated in Section 7.3 hereof.

SECTION 6.5. Reaffirmation of Covenants. The Authority covenants and agrees that, upon each sale, authentication and delivery of Notes, the covenants hereinabove set forth shall be deemed to have been reaffirmed by the Authority, and shall have been fully complied with, on and as of the date thereof, as if made on such date.

SECTION 6.6. Defeasance. In the event of the defeasance of any of the Notes, the Authority shall obtain prior written confirmation of the rating on the Notes in connection with such defeasance from each Rating Agency then rating the Notes.

## ARTICLE VII

### MISCELLANEOUS

SECTION 7.1. Forms of Requisitions. Requisitions for disbursements pursuant to Section 503 of the General Resolution from the 2016 Notes Waterworks System Subaccount of the Construction Fund and the 2016 Notes Sewer System Subaccount of the Construction Fund established pursuant to this Sixty-Ninth Supplemental Resolution shall be in substantially the form attached hereto as Exhibit G-1 and requisitions for disbursements pursuant to Section 504 of the General Resolution from the 2016 Notes Cost of Issuance Subaccount of the Cost of Issuance Fund established pursuant to this Sixty-Ninth Supplemental Resolution shall be in substantially the form attached hereto as Exhibit G-2.

SECTION 7.2. Effective Date. This Sixty-Ninth Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by any of the Executive Director, Director of Finance or Treasurer of the Authority, acting singly, with such changes and insertions as may be approved by such officer, the filing of such certified copy to be conclusive evidence of approval in accordance with the Issuance Resolution.

SECTION 7.3. Certain Notices. Notice of the expiration, termination or extension of the Letter of Credit, the issuance of any substitute for the Letter of Credit, the termination of the program under which the Authority is issuing the Notes, or the defeasance of any of the Notes hereunder, shall be sent to each Owner of the Notes and to each of the Rating Agencies issuing a rating with respect to the Notes. The Authority shall also provide each Rating Agency issuing a rating with respect to the Notes a copy of any amendment of this Sixty-Ninth Supplemental Resolution, the Letter of Credit, the Reimbursement Agreement, the Dealer Agreement or the Issuing and Paying Agent Agreement and shall also provide each such Rating Agency with notice of change in Dealer, Issuing and Paying Agent, Trustee or of any successor thereto. All notices to be given to a Rating Agency hereunder shall be sent in writing and may be sent to the mailing address or email address set forth below, or to such other address as is hereafter provided by such Rating Agency:

Fitch Ratings Inc.  
Public Finance  
33 Whitehall Street  
New York, New York 10004

Moody's Investors Service  
7 World Trade Center  
250 Greenwich Street  
New York, NY 10007

Standard & Poor's Ratings Services  
55 Water Street, 41st Fl.  
New York, NY 10041-0003  
Attn: Structured Finance LOC Surveillance Group  
[pubfin\\_structured@standardandpoors.com](mailto:pubfin_structured@standardandpoors.com)

SECTION 7.4. Voting Rights. Notwithstanding anything to the contrary in the General Resolution, the Sixty-Ninth Supplemental Resolution or any other Related Agreement, so long as the Letter of Credit is in effect and the Bank has not failed to honor a properly presented draw or is not otherwise in default thereunder, the Bank shall be entitled to exercise all rights of the Owners of the Notes under the General Resolution, the Sixty-Ninth Supplemental Resolution or any other Related Agreement to



consent or vote with respect to any amendment or waiver of any provision of the General Resolution, the Sixty-Ninth Supplemental Resolution or any other Related Agreement, except that without the consent of each Note Owner affected thereby there shall be no extension of the stated maturity of any Note or the time for payment of principal thereof or interest thereon and no reduction in the principal amount of any Note or the rate of interest thereon.

