

\$20,000,000
MASSACHUSETTS HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Variable Rate Demand Revenue Bonds,
University of Massachusetts Issue, Series A

Price: 100% Long-Term Rate: 1.85% Mandatory Tender Date: April 1, 2022 CUSIP No. 57586EGS4 Due: November 1, 2030

The Series A Bonds are being remarketed only as fully registered bonds without coupons, and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series A Bonds will be made in book-entry-only form and will be made in the denomination of \$5,000 or any integral multiples thereof while in the Long-Term Rate Period. DTC will act as the securities depository for the Series A Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners as registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series A Bonds. See "THE SERIES A BONDS – Securities Depository" herein.

Principal, Redemption Price and purchase price of and interest on the Series A Bonds will be paid directly to DTC by The Bank of New York Mellon Trust Company, N.A. (successor to Citizens Bank of Massachusetts), as trustee (the "Trustee") and Paying Agent, so long as DTC or its nominee, Cede & Co., is the Bondowner. Disbursements of such payments to the Beneficial Owners are the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The Series A Bonds are currently in a Long-Term Rate Period that ends on March 31, 2019 and the Series A Bonds will be subject to mandatory tender for purchase on April 1, 2019. The Series A Bonds will be remarketed on such date in a new Long-Term Rate Period. During the new Long-Term Rate Period, the Series A Bonds will bear interest at the Long-Term Rate determined by Merrill Lynch, Pierce Fenner & Smith Incorporated, the Remarketing Agent (the "Remarketing Agent"). The new Long-Term Rate Period for the Series A Bonds will end on March 31, 2022, and the Series A Bonds will be subject to mandatory tender for purchase on April 1, 2022. **The Series A Bonds are not supported by any insurance policy, liquidity facility or other credit enhancement. The only sources for the purchase of Series A Bonds tendered at the end of the Long-Term Rate Period will be proceeds of remarketing of the Series A Bonds and monies furnished by the University of Massachusetts (the "Institution") for such purchase.**

Interest on the Series A Bonds in the new Long-Term Rate Period will be payable on October 1, 2019 and each April 1 and October 1 thereafter. The rate of interest on the Series A Bonds may be changed and the Series A Bonds may be converted to another Rate Period after March 31, 2019 and pursuant to the terms of the Loan and Trust Agreement (hereinafter defined). This Remarketing Circular only describes the Series A Bonds while in the Long-Term Rate Period ending on March 31, 2022. If the Series A Bonds are converted to any other Rate Period (including a new Long-Term Rate Period), the Institution will deliver a new official statement or remarketing circular describing the new Rate Period. This Remarketing Circular should not be relied on with respect to Series A Bonds in any other Rate Period.

The Series A Bonds in the Long-Term Rate Period will be subject to mandatory purchase on April 1, 2022. The Series A Bonds in the Long-Term Rate Period are not otherwise subject to tender for purchase. The Series A Bonds while in the Long-Term Rate Period will not be subject to optional redemption.

The Series A Bonds are special obligations of the Massachusetts Development Finance Agency (successor by statutory merger to the Massachusetts Health and Educational Facilities Authority) (the "Agency") payable solely from the Revenues (as hereinafter defined) of the Agency, including payments to the Trustee for the account of the Agency by the Institution in accordance with the provisions of the Amended and Restated Loan and Trust Agreement dated as of October 12, 1999, as amended and restated on March 27, 2009 (the "Loan and Trust Agreement"), among the Massachusetts Health and Educational Facilities Authority, predecessor to the Agency, the Institution and the Trustee. Such payments required to be paid by the Institution will be in amounts sufficient to pay, when due, interest and principal of the Series A Bonds, all in accordance with the Loan and Trust Agreement. The payments pursuant to the Loan and Trust Agreement are a general obligation of the Institution to pay from any source legally available for expenditure by the Board of Trustees of the Institution for such purpose.

THE SERIES A BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE AGENCY OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY POLITICAL SUBDIVISION THEREOF. THE PRINCIPAL, PURCHASE PRICE, REDEMPTION PRICE OF AND INTEREST ON THE SERIES A BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT UNDER THE LOAN AND TRUST AGREEMENT. THE ISSUER HAS NO TAXING POWER UNDER THE ACT.

On March 27, 2009, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., delivered its approving opinion which concluded that under existing law as of the date of its opinion (i) expressly conditioned upon continuing compliance with certain covenants and assuming the accuracy of certain representations, interest on the Series A Bonds will not be included in the gross income of holders of the Series A Bonds for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series A Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Series A Bonds are exempt from Massachusetts personal property taxes. The approving opinion further concluded that interest on the Series A Bonds will be included in the "adjusted current earnings" of corporate holders of the Series A Bonds and therefore will be taken into account in computing the alternative minimum tax imposed on certain corporations. See Appendix C. This opinion will not be reissued in connection with this remarketing and it only speaks as of its date. On the date of remarketing of the Series A Bonds, Hinckley, Allen & Snyder LLP will deliver an opinion to the effect that the conversion of the Series A Bonds to a new Long-Term Rate Period on April 1, 2019 is permitted under the Loan and Trust Agreement and will not in and of itself impair or affect the exclusion of interest on said Series A Bonds from gross income for purposes of federal income taxation. Hinckley, Allen & Snyder LLP will not express an opinion regarding the current status of such interest for federal income tax purposes. For a more complete discussion of the tax aspects of the Series A Bonds, see "TAX MATTERS" herein

The Series A Bonds are offered for delivery when, as and if remarketed by the Remarketing Agent, subject to the delivery of an opinion of Hinckley, Allen & Snyder LLP, Boston, Massachusetts, Bond Counsel to the Institution as described above and as to certain other conditions. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, McCarter & English, LLP, Boston, Massachusetts. It is expected that the Series A Bonds will be available for delivery through the facilities of DTC upon remarketing on April 1, 2019.

BofA Merrill Lynch
Remarketing Agent

Dated: March 28, 2019

No broker, dealer, salesman or other person has been authorized by the Agency, the Institution or the Remarketing Agent to give any information or to make any representation other than as contained in this Remarketing Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing.

The information contained herein under the heading "THE AGENCY" and "LITIGATION" insofar as it relates to the Agency has been furnished by the Agency. All other information contained herein has been obtained from the Institution, The Depository Trust Company and other sources which are deemed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Agency. The Remarketing Agent has provided the following sentence for inclusion in this Remarketing Circular. The Remarketing Agent has reviewed the information in this Remarketing Circular in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Remarketing Circular nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

This Remarketing Circular does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Remarketing Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof.

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REMARKETING CIRCULAR

Relating to

\$20,000,000

**MASSACHUSETTS HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Variable Rate Demand Revenue Bonds,
University of Massachusetts Issue, Series A**

INTRODUCTORY STATEMENT

Purpose of this Remarketing Circular

The purpose of this Remarketing Circular is to set forth certain information concerning the Massachusetts Development Finance Agency (successor by statutory merger to the Massachusetts Health and Educational Facilities Authority) (the "Agency"), the University of Massachusetts (the "Institution"), and the \$20,000,000 Massachusetts Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A (the "Series A Bonds"). The current Long-Term Rate Period ends on March 1, 2019 and the Series A Bonds are subject to mandatory tender for purchase on April 1, 2019. The Series A Bonds are being remarketing on April 1, 2019 in a new Long-Term Rate Period.

The Series A Bonds were issued by the Massachusetts Health and Educational Facilities Authority (the "Authority") pursuant to the Loan and Trust Agreement, dated as of October 12, 1999, as amended and restated on March 27, 2009 (the "Loan and Trust Agreement"), among the Authority, the Institution and The Bank of New York Mellon Trust Company, N.A. (successor to Citizens Bank of Massachusetts), as trustee (the "Trustee") and in accordance with the provisions of Chapter 614 of the Massachusetts Acts of 1968, as amended from time to time (the "Act"). On August 5, 2010, the Massachusetts Legislature enacted Chapter 240 of the Acts of 2010 (the "Legislation") that, among other matters, merged the Authority into the Agency, effective October 1, 2010. The Legislation provides that no rights of the holders of any of the Authority's bonds shall be impaired, and the Agency, as successor issuer, shall maintain the covenants of the Authority pertaining to such bonds. Accordingly, as of October 1, 2010, the Authority ceased to exist and all obligations of the Authority, including the Series A Bonds, became obligations of the Agency, without further action. The Agency is authorized under Chapter 23G and, to the extent incorporated therein, Chapter 40D of the Massachusetts General Laws (said Chapters, collectively as amended, the "Act"). The Series A Bonds are being remarketed in accordance with the provisions of the Act and the Loan and Trust Agreement.

The information contained in this Remarketing Circular is provided for use in connection with the remarketing of the Series A Bonds. Certain terms used in this Remarketing Circular have the meanings set forth in Appendix A – "DEFINITIONS OF CERTAIN TERMS."

Use of Proceeds

The proceeds from the sale of the Series A Bonds were originally used to: (i) finance and refinance the acquisition of telecommunications, electronic, computer, office, research, equipment and administrative systems and renovation costs related thereto; and (ii) pay certain costs of issuing the Series A Bonds. A more detailed description of the use of proceeds of the Series A Bonds is included herein under the section entitled "REVOLVING LOAN PROGRAM."

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES A BONDS

The Series A Bonds and any additional Bonds will be subject to and equally secured by the Loan and Trust Agreement. The Loan and Trust Agreement provides, among other things, that the Institution shall make payments to the Trustee equal to principal of and interest on the Series A Bonds and certain other payments required by the Loan and Trust Agreement. The Loan and Trust Agreement shall remain in full force and effect until such time as the Series A Bonds and the interest thereon have been fully paid or until adequate provision for such payments has been made. Additional Bonds may be issued under the Loan and Trust Agreement. See "ADDITIONAL INDEBTEDNESS."

The Series A Bonds are not secured by any insurance policy, liquidity facility or other credit enhancement. The only sources for the purchase of Series A Bonds tendered at the end of the Long-Term Rate Period will be proceeds of remarketing of the Series A Bonds and monies furnished by the Institution for such purchase.

Neither The Commonwealth of Massachusetts (the "Commonwealth") nor any political subdivision thereof shall be obligated to pay the Purchase Price or principal of, premium (if any) or interest on, the Series A Bonds except from any source legally available for expenditure by the Board of Trustees of the Institution for such purpose, and neither the faith and credit nor

the taxing power of the Commonwealth is pledged to the payment of the Purchase Price or principal of, premium (if any) or interest on, the Series A Bonds. Without limiting the generality of the foregoing, the Board of Trustees of the Institution, acting by and on behalf of the Commonwealth pursuant to Section 19A of Chapter 773 of the Acts of 1960, as amended, have promised under the Loan and Trust Agreement to transfer to the Agency to the extent necessary any amounts available for expenditure by the Board of Trustees of the Institution; provided, that in the case of any funds expected to be available for expenditure by the Board of Trustees of the Institution pursuant to subsequent appropriation or other spending authorization by the legislature, the Board of Trustees of the Institution may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization. The Series A Bonds are not secured by a lien on any of the Institution's revenues or any other property of the Institution.

Pursuant to the Loan and Trust Agreement, on or before April 1 of each year, the Institution shall provide to the University of Massachusetts Building Authority ("UMBA") and the Agency a detailed list of the Debt Service and Related Costs with respect to the twelve-month period commencing the next succeeding November 1 and shall certify to UMBA and the Agency whether or not there are as of such April 1 sufficient funds in the Expendable Fund Balance* to pay such Debt Service and Related Costs, and, if so, that funds sufficient to pay Debt Service and Related Costs with respect to the Series A Bonds will be held in trust for the benefit of the Trustee, to be applied to the payment of such amounts and will not be expended for any other purpose. On April 1 of each year, any shortfall in amounts available to pay Debt Service and Related Costs on the General Obligation Indebtedness issued by the Institution, UMBA or the Agency shall be prorated for such period by dividing the Debt Service and Related Costs of the Series A Bonds by the Debt Service and Related Costs with respect to all indebtedness and multiplying the result by all funds legally available for expenditure. The Institution shall continue to be obligated to make up any shortfall on or prior to the applicable debt service payment.

The Series A Bonds shall be special obligations of the Agency, equally and ratably secured by and payable from a pledge of and lien on, to the extent provided by the Loan and Trust Agreement, the Revenues received by the Trustee for the account of the Agency pursuant to the Loan and Trust Agreement, all rights to receive such Revenues, and the proceeds of such rights, and, with the exception of the Rebate Fund, the funds and investments on deposit in the funds and accounts established under the Loan and Trust Agreement. The assignment and pledge by the Agency does not include (i) the rights of the Agency pursuant to provisions for consent, concurrence, approval or other action by the Agency, notice to the Agency, the filing of reports, certificates or other documents with the Agency, or for fees, reimbursement or indemnification or the rights thereto; or (ii) the powers of the Agency as stated in the Loan and Trust Agreement to enforce the provisions thereof.

THE SERIES A BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE AGENCY OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE PRINCIPAL, PURCHASE PRICE, REDEMPTION PRICE OF AND INTEREST ON THE SERIES A BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT UNDER THE LOAN AND TRUST AGREEMENT. THE AGENCY HAS NO TAXING POWER UNDER THE ACT.

THE AGENCY

The Agency is authorized and empowered under the laws of Massachusetts, including the Act, to issue the Bonds for the purposes described herein and to enter into the Agreement and other agreements and instruments necessary to remarket and secure the Series A Bonds.

The members of the Board of Directors and the officers of the Agency authorized to sign documents related to bond transactions are as follows:

Members of the Board of Directors:

Ex-Officio Members

Chairperson, Secretary of the Executive Office of Housing & Economic Development, The Commonwealth of Massachusetts.

* The definition of Expendable Fund Balance is now referred to by the Institution as "Spendable Cash and Investments". For more information, see "AMENDED AND RESTATED ANNUAL REPORT OF THE UNIVERSITY OF MASSACHUSETTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018" (the "Fiscal Year 2018 Annual Report") under the heading INDEBTEDNESS OF THE UNIVERSITY – Bonds Issued by UMBA, which is filed with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access system ("EMMA"). The information may be found at <https://emma.msrb.org/ES1252948-ER936806-.pdf> and is incorporated herein by reference.

Secretary, the Executive Office for Administration & Finance, The Commonwealth of Massachusetts, or the Secretary's designee.

Appointed Members

James W. Blake, President & CEO, HarborOne Bank

James E. Chisholm, Division President, Waypoint Commercial Solutions/Advantage Waypoint LLC

Karen Grasso Courtney, President, K. Courtney and Associates, Inc., and Executive Director, The Foundation for Fair Contracting of Massachusetts

Grace K. Fey, CFA, Grace Fey Advisors, LLC

Brian Kavogian, Principal, Charles River Realty Investors

Francesca M. Maltese, Retired land developer

Juan Carlos Morales, Founder and Managing Director, Surfside Capital Advisors

Christopher P. Vincze, Chairman and CEO, TRC Solutions, Inc.

Ellen M. Zane, CEO emeritus, Tufts Medical Center

There are no vacancies on the Board of Directors.

Officers of the Agency:

Lauren A. Liss, Executive Director/President and Chief Executive Officer

Robert M. Ruzzo, Senior Executive Vice President, Executive Vice President for Operations, Deputy Director and Chief Operating Officer

Ricks P. Frazier, General Counsel and Secretary

Simon R. Gerlin, Treasurer, Chief Financial Officer and Executive Vice President for Finance and Administration

Laura L. Canter, Executive Vice President of Finance Programs

Steven J. Chilton, Senior Vice President, Investment Banking
(Mr. Chilton has signing authority for bond transactions only.)

Except for the information contained herein under the caption "THE AGENCY" and "LITIGATION" insofar as it relates to the Agency, the Agency has not provided any of the information contained in this Remarketing Circular. The Agency is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Institution or the Remarketing Agent or any other person.

THE SERIES A BONDS

Description of the Series A Bonds

The Series A Bonds will be remarketed on April 1, 2019 and shall bear interest from and including April 1, 2019 at the Long-Term Rate (see "Interest Rate and Rate Periods – *Long-Term Rate Period; Long-Term Rate*" below). The Long-Term Rate Period for the Series A Bonds will end on March 31, 2022 and the Series A Bonds shall be subject to mandatory tender for purchase on the next Business Day. The Series A Bonds while in the Long-Term Rate Period ending on March 31, 2022 are not otherwise subject to mandatory tender for purchase. The Series A Bonds will mature on November 1, 2030. The Series A Bonds while in the new Long-Term Rate Period are not subject to redemption.

Interest on the Series A Bonds while in the new Long-Term Rate Period will accrue from the date of remarketing and will be payable to the registered owners thereof on each April 1 and October 1, commencing October 1, 2019, and on each Mandatory Purchase Date applicable to the Series A Bonds while in the new Long-Term Rate Period. See “Interest Rate and Rate Periods” below.

Subject to the provisions discussed under “THE SERIES A BONDS – Securities Depository,” the Series A Bonds shall be issuable as fully registered bonds without coupons, and while the Series A Bonds are in the Long-Term Rate Period, are issuable in denominations of \$5,000 or any integral multiple thereof. Interest on the Series A Bonds will be paid by check (or upon request by wire transfer to owners of \$1,000,000 or more of the Series A Bonds) mailed to the Bondowners of record as of the close of business on the Record Date. “Record Date” as used herein shall mean while the Series A Bonds are in the Long-Term Rate Period, the close of business on the fifteenth (15th) day (whether or not a Business Day) of the month prior to the next succeeding Interest Payment Date. The principal, purchase price or redemption price is payable at the principal corporate trust office of the Paying Agent.

Securities Depository

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series A Bonds. The Series A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series A Bond certificate will be issued for each maturity of the Series A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series A Bonds, except in the event that use of the book-entry system for the Series A Bonds is discontinued.

To facilitate subsequent transfers, all Series A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the

Series A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series A Bonds may wish to ascertain that the nominee holding the Series A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agency or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner of the Series A Bonds shall give notice to elect to have its Series A Bonds purchased or tendered through its Participant, to the Broker-Dealer, and shall effect delivery of such Series A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series A Bonds, on DTC's records, to the Broker-Dealer. The requirement for physical delivery of Series A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series A Bonds to the Broker-Dealer's DTC account.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES A BONDS.

DTC may discontinue providing its services as depository with respect to the Series A Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series A Bond certificates are required to be printed and delivered.

The Institution may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered. See "Certificated Bonds" below.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE ISSUER BELIEVES TO BE RELIABLE, BUT NONE OF THE ISSUER, THE INSTITUTION OR THE REMARKETING AGENT TAKES RESPONSIBILITY FOR THE ACCURACY THEREOF.