**FORM OF NOTE**

**THE COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS WATER RESOURCES AUTHORITY  
TAX-EXEMPT COMMERCIAL PAPER NOTE, SERIES 2016**

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

The Massachusetts Water Resources Authority (herein called the “Authority”), a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, for value received, promises to pay to the Registered Owner or Bearer of this Note or registered assigns on the Date of Maturity the Principal Sum hereof, together with interest thereon calculated on the basis of the actual number of days and a 365/366 day year from the Date of Issue to the Date of Maturity at the Interest Rate Per Annum, both principal and interest being payable in immediately available funds at the corporate trust office of the Issuing and Paying Agent or its successor as follows:

Principal Sum:	Registered Owner/Bearer:
Interest Rate Per Annum:	Date of Issue:
Issuing and Paying Agent:	Date of Maturity:

This Note is a direct and general obligation of the Authority and is one of an issue of Tax-exempt Commercial Paper Notes, Series 2016 of the Authority (herein called the “Notes”) issued pursuant to Chapter 372 of the Acts of 1984 of The Commonwealth of Massachusetts, as amended (herein called the “Act”), and the Amended and Restated General Revenue Bond Resolution of the Authority dated April 23, 2015, together with all amendments and supplements thereto (herein called the “General Resolution”) and the Sixty-Ninth Supplemental Resolution adopted by the Authority on October 14, 2015 (the “Supplemental Resolution” and together with the General Resolution, the “Resolution”), to finance capital costs of the Authority. Copies of the Resolution and the Act are on file at the office of the Authority and reference to the Resolution and to the Act is made for a description of the terms and conditions upon which the Notes are issued and may be issued thereunder. All terms which are defined in the Resolution shall have the same meanings in this Note as such terms are given in the Resolution.

This Note is transferable by the Registered Owner or, if registered to Bearer, the Bearer, in person or by its attorney duly authorized in writing, at the corporate trust office of the Issuing and Paying Agent upon surrender of this Note to the Issuing and Paying Agent for cancellation. Upon the transfer, a new Note of the same aggregate Principal Sum, Date of Maturity and Interest Rate Per Annum will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. Transfers will be without expense to the Registered Owner or Bearer except for applicable taxes or other governmental charges, if any.

The Authority and the Issuing and Paying Agent may treat the Registered Owner or, if registered to Bearer, the Bearer as the absolute owner of this Note for all purposes, notwithstanding any notice to the contrary.

This Note is not subject to redemption by the Authority prior to maturity.

As additional security for the payment of principal of and interest on the Notes when due, the Authority has caused to be delivered to the Issuing and Paying Agent a Letter of Credit (together with any extensions and renewals thereof, herein called the "Letter of Credit") of TD Bank, N.A. (the "Bank"). The Letter of Credit expires on the earlier of April 12, 2019, which date is subject to annual extension by the mutual agreement of the Authority and the Bank, or the date on which the Letter of Credit is canceled by notice from the Authority and the Issuing and Paying Agent to the Bank. The Letter of Credit is issued pursuant to the Letter of Credit and Reimbursement Agreement dated as of April 12, 2016 by and between the Authority and the Bank (herein called the "Letter of Credit and Reimbursement Agreement").

The Resolution provides that the Issuing and Paying Agent shall draw under the Letter of Credit on each day principal of or interest on a Note is due the amounts necessary to pay the principal of and interest on the Note due on such date.

Certain provisions concerning the rights and duties of the Bank and the Authority with respect to the Letter of Credit are contained in the Letter of Credit, the Letter of Credit and Reimbursement Agreement and the Resolution, copies of which are on file with the Authority.

It is hereby certified and recited that every requirement of law relating to the issue of this Note has been duly complied with and that this Note is within every applicable debt or other limit. This Note will not be valid until countersigned by the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Massachusetts Water Resources Authority has caused this Note to be executed in its name by its duly authorized officer as of the date of issue specified above.

MASSACHUSETTS WATER RESOURCES  
AUTHORITY

(Seal)

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

COUNTERSIGNED FOR AUTHENTICATION  
ONLY:

U.S. BANK, NATIONAL ASSOCIATION,  
as Issuing and Paying Agent

By: \_\_\_\_\_  
Authorized Signature

[Date of Initial Issuance of Notes]

MASSACHUSETTS WATER RESOURCES AUTHORITY  
Boston, Massachusetts

Re: \$150,000,000 Massachusetts Water Resources Authority (the "Authority")  
Tax-Exempt Commercial Paper Notes, Series 2016 (the "Notes")