No Responsibility of Agency, Institution and Trustee. NONE OF THE AGENCY, THE INSTITUTION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS OR REGISTERED OWNERS OF THE SERIES A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES A BONDS.

Certificated Bonds. DTC may discontinue providing its services as securities depository with respect to the Series A Bonds at any time by giving reasonable notice to the Agency and the Trustee. In addition, the Agency may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interest of

the Beneficial Owners. If, for either reason the Book-Entry-Only system is discontinued, Series A Bond certificates will be delivered as described in the Loan and Trust Agreement and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondowner. Thereafter, Series A Bonds may be exchanged for an equal aggregate principal amount of Series A Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Paying Agent. The transfer of any Series A Bond may be registered on the books maintained by the Paying Agent for such purpose only upon assignment in form satisfactory to the Paying Agent. For every exchange or registration of transfer of Series A Bonds, the Agency and the Paying Agent may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondowner for any exchange or registration of transfer of the Series A Bonds. The Paying Agent will not be required to transfer or exchange any Series A Bond during the notice period preceding any redemption if such Series A Bond (or any part thereof) is eligible to be selected or has been selected for redemption.

Interest Rates and Rate Periods

General. Upon remarketing, all of the Series A Bonds will accrue interest at a Long-Term Rate. There is currently no Credit Facility in effect with respect to the Series A Bonds.

This Remarketing Circular only describes the Series A Bonds while in the Long-Term Rate Period ending on March 31, 2022. If the Series A Bonds are converted to any other Rate Period (including conversion to a new Long-Term Rate Period), the Institution will deliver a new official statement or remarketing circular describing the new interest rate period. This Remarketing Circular should not be relied on with respect to Series A Bonds in any other interest rate period.

Interest on the Series A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months while the Series A Bonds bear interest at a Long-Term Rate.

When the Series A Bonds are in a Long-Term Rate Period, the interest rate on the Series A Bonds will be determined by the Remarketing Agent as the lowest rate of interest which in its judgment will cause the Series A Bonds to have a price, as of the date of determination as described below (the "Rate Determination Date"), equal to the principal amount of the Series A Bonds, taking into account prevailing market conditions.

Long-Term Rate Period, Long-Term Rate. Long-Term Rate Period shall commence on a Long-Term Rate Conversion Date and end on the last day of each Long-Term Rate Period as established by the Institution pursuant to the Loan and Trust Agreement, or the Conversion Date on which a different rate period shall become effective. The current Long-Term Rate Period commenced on April 1, 2016 and will end on March 31, 2019. The new Long-Term Rate Period will commence on April 1, 2019 and will end on March 31, 2022. In the case of the Series A Bonds in the Long-Term Rate Period ending on March 31, 2022, a conversion to a different rate period can become effective only on and after April 1, 2022.

Pursuant to the Loan and Trust Agreement, the Remarketing Agent will determine a Long-Term Rate on the Business Day immediately preceding the commencement of any period during which interest on any of the Series A Bonds will be payable at a Long-Term Rate and will provide the Long-Term Rate to the Trustee by Electronic Notice by the close of business on such Business Day. The new Long-Term Rate for the Series A Bonds will be determined by the Remarketing Agent on March 31, 2019 and will be effective on April 1, 2019.

Availability of Interest Rate. Each interest rate in effect for each Series A Bond will be available to the owners of such Series A Bond, upon written request, on the date such interest rate is determined, by the close of business in the case of the Long-Term Rate, New York time, from the Remarketing Agent or the Trustee at their respective principal offices.

Conversion Between Interest Rate Periods

While the Series A Bonds are in the Long-Term Rate Period ending on March 31, 2022, the rate period may only be changed the day after the end of such Long-Term Rate Period, which is also a Mandatory Purchase Date.

Redemption

The Series A Bonds while in the new Long-Term Rate Period are not subject to redemption.

Puts

“Put” means to require, or the act of requiring, the purchase of a Series A Bond (other than a Pledged Bond or an Institution Bond) at its owner’s option at 100% of the principal amount thereof plus interest accrued to the date of purchase. While in the Long-Term Rate Period, the Series A Bonds are not subject to a Put.

Mandatory Purchase

The Series A Bonds in the new Long-Term Rate Period are subject to mandatory purchase on April 1, 2022, which is the first Business Day following the last day of such Long-Term Rate Period.

The Paying Agent shall give notice of mandatory purchase to the affected owners of Series A Bonds while in the Long-Term Rate Period by first class mail. Notice shall be mailed to the respective owners of the Series A Bonds at their addresses maintained by the Paying Agent. Each notice of mandatory purchase shall state the Mandatory Purchase Date and the place or places of mandatory purchase. Each such notice shall also state that on said date there will become due and payable on said Series A Bonds the Purchase Price and that from and after the Mandatory Purchase Date interest thereon shall cease to accrue to the prior owner of the Series A Bond to be purchased, and shall require that such Series A Bonds be then surrendered and if not so surrendered that the Series A Bonds will be deemed purchased in accordance with the Loan and Trust Agreement.

Any Series A Bond subject to purchase shall be purchased, or deemed purchased, on its Mandatory Purchase Date at the Purchase Price. Delivery of such Series A Bond (with an appropriate transfer of registration executed in blank in form satisfactory to the Paying Agent) at the principal corporate trust office of the Paying Agent at or prior to 2:00 p.m., New York time, on the Mandatory Purchase Date shall be required for same day payment of the Purchase Price. All Series A Bonds subject to purchase shall be deemed to have been tendered for purchase on the Mandatory Purchase Date. No owner shall be entitled to payment of the Purchase Price for any Series A Bond except upon surrender of such Series A Bond as set forth in the Loan and Trust Agreement.

The Remarketing Agent shall notify the Paying Agent and the Trustee by 12:00 p.m., if no Credit Facility is then in effect, New York time, on each date on which payments on Series A Bonds subject to mandatory tender for purchase are due (except in the case of a conversion to the Fixed Rate and mandatory tenders in the event of a failed conversion), of the funds held by the Remarketing Agent as proceeds from the remarketing of such Series A Bonds and any deficiency that it expects in amounts available to pay the Purchase Price due on the Series A Bonds. The Remarketing Agent shall deliver to the Paying Agent all amounts received by the Remarketing Agent as proceeds of the remarketing of the Series A Bonds in accordance with DTC settlement procedures on the Purchase Date for Tendered Bonds. Any remarketing proceeds so received by the Paying Agent shall be held in a fund separate and apart from all other amounts held in by the Paying Agent and shall remain uninvested or shall be invested in Government or Equivalent Obligations, maturing within thirty (30) days or on the date that such amounts are required to be applied in accordance with this section, whichever is earlier. If the funds held by the Paying Agent as proceeds from the remarketing of Series A Bonds are not sufficient to pay in full the Purchase Price due on the Series A Bonds, and no Credit Facility is then in effect, the Institution shall pay to the Paying Agent the amount necessary to purchase the Tendered Bonds for which the Remarketing Agent has not received the Purchase Price. Failure to pay the Purchase Price when due, in accordance with the Loan and Trust Agreement, shall constitute an Event of Default under the Loan and Trust Agreement (see Appendix B – “SUMMARY OF THE LOAN AND TRUST AGREEMENT – Default by the Institution”).

At or before 3:00 p.m. New York time, on the Delivery Date and upon receipt by the Paying Agent of the Purchase Price of Series A Bonds tendered for mandatory purchase that are delivered to it, the Paying Agent shall pay the Purchase Price of such Series A Bonds to the registered owners thereof as provided in the form of Bonds. The Paying Agent shall apply in order, first, moneys, if any, paid to it from the conversion of the Series A Bonds to the Fixed Rate Period as described in the Loan and Trust Agreement, or by the Remarketing Agent or by new purchasers (except that the Institution shall not, for purposes of this sentence, be deemed a new purchaser) of the Tendered Bonds as proceeds of the remarketing of such Series A Bonds by the Remarketing Agent, second, moneys drawn on the Credit Facility, if any, for the purpose of purchasing Series A Bonds tendered for mandatory purchase and, third, but only if other moneys are unavailable, moneys paid to it by the Institution. **If sufficient funds are not available for the purchase of all Series A Bonds tendered for mandatory purchase on any Delivery Date, no purchase shall be consummated.**

ADDITIONAL INDEBTEDNESS

The Loan and Trust Agreement permits the Agency to issue additional Bonds to complete the Program (as defined herein), to refund Bonds previously issued under the Loan and Trust Agreement or to finance or refinance any other project or projects of the Institution permitted under the Act.

The Loan and Trust Agreement permits the Institution to issue additional Indebtedness or to request University of Massachusetts Building Authority (“UMBA”) or the Agency to issue additional Indebtedness so long as such additional Indebtedness is payable from all legally available funds of the Institution. Furthermore, the Institution may request UMBA to issue additional Indebtedness on behalf of the Institution that is not payable from all available funds of the Institution as set forth in the Loan and Trust Agreement provided the Indebtedness is secured by (1) pledged revenues derived from the project or projects being financed, (2) new or increased student fees whether imposed by the Institution or UMBA, (3) existing pledged revenues, or (4) any combination of the foregoing, provided that, the maximum annual debt service on all Revenue Indebtedness then outstanding, including the proposed additional Indebtedness, does not exceed ten percent (10%) of the amount shown in the then most recent audited financial statements of the Institution as total Available Revenues. Indebtedness of the Institution shall not be subject to acceleration, and no obligation of the Institution to make payments on account of Indebtedness issued by UMBA or the Agency shall be subject to acceleration. See the Fiscal Year 2018 Annual Report filing referenced in “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES A BONDS” and “ADDITIONAL INFORMATION CONCERNING THE INSTITUTION” for a description of existing Indebtedness of the Institution and UMBA. See Appendix B – “SUMMARY OF THE LOAN AND TRUST AGREEMENT – Limitations on Additional Indebtedness.”