Ladies and Gentlemen:

We are acting as Bond Counsel in connection with the issuance from time to time of the Notes in a principal amount outstanding at any time not to exceed \$150,000,000. In that capacity, we have examined the provisions of Chapter 372 of the Acts of 1984 of The Commonwealth of Massachusetts, as amended (the "Act"), the Amended and Restated General Revenue Bond Resolution of the Authority dated April 23, 2015 (the "General Resolution") and the Sixty-Ninth Supplemental Resolution adopted by the Authority on October 14, 2015 (the "Sixty-Ninth Supplemental Resolution" and together with the General Resolution, the "Resolution"), and we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of such records of the Authority, certificates of officers of the Authority and other documents and instruments, and have made such other investigation of facts and examination of Massachusetts and federal law, as we have deemed necessary or proper for the purpose of rendering this opinion. We also have examined a record of proceedings relating to the authorization, sale, issuance and delivery of the Notes and a copy of Note No. 1 as executed. Capitalized terms used herein shall, unless otherwise specified, have the meaning set forth in the Resolution.

The Notes are being issued by means of a book-entry system, with certificates immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public, evidencing ownership of the Notes in minimum denominations of \$100,000 or in larger amounts in integral multiples of \$1,000, with transfers of beneficial ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants.

In connection with the issuance of the Notes and in order to secure the payment when due of principal and interest thereon, an irrevocable Letter of Credit (the "Letter of Credit") is being Issued for the account of the Authority by TD Bank, N.A. (the "Letter of Credit Bank") in favor of U.S. Bank, National Association, as Issuing and Paying Agent under the Sixty-Ninth Supplemental Resolution. The Letter of Credit is being issued pursuant to a Letter of Credit and Reimbursement Agreement dated as of April 12, 2016 between the Authority and the Letter of Credit Bank (the "Reimbursement Agreement"). The Letter of Credit expires at the close of business on April 12, 2019 (the "Letter of Credit Termination Date"), which date may be extended under certain circumstances to subsequent anniversaries of the initial expiration date as

provided in the Letter of Credit. In addition, the Letter of Credit is subject to termination prior to the Letter of Credit Termination Date under certain circumstances.

Based upon our examination, we are of the following opinion:

(a) The Authority is duly organized and validly existing under the Act as a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, with the right and power under the Act to adopt the Resolution, perform the agreements on its part contained therein and issue the Notes.

(b) When issued in a duly authorized form, executed by an authorized officer of the Authority, countersigned by the Issuing and Paying Agent and delivered to and paid for by the purchasers thereof, all in accordance with the Resolution, the Notes will constitute legal, valid and binding general obligations of the Authority, enforceable in accordance with their terms and entitled to the benefits and security of the Resolution, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

(c) Interest on the Notes is secured by a subordinated pledge of the Revenues received by or for the account of the Authority and moneys on deposit in the funds and accounts pledged as security therefor under the Resolution, and the Resolution creates the valid subordinated pledge and lien which it purports to create for the benefit of the holders of the Notes, subject to the application of such pledged Revenues and moneys to the purposes and on the conditions permitted by the Resolution.

(d) The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is a valid and binding agreement of the Authority enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights heretofore or hereafter enacted and to general equity principles.

(e) Under existing law, interest on the Notes, except as hereinafter described, is excluded from the gross income of holders of the Notes for federal income tax purposes. In addition, interest on the Notes is not an item of tax preference for purposes of computing the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"). However, interest on the Notes is taken into account in determining the "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the immediately preceding sentences in this paragraph are subject to the condition that the Authority comply with the requirements of the Code that must be satisfied subsequent to the date hereof in order that the interest thereon be, or Continue to be, excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with these requirements. Failure to comply with these requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. We express no opinion regarding any other federal tax consequence resulting from holding the Notes.

(f) The Notes, their transfer and the income therefrom, including any profit made on the sale thereof, are exempt from taxes imposed by existing Massachusetts laws, although the

Notes and the interest thereon may be included in the measure of estate and inheritance taxes and of certain corporation excise and franchise taxes. We express no opinion as to the taxability of the Notes, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of states other than Massachusetts.