REVOLVING LOAN PROGRAM

The Series A Bonds were originally issued to create a pool of funds from which the Institution could finance and refinance the acquisition of telecommunications, electronic, computer, office, research, equipment and administrative systems and renovation costs related thereto (the “Program”) by the various campuses comprising the Institution on a revolving basis throughout the term of the Series A Bonds.

As and when each campus desires to finance the Program, advances of the proceeds of the Series A Bonds have been and will be made for that purpose, initially by the Agency until the Program Acquisition Fund is depleted. Subsequently, Program costs will be financed by the Institution. The Institution expects that for internal accounting and budgeting purposes each campus will repay those advances with interest over approximately the expected useful life of assets being financed. The principal portion of those repayments (“Repaid Principal”) will be deposited with the Institution and is expected to be used to provide funds for future Program Costs or to be applied toward redemption of the Series A Bonds.

Notwithstanding a failure on the part of any campus to repay an advance of the proceeds of the Series A Bonds or an advance from the Repaid Principal, the Institution shall remain in all events obligated to make payment of any debt service payment coming due on the Series A Bonds in a timely manner from any source legally available to the Institution. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES A BONDS” herein. The Series A Bonds are not secured by a lien on the Repaid Principal.

The Institution may from time to time issue such other series of additional Bonds as permitted under the Loan and Trust Agreement.

SPECIAL CONSIDERATIONS RELATING TO THE SERIES A BONDS

The Remarketing Agent is Paid by the Institution

The Remarketing Agent’s responsibilities include determining the interest rate from time to time and remarketing Series A Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Remarketing Circular. The Remarketing Agent is appointed by the Institution and is paid by the Institution for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series A Bonds.

The Remarketing Agent Routinely Purchases Bonds for Its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account in order to achieve a successful remarketing of the obligations (i.e., because there are otherwise not enough buyers to purchase the obligations) or for other reasons. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series A Bonds for its own account and, if it does so, it may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series A Bonds by routinely purchasing and selling Series A Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series A Bonds. The Remarketing Agent may also sell any Series A Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series A Bonds. The purchase of Series A Bonds by the Remarketing Agent may create the appearance that there is greater

third party demand for the Series A Bonds in the market than is actually the case. The practices described above also may result in fewer Series A Bonds being tendered in a remarketing.

Series A Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series A Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Rate Determination Date. The interest rate will reflect, among other factors, the level of market demand for the Series A Bonds (including whether the Remarketing Agent is willing to purchase Series A Bonds for its own account). There may or may not be Series A Bonds tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series A Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series A Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series A Bonds at the remarketing price. In the event a Remarketing Agent owns any Series A Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series A Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Series A Bonds other than through Tender Process May Be Limited

The Remarketing Agent may buy and sell Series A Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Series A Bonds to do so through the Paying Agent with appropriate notice. Thus, investors who purchase the Series A Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series A Bonds other than by tendering the Series A Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series A Bonds, Without a Successor Being Named

Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement.

CONTINUING DISCLOSURE

The Agency has determined that no financial or operating data concerning the Agency is material to any decision to purchase, hold or sell the Series A Bonds and the Agency will not provide any such information. The Institution and the Dissemination Agent (as defined in the Disclosure Agreement described below) have undertaken all responsibilities for any continuing disclosure to Bondowners as described below, and the Agency shall have no liability to the Bondowners or any other person with respect to such disclosures.

Pursuant to the terms of the Amended and Restated Continuing Disclosure Agreement dated April 1, 2019 (the "Disclosure Agreement"), the Institution has covenanted for the benefit of Bondowners to provide certain financial information and operating data relating to the Institution by not later than 270 days after the end of each fiscal year beginning with the fiscal year ending June 30, 2019 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report is filed on behalf of the Institution with the MSRB, as described in the Disclosure Agreement. Any notice of event is filed on behalf of the Institution with the MSRB. Failure of the Institution or the Trustee to comply with the Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the registered owners of at least 25% of the Outstanding aggregate principal amount of Series A Bonds, shall), or any owner (including a beneficial owner) of the Series A Bonds may, seek specific performance of the Institution's or the Trustee's obligations to comply with the Disclosure Agreement and not for money damages in any amount. The specific nature of the information to be contained in the Annual Report and the notices of material events is set forth in Appendix E - "AMENDED AND RESTATED CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Remarketing Agent in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission. With respect to previous undertakings of the Institution, certain of the Institution's financial statements during the previous five year period were filed on a timely basis, but such information did not appear under certain CUSIP numbers on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). At this time, all such information has been refiled or relinked on EMMA.

LITIGATION

On the date of remarketing of the Series A Bonds, an opinion will be delivered by General Counsel of the Institution to the effect that to the General Counsel's knowledge, no litigation or other legal action in which the Institution is named as a party

is pending or threatened wherein an unfavorable ruling or finding could adversely affect the enforceability of the principal documents entered into in connection with the issuance and remarketing of the Series A Bonds or which contests such party's or parties' powers or authority with respect to the foregoing. See the Fiscal Year 2018 Annual Report filing referenced in "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES A BONDS" and "ADDITIONAL INFORMATION CONCERNING THE INSTITUTION" with respect to the absence of any material litigation affecting the Institution.

There is not now pending any litigation restraining or enjoining the remarketing or delivery of the Series A Bonds or questioning or affecting the validity of the Series A Bonds or the proceedings and authority under which they were issued. Neither the creation, organization or existence of the Agency, nor the title of the present members or other officers of the Agency to their respective offices is being contested. There is no litigation pending which in any manner questions the right of the Agency to have made a loan to the Institution to finance the Revolving Loan Program in accordance with the provisions of the Act and the Loan and Trust Agreement.

LEGAL MATTERS

All legal matters incidental to the remarketing of the Series A Bonds by the Institution are subject to the opinion of Bond Counsel to be delivered by Hinckley, Allen & Snyder LLP, Boston, Massachusetts, the proposed form of which is attached as Appendix D to this Remarketing Circular. Certain legal matters will be passed on for the Institution by Hinckley, Allen & Snyder LLP, Boston, Massachusetts. Certain legal matters will be passed on for the Remarketing Agent by its counsel, McCarter & English, LLP, Boston, Massachusetts.

ADDITIONAL INFORMATION CONCERNING THE INSTITUTION

For further information about the Institution, specific reference is made to the Fiscal Year 2018 Annual Report and is incorporated herein by reference. Additionally, specific reference is made to the Institution's audited financial statements for the fiscal year ending June 30, 2018, which is filed with the MSRB through the EMMA system. The information may be found at <https://emma.msrb.org/ER1196819-ER936805-ER1337838.pdf> and is incorporated herein by reference. The Worcester City Campus Corporation submitted its audited financial statements for the year ending June 30, 2018 as its annual report filing with the MSRB through the EMMA system. The information may be found at <https://emma.msrb.org/ER1196822-ER936808-ER1337841.pdf> and is incorporated herein by reference.

Copies of such reports and other financial reports of the Institution Controller referenced in this document may be obtained by requesting the same in writing from the Office of the Institution Controller, 333 South Street, Suite 450, Shrewsbury, Massachusetts 01545. The financial statements are also available at the Institution Controller's web site located at <https://www.umassp.edu/controller/reports>.

TAX MATTERS

On March 27, 2009 and in connection with the conversion of the Series A Bonds to the initial Long-Term Rate Period, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., delivered its approving opinion which concluded that under existing law (i) expressly conditioned upon continuing compliance with certain covenants made by the Institution and the Agency and assuming the accuracy of certain representations, interest on the Series A Bonds will not be included in the gross income of holders of the Series A Bonds for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series A Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Series A Bonds are exempt from Massachusetts personal property taxes. The approving opinion further concluded that interest on the Series A Bonds will be included in the "adjusted current earnings" of corporate holders of the Series A Bonds and therefore will be taken into account in computing the alternative minimum tax imposed on certain corporations. See Appendix C - "COPY OF APPROVING OPINION OF MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C. DELIVERED ON MARCH 27, 2009." **This opinion is not being reissued in connection with the remarketing and it only speaks as of its date.**

On the date of remarketing of the Series A Bonds, Hinckley, Allen & Snyder LLP, Bond Counsel, will deliver an opinion to the effect that the conversion of the Series A Bonds to a new Long-Term Rate Period on April 1, 2019 is permitted under the Loan and Trust Agreement and will not in and of itself impair or affect the exclusion of interest on said Series A Bonds from gross income for purposes of federal income taxation. **Hinckley, Allen & Snyder LLP will not express an opinion regarding the current status of such interest for federal income tax purposes.** See Appendix D - "FORM OF OPINION OF HINCKLEY, ALLEN & SNYDER LLP, BOND COUNSEL."

RATINGS

Moody's Investor Service, Standard & Poor's Ratings Services and Fitch Ratings have each previously assigned ratings of "Aa2", "AA-" and "AA", respectively to the Series A Bonds, which ratings remain in effect although such ratings are not being affirmed or reissued in connection with the remarketing. Any explanation of the significance of the ratings may only be obtained from the rating agency furnishing the same. A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they might not be revised downward or withdrawn entirely by the rating agencies, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of the ratings might have an adverse effect on the market price of the Series A Bonds.