This opinion may be relied upon in connection with Notes issued after the date hereof only to the extent that (i) there is no change in existing statutes, regulations and judicial decisions relevant to the conclusions of law stated in this opinion and (ii) the representations, warranties, covenants and agreements contained in the Resolution and certificates, including the certificate as to federal tax matters, dated as of the date of this opinion and executed and delivered by authorized officers of the Authority (and any supplements and additions thereto) remain true and accurate and are complied with by the Authority.

Very truly yours,

McCarter & English, LLP

**FORM OF MASTER CERTIFICATE**

MASTER CERTIFICATE  
OF THE  
MASSACHUSETTS WATER RESOURCES AUTHORITY

I, the undersigned Treasurer of the Massachusetts Water Resources Authority (the “Authority”), hereby certify and covenant on behalf of the Authority as follows in connection with the issuance of the Authority’s Tax-Exempt Commercial Paper Notes, Series 2016 (the “Notes”) and the exclusion of the interest thereon from gross income for federal income tax purposes under the Code.

I. AUTHORITY FOR THE NOTES.

A. Authorization. The Notes are being issued pursuant to the Amended and Restated General Revenue Bond Resolution of the Authority dated April 23, 2015 (the “General Resolution” and the Sixty-Ninth Supplemental Resolution adopted by the Authority on October 14, 2015 (the “Supplemental Resolution”, and together with the General Resolution, the “Resolution”), which General Resolution and Supplemental Resolution have not been rescinded or amended in any respect having an adverse effect on the issuance of the Notes.

B. Debt and Maturity. The aggregate principal amount of Notes issued and outstanding pursuant to the Supplemental Resolution, plus Notes no longer considered outstanding pursuant to clause (iii) of the definition of Outstanding contained in the Supplemental Resolution, will at no time exceed \$150,000,000, and the aggregate principal amount of such Notes Outstanding and bonds of the Authority outstanding (excluding refunded bonds) will at no time exceed \$6,450,000,000 or the applicable statutory debt limit.

C. Bylaws. There has been no change in the Bylaws of the Authority as in effect on October 14, 2015 which could affect the issuance of the Notes or the proceedings authorizing them.

D. No Litigation. To the best of my knowledge, no litigation is pending or threatened that affects the validity of or security for the Notes.

II. COMMERCIAL PAPER PROGRAM. The Notes have a maturity of 270 days or less and are being issued as part of a commercial paper program (the “Program”) established pursuant to a single master legal document.

A. Single Issue. For tax purposes, unless otherwise designated in accordance with Section II.B., all Notes issued within 18 months of the date hereof are part of the Program and will be treated as a single issue for tax purposes. In addition, Notes issued to refund commercial paper that is part of the Program shall be considered part of the same issue for tax purposes.

B. Designation of New Programs. The Authority may designate Notes issued pursuant to the Resolution as part of a new commercial paper program (the “New Program”), and



the provisions of this Certificate, as from time to time amended, shall apply to the New Program. Notes that are designated by the Authority as part of a New Program shall be treated as a separate issue for tax purposes, and shall be identified in the records of the Authority. The covenants, agreements and representations made by the Authority in this Certificate, as amended, shall apply to subsequent Notes issued as part of a New Program under the Resolution.

C. Issue Date. The deemed issue date of the Notes is the first date on which the aggregate amount of commercial paper issued under the Program exceeds the lesser of \$50,000 or 5% of the aggregate issue price of the commercial paper in the Program (the “Issue Date”), unless the Authority designates the Notes as part of a New Program under the Resolution. (The deemed issue date of the Notes under the New Program is the first date on which the aggregate amount of commercial paper issued under the New Program exceeds the lesser of \$50,000 or 5% of the aggregate issue price of the commercial paper in the New Program.)

D. Expected Economic Life of Facilities. The term of the Program does not exceed thirty years, which represents less than 120% of the weighted average expected economic life of the facilities to be shown on Schedule A to be financed by the Notes.

### III. PURPOSE OF THE CERTIFICATION.

The purpose of this certificate is to set forth the facts, estimates and circumstances in existence on the Issue Date (as defined herein in Section II.C.) that form the basis for determining that the Notes do not constitute (1) “arbitrage bonds” under Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or (2) “private activity bonds” under Code §141, and with respect to certain other tax-exempt obligation compliance matters under the Code. The Authority acknowledges and agrees that McCarter & English, LLP, bond counsel to the Authority (“Bond Counsel”), shall rely on this certificate as in effect from time to time in connection with rendering its opinion that interest on the Notes is excludable from income of the holders thereof for federal income tax purposes.

### IV. SOURCES AND USE OF PROCEEDS.

A. The Notes. The Notes will be issued as of the dates, sold in the amounts and at the prices, bear interest at the rates and mature on the dates set forth in Schedule B. Notes that are designated by the Authority as part of a New Program shall be issued as of the dates, sold in the amounts and at the prices, bear interest at the rates and mature on the dates set forth in the records of the Authority.

B. Purpose. The Notes will be issued for one or more of the following purposes: (i) to finance facilities (each, a “Project” and collectively, the “Projects”) relating to the “Waterworks System” and “Sewer System” (collectively, the “System”) as those terms are defined in Chapter 372 of the Acts of 1984 of The Commonwealth of Massachusetts, as amended; (ii) to refund Notes when due (the “Refunded Notes”); (iii) to refund Bond Anticipation Notes (the “Refunded BANs”) of the Authority originally issued as described in the tax certificate executed in connection with the original issuance of the Refunded BANs (together, the Refunded Notes and the Refunded BANs are referred to as the “Prior Notes”); (iv) to provide for Capitalized Interest on the Notes; and (v) to pay costs of issuance of the Notes. Schedule A contains a description of the Projects to be financed by the Notes. The Authority maintains a

roster of other similar projects, one or more of which may be substituted as Projects for one or more of the projects listed in Schedule A in the event that such other project or projects require earlier financing, provided that such substitution shall not adversely affect the status of the Notes for purposes of federal income taxation.

C. No Federal Guarantee. Except as permitted under Code §149(b), the payment of principal or interest with respect to the Notes will not be guaranteed, in whole or in part, directly or indirectly, by the United States or any agency or instrumentality thereof; nor will any of the proceeds of the Notes (i) be used in making loans the principal or interest of which is so guaranteed or (ii) be invested directly or indirectly in federally insured deposits or accounts.

V. NO ARBITRAGE CERTIFICATION.

A. Application of Proceeds.

1. Construction Fund. The proceeds of the Notes to be applied to the costs of the Projects will be deposited into the Construction Fund. In particular, the Supplemental Resolution establishes within the Construction Fund a 2016 Notes Waterworks System Subaccount and a 2016 Notes Sewer System Subaccount. The Subaccounts, including earnings thereon transferred thereto from other Accounts, will be used to pay costs of the Projects. The principal amount borrowed for the Projects is not expected to exceed the amount needed for the Projects after taking into account all other available funds, including anticipated earnings on the Notes.

- (a) The Authority expects to expend at least 85% of the net sale proceeds of the Notes for purposes of the Projects within three years of the Issue Date.
- (b) A substantial binding commitment to third parties to expend at least 5% of the net sale proceeds of the Notes has been or will be entered into within six months from the Issue Date.
- (c) The Authority reasonably expects that the completion of the Projects and the allocation of net sale proceeds of the issue to expenditures will proceed with due diligence.

The expected spending schedule or schedules will be set forth in Schedule B. Although pledged as security for interest on the Notes, the Construction Fund is not expected to be used to pay debt service on the Notes, nor is there any reasonable assurance that any such funds will be available to pay debt service on the Notes in the event the Authority encounters financial difficulties (it being noted that certain amounts in the Construction Fund will from time to time be transferred to the 2016 Notes Capitalized Interest Subaccount of the Subordinated Debt Service Fund to pay capitalized interest on the Notes, which capitalized interest constitutes Costs of the Project); accordingly, proceeds in the Construction Fund may be invested without regard to yield; provided, however, that amounts that remain unexpended after three years from the Issue Date will be invested either in (a) tax-exempt obligations that are not subject to the alternative minimum tax and thus do not constitute “investment property” (within the meaning of

Code §148) or (b) nonpurpose investments with a yield that does not exceed the yield on the Notes.