LEGALITY OF THE SERIES A BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that the Series A Bonds are securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all Massachusetts insurance companies, trust companies, savings banks, cooperative banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The Series A Bonds, under the Act, are securities that may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

COMMONWEALTH NOT LIABLE FOR THE SERIES A BONDS

Neither the Commonwealth or any political subdivision thereof nor the Agency is obligated to pay the purchase price, principal or premium (if any) of or interest on the Series A Bonds except from the moneys to be provided under the Loan and Trust Agreement and any other source legally available for expenditure by the Board of Trustee of the Institution for such purpose. The Series A Bonds do not constitute a general obligation of the Agency or a debt or pledge of the faith and credit of the Commonwealth or any political subdivision thereof. The principal, purchase price, redemption price of and interest on the Series A bonds are payable solely from the revenues and funds pledged for their payment under the Loan and Trust Agreement. The Agency has no taxing power under the act.

FINANCIAL ADVISOR

PFM Financial Advisors LLC ("PFM") is serving as financial advisor to the Institution for the remarketing of the Series A Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Remarketing Circular. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing securities.

REMARKETING AGENT

The Series A Bonds are being remarketed by Merrill Lynch, Pierce Fenner & Smith Incorporated, as Remarketing Agent for the Series A Bonds. The Remarketing Agent will be paid a fee of \$50,000 in connection with the remarketing of the Series A Bonds. The Institution has agreed to indemnify the Remarketing Agent against certain liabilities, including certain liabilities arising under federal and state securities laws.

The Remarketing Agent shall determine the interest rates on the Series A Bonds in accordance with the provisions contained in the Loan and Trust Agreement, shall remarket the Series A Bonds in accordance with the provisions contained in the Loan and Trust Agreement and shall effect purchases of the Series A Bonds. The Remarketing Agent may be removed or replaced by the Institution, as provided in the Remarketing Agreement and the Loan and Trust Agreement, and may resign, subject to certain conditions.

MISCELLANEOUS

The description of the provisions of the Act, the Loan and Trust Agreement, the Series A Bonds, the Amended and Restated Continuing Disclosure Agreement, and other documents contained in this Remarketing Circular (including all Appendices hereto), and all references to other materials not purporting to be quoted in full, are only brief summaries of certain provisions thereof and do not constitute complete statements of such documents or provisions. Reference is hereby made to the complete documents for further information, copies of which are available at the principal corporate trust office of the Trustee. Any statements made in this Remarketing Circular or the Appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

Information relating to DTC and the book-entry system described under the heading “THE SERIES A BONDS – Securities Depository” is based on information furnished by DTC and is believed to be reliable, but none of the Agency, the Institution or the Remarketing Agent makes any representations or warranties whatsoever with respect to any such information.

The Fiscal Year 2018 Annual Report filing referenced in “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES A BONDS” and “ADDITIONAL INFORMATION CONCERNING THE INSTITUTION” contains certain information relating to the Institution. While the information contained therein is believed to be reliable, the Agency and the Remarketing Agent do not make any representations or warranties whatsoever with respect to such information.

The financial statements of the Institution as of June 30, 2018 and 2017 and for the years then ended, referenced in “ADDITIONAL INFORMATION CONCERNING THE INSTITUTION,” have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing therein.

Appendix A – “DEFINITIONS OF CERTAIN TERMS” and Appendix B - “SUMMARY OF THE LOAN AND TRUST AGREEMENT” have been prepared by Hinckley, Allen & Snyder LLP, Bond Counsel. A copy of the original approving opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. delivered on March 27, 2009 is set forth in Appendix C. The proposed form of opinion of Hinckley, Allen & Snyder LLP, Bond Counsel to be delivered in connection with the remarketing of the Series A Bonds on April 1, 2019 is set forth in Appendix D.

Appendix E contains the Amended and Restated Continuing Disclosure Agreement. All Appendices are incorporated as an integral part of this Remarketing Circular.

The Institution has reviewed the portions of this Remarketing Circular entitled “INTRODUCTORY STATEMENT – Use of Proceeds,” “REVOLVING LOAN PROGRAM,” “CONTINUING DISCLOSURE” (as it relates to the Institution), and “LITIGATION” (as it relates to the Institution), and has prepared the Fiscal Year 2018 Annual Report filed on EMMA and has approved all such information for use with this Remarketing Circular. At the closing, the Institution will certify that such portions of this Remarketing Circular (except for any forecasts and opinions contained herein) do not contain an untrue statement of a material fact or omit a statement of material fact necessary to make the statements made therein, in the light of the circumstances under which they are made, not misleading and that the aforesaid forecasts and opinions are believed to be reasonable in light of the experience of the officers of the Institution and the facts known to them at that time.

DEFINITIONS OF CERTAIN TERMS

In addition to terms defined elsewhere herein, the following terms have the following meanings in the Agreement, unless the context otherwise requires:

“Act” means Chapter 614 of the Massachusetts Acts of 1968 as amended from time to time.

“Agency” means the Massachusetts Development Finance Agency, the successor in interest to the Authority.

“Agreement” or “Loan and Trust Agreement” means the Amended and Restated Loan and Trust Agreement dated as of October 12, 1999, as amended and restated on March 27, 2009 among the Authority, the Institution and the Trustee.

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority in the amount of \$24,285 or such lesser amount as the Authority may from time to time determine.

“Authority” means Massachusetts Health and Educational Facilities Authority and its successors, including the Agency.

“Authorized Denomination” means, with respect to any Bonds that bear interest at a Fixed Rate or a Long-Term Rate, \$5,000 and any integral multiple thereof, and with respect to any Bonds that bear interest at a Daily Rate, Weekly Rate or Flexible Rate, \$100,000 and any multiple of \$5,000 in excess thereof.

“Authorized Officer” means: (i) in the case of the Authority, the Chairman, Vice Chairman, Secretary, Executive Director, Director of Financing Programs, Deputy Director of Financing Programs or Associate Director of Financing Programs, and when used with reference to an act or document of the Authority also means any other person authorized to perform the act or execute the document; and (ii) in the case of the Institution, the Chairman or other presiding officer of the Board of Trustees, the President, Director or other chief executive or administrative officer, any Vice President or Vice Chairman, the Treasurer or other chief financial officer or any Associate Treasurer, and when used with reference to an act or document of the Institution, also means any other person authorized to perform the act or execute the document.

“Available Revenues” means, prior to the Institution’s adoption of Statement No. 35 of the Governmental Accounting Standards Board (GASB), the Institution’s unrestricted current funds revenues as reported in its Combined Statement of Current Funds Revenues Expenditures and Other Changes and, thereafter, shall mean the sum of the Institution’s unrestricted operating, non-operating and other revenues excluding revenues derived from federal, state, local and nongovernmental grants and contracts but including, in any event, state appropriations, all as included in the operating, activities or other equivalent statement of operations included in the Institution’s financial statements in accordance with generally accepted accounting principles as promulgated by GASB.

“Bank” means the issuer of a Letter of Credit, if any, with its successors and assigns in its capacity as issuer of the Letter of Credit, and any other issuer of a Credit Facility. During any period in which no Letter of Credit or other Credit Facility is in effect with respect to a series of Bonds, all references to the Bank shall be disregarded.

“Bank Rate” means, on any date, the per annum rate of interest on such date applicable to the Institution’s reimbursement obligations for drawings under a Letter of Credit, as described in the applicable Reimbursement Agreement. In no event shall the Bank Rate exceed the maximum rate permitted by Massachusetts law.

“Beneficial Owner” means so long as the Bonds are negotiated in the Book-Entry-Only System, any person who acquires a beneficial ownership interest in a Bond held by the Securities Depository. If at any time the

APPENDIX A

Bonds are not held in the Book-Entry-Only System, Beneficial Owner means the Owner for purposes of the Loan and Trust Agreement.

“Bond Year” means each one year period (or shorter period from the date on which the Bonds are issued) ending on June 30, which date has been chosen by the Authority at the direction of the Institution.

“Bondowners” or “Owners” means the registered owners of the Bonds from time to time as shown in the books kept by the Paying Agent as bond registrar and transfer agent.

“Bonds” means the Massachusetts Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A, dated the date of delivery (the “Series A Bonds”), any additional Bonds issued under the Loan and Trust Agreement, any Bond or Bonds duly issued in exchange or replacement therefor, and where appropriate with respect to redemption and required purchase, portions thereof in authorized denominations.

“Book-Entry-Only System” means the system maintained by the Securities Depository described in the Loan and Trust Agreement.

“Business Day” means a day on which banks in each of the cities in which the principal offices of the Trustee, the Paying Agent and the Remarketing Agent, and the office of the Bank at which draws on the Credit Facility are made, are located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

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

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Institution and the Trustee dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Conversion Date” means the day on which a particular type of interest rate (i.e., a Daily Rate, Weekly Rate, Flexible Rate, Long-Term Rate or Fixed Rate), becomes effective for the Bonds which is not immediately preceded by a day on which such Bonds have accrued interest at the same type of interest rate and, when used with respect to any Long-Term Rate Period, the day after the end of such Long-Term Rate Period. Each Conversion Date shall be an Interest Payment Date for the rate period from which the Bonds are converted, which shall be the last Interest Payment Date for the then current Flexible Rate Period or Long-Term Rate Period if the conversion is from a Flexible Rate Period or Long-Term Rate Period, except that any Business Day may be a Conversion Date from a Daily or Weekly Rate Period.