2. Investment Earnings. Prior to completion of the Projects, earnings on the investment of proceeds in the Construction Fund, including amounts derived from the investment of such earnings, will be retained in the Construction Fund and used to pay the costs of the Projects within one year from the date of receipt. Accordingly, such investment proceeds may be invested without regard to yield.

3. Cost of Issuance Fund. The proceeds of Notes to be applied to costs of issuance will be deposited into the 2016 Notes Cost of Issuance Subaccount of the Cost of Issuance Fund. Such proceeds will be used, with the earnings thereon, to pay costs of issuing the Notes. Any amounts thereafter remaining after expenditure for such purpose will be transferred to the Construction Fund and used to pay Costs of the Projects.

4. Subordinated Debt Service Fund. The proceeds of the Notes that are to be used to finance capitalized interest during the construction period will be deposited into the 2016 Notes Capitalized Interest Subaccount of the Subordinated Debt Service Fund. Such proceeds will be applied to the next payment on the Notes where proceeds are set aside for such purpose, but in no event later than three years from the date hereof.

5. Note Payment Fund. Proceeds of the Notes that are to be applied to refund directly any Refunded Notes will be deposited into the 2016 Note Payment Account of the Note Payment Fund and expended within 30 days of the date thereof. Any Refunded Notes being indirectly refunded by the Notes will have already been retired.

6. Bona Fide Debt Service Fund. The Supplemental Resolution establishes a 2016 Notes Interest Subaccount under the Subordinated Debt Service Fund (the “Subordinated Debt Service Fund”), which may be used to pay interest on the Notes or the Prior Notes, as the case may be. The Subordinated Debt Service Fund is established primarily to achieve a proper matching of revenues and debt service on the Prior Notes within each Bond Year, and is expected to be depleted at least once each year, except for a reasonable carryover amount not to exceed the greater of the earnings for the immediately preceding Bond Year or one-twelfth of the debt service on the Notes for the immediately preceding Bond Year. The Subordinated Debt Service Fund constitutes a “bona fide debt service fund” as defined in applicable Treasury Regulations. To the extent that the Subordinated Debt Service Fund is funded with revenues deposited from the Revenue Fund, it is expected that such amounts will be expended within 13 months from the date of receipt. It is expected that earnings, including earnings transferred from other Funds or Accounts, will be expended within one year from the date of original receipt in such other Funds or Accounts.

7. No Overissuance. The proceeds of the Notes will not exceed the amount necessary to carry out the purposes for which the Notes are being issued, after taking into account all other available funds, including anticipated earnings from the investment of Note proceeds. No sale proceeds (as such term is defined in Treas. Reg. §1.148-1) of the

Notes will be used to pay, refund, retire or replace any governmental obligations previously issued, except as otherwise specified in this certificate.

B. Refunded Notes.

1. Purposes of Prior Notes. Any Refunded Notes being refunded directly or indirectly by the Notes were issued for the purposes set forth in their respective original tax certificates or no arbitrage certifications (the “Refunded Notes Tax Certificates”) executed in connection with the respective Refunded Notes. The facts and representations contained in the Refunded Notes Tax Certificates are true and correct as of the date hereof and are incorporated herein by reference.

2. Investment Earnings. Any earnings (including profit) from investment or deposit of proceeds of Prior Notes, including earnings on such earnings, have been or are expected to be used to pay interest on Refunded Notes within 30 days from their receipt.

C. Letter of Credit. The Notes are secured by an irrevocable letter of credit (the “Letter of Credit”) issued by TD Bank, N.A. (the “Bank”). The Letter of Credit is intended to constitute a “qualified guarantee” under Treas. Reg. §1.148-4(f). In that regard, Goldman, Sachs & Co. and Morgan Stanley & Co., each a dealer in connection with the Notes, have each certified that (1) the value of payments made or to be made with respect to the Letter of Credit (using the initial yield on the Notes as the discount rate) is less than the present value of the interest to be saved as a result of the Letter of Credit and (2) the fee paid for the Letter of Credit does not exceed a reasonable arm’s length charge for the transfer of credit risk. Accordingly, for purposes of calculating yield on the Notes, the amount paid in connection with the qualified guarantee is treated as interest on the Notes.