“Credit Facility” means a Letter of Credit and any substitute irrevocable transferable letter of credit delivered to the Trustee pursuant to the Loan and Trust Agreement and then in effect. During any period in which no Credit Facility is in effect with respect to the Bonds, references to the Credit Facility shall be disregarded for such series.

“Daily Rate” means the per annum interest rate on the Bonds during a Daily Rate Period determined as provided in the Loan and Trust Agreement.

“Daily Rate Conversion Date” means the day on which the Bonds begin to accrue interest at a Daily Rate pursuant to the Loan and Trust Agreement which is immediately preceded by a day on which the Series A Bonds did not accrue interest at a Daily Rate.

“Daily Rate Period” means each period described in the Loan and Trust Agreement during which Bonds accrue interest at a Daily Rate.

“Debt Service and Related Costs” means, with respect to a particular period, the principal, redemption premium, if any, purchase price, if any, and interest due on such General Obligation Indebtedness during such period, all fees and expenses payable in or with respect to such period to the issuer of, or to any trustee for, such General Obligation Indebtedness and any other costs that are due during such period pursuant to the indenture, resolution or other documents entered into in connection with the issuance of such Indebtedness, including, without limitation, any reimbursement agreement; provided that such term shall not include any amount that is otherwise provided for. Where the actual amount is unknown, the Institution shall use its best efforts to estimate the amount that will be due for such period.

“Debt Service Fund” means the fund so named established pursuant to the Loan and Trust Agreement.

“Delivery Date” means, with respect to a Bond tendered for purchase at the election of the Bondowner, the Purchase Date or any subsequent Business Day on which such Bond is delivered to the Paying Agent as provided in the form of Bonds.

“Effective Date” means the date on which a new interest rate takes effect.

“Electronic Notice” means notice transmitted through a time-sharing terminal or facsimile machine, if operative between any two parties, or if not operative, in writing or by telephone (promptly confirmed in writing).

“Eligible Funds” means moneys which are (a) continuously on deposit with the Trustee in trust for the benefit of the Bondowners in a separate and segregated account in which only Eligible Funds described in clause (b) are held and (b) (i) proceeds of the Bonds received contemporaneously with the issuance of the Bonds, (ii) proceeds of a drawing under the Credit Facility, (iii) payments made by, or on behalf of, the Institution if at the time of deposit of such payments with the Trustee and for a period of at least 123 days thereafter no petition in bankruptcy under the Bankruptcy Code or similar law is pending with respect to the Authority or the Institution unless such petition shall have been dismissed and such dismissal shall be final and not subject to appeal, (iv) proceeds of refunding bonds or other moneys as to which the Trustee has received a written opinion of nationally-recognized counsel experienced in bankruptcy matters and acceptable to the Trustee and the Authority to the effect that payment of such moneys to the Bondowners would not constitute an avoidable preference under Section 547 of the Bankruptcy Code in the event the Institution or the Authority were to become a debtor under the Bankruptcy Code, or (v) income derived from the investment of the foregoing; provided that such funds shall not be deemed to be Eligible Funds if an injunction, restraining order, stay or similar court action is in effect preventing the payment of such proceeds to the Bondowners. The Trustee shall maintain records of Eligible Funds held by it.

“Event of Bankruptcy” means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, organization or bankruptcy by or against the Institution as debtor.

“Event of Default” shall have the meaning ascribed thereto in the Loan and Trust Agreement.

“Expendable Fund Balance” means the accumulation of excess unrestricted revenues over expenditures with respect to the Institution for all prior years and for each current year from the unrestricted current fund, the quasi endowment fund, the unexpended unrestricted plant fund and the unrestricted renewal and replacement plant fund.

“Expense Fund” means the fund so named established pursuant to the Loan and Trust Agreement.

“Fixed Rate” means the per annum interest rate on the Bonds during a Fixed Rate Period as provided in the Loan and Trust Agreement.

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“Fixed Rate Conversion Date” means the date on which the Bonds begin to accrue interest at a Fixed Rate pursuant to the Loan and Trust Agreement which is immediately preceded by a day on which the Bonds did not accrue interest at a Fixed Rate.

“Fixed Rate Period” means the period from the Fixed Rate Conversion Date for the Bonds to the maturity date of the Bonds, unless earlier redeemed.

“Flexible Rate” means the per annum interest rate on the Bonds during a Flexible Rate Period determined as provided in the Loan and Trust Agreement.

“Flexible Rate Conversion Date” means the day on which the Bonds begin to accrue interest at a Flexible Rate pursuant to the Loan and Trust Agreement which is immediately preceded by a day on which the Bonds did not accrue interest at a Flexible Rate or accrued interest at a Flexible Rate during a different Flexible Rate Period.

“Flexible Rate Period” means with respect to the Bonds each period determined as provided in the Loan and Trust Agreement during which the Bonds accrue interest at a Flexible Rate.

“General Obligation Indebtedness” means the Series A Bonds, the Reimbursement Obligations, the \$100,000,000 Massachusetts Health and Educational Facilities Authority Revenue Bonds, Worcester City Campus Corporation Issue (University of Massachusetts Project), Series A, the UMBA Project Revenue Bonds, Series 1995-A, and any additional Indebtedness issued by the Institution, UMBA or the Authority which is payable from all available funds of the Institution.

“Government or Equivalent Obligations” means (i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), (ii) obligations the timely payment of the principal and interest of which are fully guaranteed by the United States of America, (iii) certificates which evidence ownership of the right to the payment of the principal of and interest on obligations described in clause (i) and (ii), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee in a special account separate from the general assets of such custodian, and (iv) tax exempt obligations of any state or instrumentality, agency or political subdivision thereof which are fully secured by, or payments as to principal and interest on which shall be made exclusively from, obligations described in (i), (ii) or (iii) above.

“Indebtedness” means all obligations for borrowed money, or installment sale and capitalized lease obligations, incurred or assumed, including guaranties or any other obligation for payments of principal and interest with respect to money borrowed.

“Initial Administrative Fee” means the fee, in the amount of \$28,710, payable from the Expense Fund to the Authority, for its initial services in regard to the issuance of the Series A Bonds.

“Institution” means the University of Massachusetts.

“Institution Bonds” means when a Credit Facility is in effect for the Bonds, any Bond registered in the name of the Institution or its nominee as a result of the purchase of such Bonds by the Institution pursuant to the Loan and Trust Agreement and any Pledged Bond which has been transferred to the Institution pursuant to the applicable Reimbursement Agreement.

“Institution Certificate as to Arbitrage” means the Institution Certificate as to Arbitrage delivered by the Institution at the closing of the Series A Bonds.

“Institution Tax Certificate” means the Institution Tax Certificate delivered by the Institution at the closing of the Series A Bonds.

“Institution’s Representative” means a person at the time designated to act on behalf of the Institution by a written instrument furnished to the Trustee and the Paying Agent containing the specimen signature of such person and signed on behalf of the Institution by any of its officers. The instrument may designate an alternate or alternatives.

“Interest Payment Date” means:

- (a) with respect to the Bonds accruing interest at Daily Rates, the first Business Day of each calendar month following the Daily Rate Period for which interest is payable, and any date which is a Conversion Date from a Daily Rate Period;
- (b) with respect to the Bonds accruing interest at Weekly Rates, the first Business Day of each calendar month following the Weekly Rate Period for which interest is payable, commencing May 1, 2000, and any day which is a Conversion Date from a Weekly Rate Period;
- (c) with respect to the Bonds accruing at a Flexible Rate, the first Business Day after the last day of each Flexible Rate Period applicable thereto;
- (d) with respect to the Series A Bonds accruing at the initial Long-Term Rate commencing March 27, 2009, October 1, 2009 and April 1, 2010 and with respect to the Series A Bonds accruing at any other Long-Term Rate, the first day of the sixth calendar month following the month in which such Long-Term Rate takes effect, and the first day of each sixth calendar month thereafter and any day which is a Long-Term Rate Conversion Date; and
- (e) with respect to the Bonds accruing interest at a Fixed Rate, each May 1 and November 1 commencing with the first of such dates which is at least six months after the Fixed Rate Conversion Date through and including the maturity date of the Bonds accruing interest at a Fixed Rate; and
- (f) with respect to Pledged Bonds, any date on which interest thereon is payable as set forth in the Reimbursement Agreement.

“Letter of Credit” means an irrevocable, transferable, letter of credit issued by a Bank for the benefit of the Trustee to support payment of the principal and Purchase Price of and interest on the Bonds and any extension thereof. During any period in which no Letter of Credit is in effect with respect to the Bonds, references to a Letter of Credit shall be disregarded.

“Long-Term Rate” means the per annum interest rate to be determined on the Bonds pursuant to the Loan and Trust Agreement.

“Long-Term Rate Conversion Date” means each date on which the Bonds begin to accrue interest at a Long-Term Rate pursuant to the Loan and Trust Agreement which is immediately preceded by a day on which the Bonds did not accrue interest at a Long-Term Rate or accrued interest at a Long-Term Rate during a different Long-Term Rate Period.

“Long-Term Rate Period” means each period described in the Loan and Trust Agreement during which Bonds accrue interest at a Long-Term Rate. Except as otherwise provided in the Loan and Trust Agreement, a Long-Term Rate Period must be at least 180 days in length.

“Mandatory Purchase” means the purchase or deemed purchase of a Bond from the Owner thereof pursuant to the Loan and Trust Agreement.