D. Compliance with Rebate Requirements.

1. The Authority will at all times comply with, or cause compliance with, the rebate requirements of the Code and the regulations thereunder (the “Regulations”) and will undertake to invest the “gross proceeds” (as defined in the Regulations) of the Notes and maintain an accounting of the expenditures thereof in such manner as to ensure such compliance.

2. The Authority does not expect to owe any rebate to the United States under Code §148(f), because it expects to comply with the two-year spending exception to rebate contained in Treas. Reg. §1.148-7(e). In this regard, at least 75% of the Available Construction Proceeds (as defined below) are to be used to pay costs of construction, reconstruction or rehabilitation of property owned by the Authority. “Available Construction Proceeds” means the proceeds of the sale of each issue of Notes and all earnings thereon (including earnings on earnings). If the expenditure of the Available Construction Proceeds equals or exceeds the minimum percentages at the end of each period (measured from the Issue Date) as set forth below (except for reasonable retainage not exceeding 5% of the Available Construction Proceeds, which is expected to be spent within 36 months from the Issue Date), the Authority will not be required to pay any rebate described below with respect to the Available Construction Proceeds:

<u>Period</u>	<u>Minimum Percentage</u>
6 months	10%
12 months	45
18 months	75
24 months	100

The Authority hereby elects to apply actual facts to determine compliance with the rebate requirements. With respect to the Subordinated Debt Service Fund, the Authority does not expect to owe any rebate under Code §148(f), because the gross earnings on the Subordinated Debt Service Fund for any bond year is not expected to exceed \$100,000 and therefore the exception to rebate set forth in Code §148(f)(4)(A) will apply. The Authority does not, and does not expect to, maintain any debt service reserve fund with respect to the Notes.

E. Investment of Proceeds. All investments of proceeds shall comply to the extent applicable with provisions of the Code and Regulations relating to the acquisition of investments at fair market value or on an arm’s length basis.

F. No Sale of Projects. The Authority owns or will own the facilities financed by the Notes and does not expect to sell or otherwise dispose of such facilities, except in the case of facilities which become obsolete or unnecessary, in which case sale proceeds will be used to provide additional facilities relating to the System or used to redeem Notes.

G. No Sinking Fund. The Authority has not established and does not expect to establish any sinking fund, debt service fund, redemption fund, reserve fund, replacement fund or similar fund to be used or reasonably expected to be available to pay debt service on the Notes other than the Funds and Accounts described herein.

H. No Replacement Proceeds. The Authority has not received and does not expect to receive any gifts, grants or bequests for the Projects. No portion of the proceeds of the Notes will be used as a substitute for any fund which was otherwise intended to be used to acquire, construct or refinance the Projects.

I. No Reimbursements. No reimbursement of amounts previously expended by the Authority will be made from proceeds of the Notes except with respect to amounts advanced pursuant to Treas. Reg. §1.150-2.

J. No Guaranteed Investment Contract. None of the sale proceeds of the Notes has been or will be invested in investments having a substantially guaranteed yield for four years or more.

K. Reasonable Expectations: Intentional Acts. To the best of my knowledge, information and belief, the above expectations are reasonable. The Authority will not intentionally take any action that would cause, or intentionally omit to take any action if that omission would cause, the Notes to be “arbitrage bonds” within the meaning of Code §148.

VI. NO PRIVATE ACTIVITY.

A. Notes Not Private Activity Bonds. The proceeds of the Notes will not be used in a manner such that the Notes would be “private activity bonds” within the meaning of Code §141(a).

B. No Private Loans. None of the gross proceeds of the Notes are to be used directly or indirectly to make or finance loans to persons other than governmental units, except for investment of unexpended proceeds of the Notes for an initial temporary period until the Proceeds are needed for the facilities being financed by the Notes.

VII. OTHER TAX MATTERS: COVENANT AS TO TAX-EXEMPT STATUS OF NOTES.

A. Form 8038-G. The Authority will cause to be filed within the applicable filing period a Form 8038-G with respect to the Notes.