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“Mandatory Purchase Date” means any of the dates specified in the Loan and Trust Agreement on which dates the Bonds are subject to mandatory purchase from the Owner.

“Maximum Rate” means the least of twelve percent (12%) per annum (or such higher interest rate per annum as may be established by the Institution by an amendment to the Loan and Trust Agreement pursuant to the Loan and Trust Agreement), the actual interest rate on the Bonds if the Bonds bear interest at the Long-Term Rate and a Credit Facility is in effect through the next Effective Date and the maximum rate permitted by applicable law; provided that the “Maximum Rate” with respect to Pledged Bonds shall be the maximum rate permitted by applicable law.

“Notice Parties” means the Authority, the Institution, the Remarketing Agent, the Paying Agent, the Trustee and the Bank, if any.

“Opinion of Bond Counsel” means a written opinion in form and substance not unacceptable to the Trustee or the Authority, as the case may be, signed by an attorney or firm of attorneys experienced in the field of municipal bonds, whose opinions are generally accepted by purchasers of municipal bonds.

“Opinion of Counsel” means a written opinion in form and substance not unacceptable to the Trustee or the Authority, as the case may be, signed by an attorney or firm of attorneys, who may be counsel for the Institution, or other counsel.

“Original Issue Date” means the date on which the Bonds are delivered to the original purchasers thereof.

“Outstanding,” when used to modify Bonds, refers to Bonds issued under the Loan and Trust Agreement, excluding: (i) Bonds which have been exchanged or replaced, or delivered to the Paying Agent for credit against a principal payment; (ii) Bonds which have been paid; (iii) Bonds which have become due and for the payment of which moneys have been duly provided; and (iv) Bonds for which there have been irrevocably set aside sufficient funds, or Government or Equivalent Obligations bearing interest at such rates, and with such maturities as will provide sufficient funds, to pay the principal of, premium, if any, and interest on such Bonds or, except after the Fixed Rate Conversion Date, the Purchase Price of such Bonds; provided, however, that (a) if any such Bonds are to be redeemed prior to maturity, the Authority shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Loan and Trust Agreement or irrevocable instructions so to mail shall have been given to the Trustee; (b) in determining whether there are sufficient funds, unpaid interest on Bonds for any period prior to maturity or the specified redemption date for which the interest rate is not known shall be computed at the Maximum Rate; and (c) no Bond which shall cease to be Outstanding pursuant to clause (iv) hereof shall be subject to later conversion to another rate period and provided further, however, that no Bond which shall cease to be Outstanding pursuant to clause (iv) hereof shall be subject to later conversion to a different type of interest rate, and that prior to the expiration of a Credit Facility without renewal or replacement, no Bond shall cease to be Outstanding pursuant to clause (iv) unless such fund or funds are invested in obligations that constitute Eligible Funds.

“Paying Agent” means The Bank of New York Mellon Trust Company, N.A., acting as Paying Agent as provided in the Loan and Trust Agreement and any successor Paying Agent designated from time to time pursuant to the Loan and Trust Agreement.

“Pledged Bond” means any Bond purchased with proceeds of a draw under a Credit Facility which is registered to the Bank or its designee pursuant to the Loan and Trust Agreement.

“Program” means the financing and refinancing of the acquisition of telecommunications, electronic, computer, office, research, equipment and administrative systems and renovation costs related thereto.

The word “Program” also refers to the facilities which result or have resulted from the foregoing activities. The scope of the Program may be increased or decreased with the written consent of the Authority upon

certification by the Program Officer on behalf of the Institution describing the change, estimating the resulting increase or decrease in the cost of the Program and stating that the amendment will not cause the Program to violate any applicable building, zoning, land use, environmental protection, historical, sanitary, safety or educational laws, rules and regulations or applicable grant, or reimbursement or insurance requirements or the provisions of the Loan and Trust Agreement. The signers of the certificate may rely, as to conclusions of law, on an opinion of counsel furnished to the Authority and referred to in the certificate. The Authority may waive any provision required to be contained in the certificate upon advice of counsel that the waiver does not adversely affect the security for the Bonds. The scope of the Program may be increased only after consultation with nationally recognized bond counsel to determine that the increase will not adversely affect the federal tax status of interest on the Bonds.

“Program Acquisition Fund” means the fund so named established pursuant to the Loan and Trust Agreement.

“Program Costs” means the costs of carrying out the Program so long as such costs are capital expenditures (as defined in Section 1.150-1(b) of the Treasury Regulations), including repayment of internal advances for the same and including interest on the Bonds for up to three years after the issuance of the Bonds.

“Program Officer” means Philip J. Marquis or an alternate or successor appointed by the Institution.

“Purchase Date” means, while the Bonds bear interest at a Daily Rate, Weekly Rate, Flexible Rate or Long-Term Rate, the date on which Bonds shall be required to be purchased pursuant to a mandatory purchase or optional tender in accordance with the provisions of Article IV and the form of Bonds in the Loan and Trust Agreement.

“Purchase Price” means an amount equal to the principal amount of any Tendered Bond or Bond subject to Mandatory Purchase pursuant to the Loan and Trust Agreement, plus accrued and unpaid interest thereon, if any, to the Purchase Date.

“Put” means the right of a Bondowner to require, or the act of requiring, the Paying Agent to purchase a Bond (other than a Pledged Bond or an Institution Bond) at its Owner’s option pursuant to the Loan and Trust Agreement, as the case may be.

“Rebate Fund” means the fund so named established pursuant to the Loan and Trust Agreement.

“Record Date” means the close of business on either (a) in the case of Bonds accruing interest at Daily, Weekly or Flexible Rates, the day (whether or not a Business Day) immediately preceding an Interest Payment Date, or (b) in the case of Bonds accruing interest at Long-Term Rates or Fixed Rates, the fifteenth (15th) day (whether or not a Business Day) of the month prior to the next succeeding Interest Payment Date.

“Reimbursement Agreement” means any letter of credit agreement or reimbursement agreement by and between the Institution and the issuer of any Credit Facility, and any amendments and supplements thereto. During any period in which no Letter of Credit or other Credit Facility is in effect, references to the Reimbursement Agreement shall be disregarded.

“Reimbursement Obligations” means all obligations of the Institution owing a Bank pursuant to a Reimbursement Agreement. During any period in which no Letter of Credit or other Credit Facility is in effect, references to Reimbursement Obligations shall be disregarded.

“Remarketing Agent” means Merrill Lynch, Piece, Fenner & Smith Incorporated or its successor appointed as remarketing agent pursuant to the Loan and Trust Agreement.

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“Remarketing Agreement” means the Remarketing Agreement, dated as of March 12, 2010, between the Authority, the Institution and the Remarketing Agent as such agreement may from time to time be amended and supplemented, and any other similar agreement to remarket the Bonds.

“Revenue Indebtedness” means the Lowell Technological Institute Building Authority Facilities Bonds, First Series, the University of Lowell Building Authority Facilities Bonds, Second Series A, the University of Lowell Building Authority Facilities Bonds, Second Series B, the University of Lowell Building Authority Facilities Bonds, Fourth Series B, the University of Lowell Building Authority Commonwealth Guaranteed Facilities Bonds, Fifth Series A, the Southeastern Massachusetts University Building Authority Project Revenue Bonds, 1986 Series B, the Southeastern Massachusetts University Building Authority Refunding Revenue Bonds, 1995 Series A, the UMBA Refunding Revenue Bonds, Series 1991-A, the UMBA Refunding Revenue Bonds, Series 1995-B, and any additional Indebtedness issued by UMBA pursuant to the Loan and Trust Agreement.

“Revenues” means all rates, payments, rents, fees, charges, and other income and receipts, including proceeds of insurance, eminent domain and sale, and including proceeds derived from any security provided under the Loan and Trust Agreement, payable to the Authority or the Trustee under the Loan and Trust Agreement, excluding administrative fees of the Authority, fees of the Trustee, reimbursements to the Authority or the Trustee for expenses incurred by the Authority or the Trustee, and indemnification of the Authority and the Trustee.

“Securities Depository” or “DTC” means The Depository Trust Company and its successors and assigns or any other securities depository selected by the Institution that agrees to follow procedures required to be followed by such securities depository in connection with the Bonds.

“Series A Bonds” means the Massachusetts Health and Educational Facilities Authority Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A, and any Bond or Bonds duly issued in exchange or replacement therefor.

“Tender Date” means the date on which a Bondowner must present the Tender Notice in order to effect a purchase of Bonds on the Purchase Date.

“Tendered Bond” means any Bond with respect to which the Bondowner has elected to require purchase pursuant to the Loan and Trust Agreement.

“Tender Notice” means the notice of tender from a Bondowner to the Paying Agent pursuant to the Loan and Trust Agreement, as the case may be in order to effect a purchase of Bonds on the Purchase Date.

“UCC” means the Massachusetts Uniform Commercial Code.

“UMBA” means the University of Massachusetts Building Authority.

“Variable Rate Period” means any of the Daily Rate Period, Weekly Rate Period, Flexible Rate Period or Long-Term Rate Period.

“Weekly Rate” means the per annum interest rate on the Bonds during a Weekly Rate Period determined on a weekly basis as provided in the Loan and Trust Agreement.

“Weekly Rate Conversion Date” means each day on which the Bonds begin to accrue interest at a Weekly Rate pursuant to the Loan and Trust Agreement which is immediately preceded by a day on which the Bonds did not accrue interest at a Weekly Rate.