B. Covenant. The Authority will take all other lawful action necessary under the Internal Revenue Code to ensure that interest on the Notes will remain excludable from gross income for federal income tax purposes and will refrain from taking any action that would cause interest on the Notes to become includable in gross income.

C. No Volume Cap Required. The Authority is not required to obtain volume cap under Code §146 with respect to the Notes.

VIII. Changes in Certifications or Statements.

Changes in and supplements to the matters stated herein (including the Schedule attached hereto) may be made by attachment to this Certificate. No such changes or supplements shall be made, however, without obtaining the written approval thereto of Bond Counsel, which approval shall state that the changes shall be deemed to be part, of the Master Certificate referred to in such Bond Counsel’s opinion dated on the date hereof relating to the Notes as if initially set forth herein.

[The remainder of this page is intentionally left blank.]

The undersigned officer is charged by law and the authorized proceedings with responsibility for the issue of the Notes.

MASSACHUSETTS WATER RESOURCES  
AUTHORITY

By: \_\_\_\_\_  
Matthew R. Horan, Treasurer

Dated:     , 2016

**SCHEDULE A**

Project

Status

Expected Life

to be supplied

Notwithstanding the foregoing, if and to the extent that other projects of the Authority become ready for expenditure and their cash flow needs precede cash flow needs of the projects listed above, proceeds of the Notes may be expended therefor (to the extent lawfully available therefor) so that additional borrowing can be deferred for a longer period than would otherwise be required.



**SCHEDULE B**

**NOTES**

Issue Date

Amount Sold

Price

Interest Rate

Maturity Date

**EXHIBIT C**

**FORM OF ISSUING AND PAYING AGENT AGREEMENT**

[Separately furnished]

**EXHIBIT D**

**FORM OF DEALER AGREEMENT (GOLDMAN)**

[Separately furnished]

**EXHIBIT E**

**FORM OF DEAL AGREEMENT (MORGAN STANLEY)**

[Separately furnished]

**FORM OF LETTER OF CREDIT AND  
REIMBURSEMENT AGREEMENT**

[Separately furnished]

**2016 NOTES**

**FORM OF DISBURSEMENT REQUEST (CONSTRUCTION FUND)**

MASSACHUSETTS WATER RESOURCES AUTHORITY  
100 FIRST AVENUE  
CHARLESTOWN NAVY YARD  
BOSTON, MA 02129

TREASURY DEPARTMENT

(617) 242-6000

EXT. 2211 OR 2212

TRUSTEE  
WIRE INSTRUCTIONS

NO.

Date of Call \_\_\_\_\_

Authorized Representative at MWRA \_\_\_\_\_

Signature \_\_\_\_\_

U.S. Bank National Association Representative \_\_\_\_\_

Cash Date \_\_\_\_\_ Book Date \_\_\_\_\_

WIRE FROM:

<u>Account #</u>	<u>Account Name</u>	<u>Bank Name</u>	<u>Amount</u>
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WIRE TO:

<u>Account #</u>	<u>Account Name</u>	<u>Bank Name</u>	<u>Amount</u>
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COMMENT:

**2016 NOTES**

**FORM OF DISBURSEMENT REQUEST (COST OF ISSUANCE FUND)**

MASSACHUSETTS WATER RESOURCES AUTHORITY  
100 FIRST AVENUE  
CHARLESTOWN NAVY YARD  
BOSTON, MA 02129

TREASURY DEPARTMENT (617) 242-6000 EXT. 2211 OR 2212

**TRUSTEE  
WIRE INSTRUCTIONS**

NO.

Date of Call \_\_\_\_\_

Authorized Representative at MWRA \_\_\_\_\_

Signature \_\_\_\_\_

U.S. Bank National Association Representative \_\_\_\_\_

Cash Date \_\_\_\_\_ Book Date \_\_\_\_\_

**WIRE FROM:**

<u>Account #</u>	<u>Account Name</u>	<u>Bank Name</u>	<u>Amount</u>
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**WIRE TO:**

<u>Account #</u>	<u>Account Name</u>	<u>Bank Name</u>	<u>Amount</u>
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**COMMENT:**