“Weekly Rate Period” means each period described in the Loan and Trust Agreement during which Series A Bonds accrue interest at a Weekly Rate.

SUMMARY OF THE LOAN AND TRUST AGREEMENT

The following is a summary, prepared by Hinckley, Allen & Snyder LLP, Bond Counsel, of certain provisions of the Loan and Trust Agreement, among the Massachusetts Health and Educational Facilities Authority, predecessor in interest to the Massachusetts Development Finance Agency (the "Authority"), the University of Massachusetts (the "Institution") and The Bank of New York Mellon Trust Company, N.A., as successor Trustee (the "Trustee"). This summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such and all provisions.

The Authority's Assignment and Pledge of Revenues and Funds

In order to secure the Bonds and the Reimbursement Obligations, if any, the Authority assigns and pledges to the Trustee in trust upon the terms of the Agreement for the benefit and security of the Bondowners and the Bank (a) all Revenues to be received from the Institution or derived from any security provided under the Agreement, (b) all rights to receive such Revenues and the proceeds of such rights and (c) all funds and investments held from time to time in the funds established under the Agreement except for the Rebate Fund. This assignment and pledge does not include: (i) the rights of the Authority pursuant to provisions for consent, concurrence, approval or other action by the Authority, notice to the Authority, the filing of reports, certificates or other documents with the Authority, or for fees, reimbursement or indemnification or the rights thereto, or (ii) the powers of the Authority as stated in the Agreement to enforce the provisions of the Agreement.

Defeasance

When the Bonds have been paid or redeemed in full from Eligible Funds as provided in the Agreement, or after there are in the Debt Service Fund, Eligible Funds, or Eligible Funds invested in Government or Equivalent Obligations, in such principal amounts, bearing interest at such rates and with such maturities as will provide, without reinvestment, sufficient funds (unpaid interest on Bonds for any period prior to maturity or the specified redemption date for which the interest rate is not known being computed at the Maximum Rate), to pay the principal of, premium, if any, and interest on the Bonds or, except after the Fixed Rate Conversion Date, the Purchase Price, and when all the rights of the Authority, the Paying Agent, the Trustee and the Bank, if any, under the Agreement and under a Reimbursement Agreement have been provided for, including all Reimbursement Obligations, upon written notice from the Institution to the Authority, the Paying Agent, the Trustee and the Bank, if any, the Bondowners shall cease to be entitled to any benefit or security under the Agreement except the right to receive payment of the funds deposited and held for payment and other rights which by their nature cannot be satisfied prior to or simultaneously with termination of the lien of the Agreement, the security interests created by the Agreement (except in such funds and investments) shall terminate, and the Authority and the Trustee shall execute and deliver such instruments as may be necessary to discharge the lien and security interests created under the Agreement; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Agreement or irrevocable instructions so to mail shall have been given to the Trustee and provided further that the obligation to pay all amounts that may become due in respect of the Bonds under section 148(f) of the Code shall survive any defeasance pursuant to this paragraph. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full or, if prior to the Fixed Rate Conversion Date, to provide for the Purchase Price of the Bonds in full, shall be irrevocably set aside for such purposes, subject, however, to the provision for Unclaimed Moneys under the Agreement, and moneys held for defeasance shall be invested only as provided above in this paragraph. Any funds or property held by the Trustee and not required for payment or redemption of the Bonds in full shall, after satisfaction of all the rights of the Authority, the Trustee, the Paying Agent and the Bank, if any, including all Reimbursement Obligations, and after allowance for payment into the Rebate Fund, if any, be distributed to the Institution upon such indemnification, if any, as the Authority or the Trustee may reasonably require. The requirement that funds applied to defease the Bonds pursuant to this paragraph be Eligible Funds shall apply only while a Credit Facility is in effect. Upon defeasance, any Credit Facility shall be canceled and returned to the Bank.

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Additional Bonds

The Authority may issue additional Bonds to complete the Program, to refund Bonds previously issued under the Agreement or to finance or refinance any other project or projects of the Institution permitted under the Act. If a Credit Facility is then in effect, no additional Bonds shall be issued pursuant to the Agreement without the consent of the Bank.

Prior to the delivery of the additional Bonds, the Institution, the Authority and the Trustee shall enter into a supplemental agreement providing for the details of the additional Bonds, including the application of the proceeds thereof substantially in accordance with the provisions relating to the Series A Bonds. The supplemental agreement shall require payments by the Institution at such times and in such manner as shall be necessary to provide for full payment of the debt service on the additional Bonds as it becomes due. The supplemental agreement may also amend any other provision of the Agreement, provided that it will not have a material adverse effect upon the security for the Bonds other than implicit in the authorization of parity Bonds.

Establishment of Funds

The following funds shall be established and maintained with the Trustee for the account of the Institution, to be held in trust by the Trustee and applied subject to the provisions of the Agreement:

Debt Service Fund; and

Rebate Fund.

The Program Acquisition Fund and the Expense Fund shall be established and maintained with the Authority to be held by the Authority in trust for the account of the Institution and applied subject to the provisions of the Agreement.

Debt Service Fund

A Debt Service Fund is established with the Trustee and moneys shall be deposited therein as provided in the Agreement. The moneys in the Debt Service Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided under the Agreement, shall be applied solely to (a) the payment of the principal, redemption premium, if any, and interest on the Bonds and (b) if applicable, the reimbursement of the Bank for amounts drawn under a Credit Facility then in effect and payment to the Bank of any other amounts due under a Reimbursement Agreement (except to the extent such amounts have been paid to the Bank directly by the Institution). Promptly after November 1 of each year, if the amount deposited by the Institution in the Debt Service Fund during the preceding year pursuant to the provision of the Agreement was in excess of the amount required to be so deposited, the Trustee shall transfer such excess to the Institution upon its request unless there is then an Event of Default known to the Trustee with respect to payments to the Debt Service Fund, Rebate Fund or to the Trustee, the Paying Agent or the Authority, in which case the excess shall be applied to such payments.

The Trustee shall transfer in immediately available funds, moneys from the Debt Service Fund to the Paying Agent for the payment of Bonds on the date on which such payment is to be made.

Application of Moneys

If, in addition to moneys drawn under any Credit Facility then in effect, available moneys in the Debt Service Fund are not sufficient on any day to pay the Purchase Price or principal of, premium, if any, and interest on the Outstanding Bonds then due or overdue, such moneys (other than any sum irrevocably set aside for the redemption of particular Bonds) shall, after payment of all charges and disbursements of the Authority, the Paying Agent and the Trustee in accordance with the Agreement, be applied first to the payment of interest, including interest on overdue principal, and second to the payment of Purchase Price or principal of and premium, if any, in each case pro rata among Bondowners; provided, however, that moneys drawn under a Credit Facility shall be applied only to pay principal and interest on the Bonds and the Purchase Price thereof, and shall not be available to pay amounts owing to the Authority, the Trustee or the Paying Agent. In the event there exist Pledged Bonds or Institution Bonds on the date of any application of moneys under this section, monies otherwise to be paid to the

Institution or the Bank pursuant to this section shall be applied, first, pro rata to all other Bondowners, second, if any balance remains, to the Bank in fulfillment of any obligations owed to it under a Reimbursement Agreement or any Pledged Bonds, and third, if any further balance remains, to the Institution in respect of any Institution Bonds. Whenever moneys are to be applied pursuant to this section, such moneys shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion it shall fix the date (which shall be the first of a month unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give or cause to be given such notice as it may deem appropriate of the fixing of any such date. When interest or a portion of the principal is to be paid on an overdue Bond, the Paying Agent may require presentation of the Bond for endorsement of the payment.

Rebate Fund

A Rebate Fund is established with the Trustee for the purpose of compliance with section 148(f) of the Code but not as security for the Bonds. Amounts in the Rebate Fund shall not be available to pay principal, interest or redemption premium on the Bonds.

No later than fifty (50) days after the close of the fifth Bond Year following the date of issue of the Bonds and the close of each fifth Bond Year thereafter, the Institution shall determine the amount to be deposited in the Rebate Fund as set forth in the Agreement, and shall pay such amount to the Trustee for deposit into the Rebate Fund.

No later than sixty (60) days after the close of the fifth Bond Year following the date of issue of the Bonds and the close of each fifth Bond Year thereafter, the Trustee, at the written direction of the Institution, shall pay from the Rebate Fund to the United States an amount which is at least 90% of the amount then required to be paid under the section 148(f) of the Code. Within sixty (60) days after the Bonds have been paid in full, the Trustee, at the written direction of the Institution, shall pay to the United States from the applicable account within the Rebate Fund the full amount then required to be paid under the rebate provision. If the amount in the Rebate Fund is insufficient to pay the amount required to be paid under the rebate provision, the Institution shall be liable to make up that deficiency.

Payments by the Institution: Credit Facility

(a) Payments of Debt Service by the Institution

(i) If no Credit Facility is in effect, the Institution shall make payments to the Trustee for deposit in the Debt Service Fund no later than 11:00 a.m. on the Business Day on which such payment of principal (including principal called for redemption) of, premium, if any, or interest on Bonds shall become due in an amount equal to the payment then coming due on such Bonds. While the Series A Bonds bear interest at the Fixed Rate, the Institution shall pay to the Trustee for deposit into the Debt Service Fund on or before the close of business on the Business Day preceding each Interest Payment Date the interest coming due on the Series A Bonds on such Interest Payment Date, and, if such Interest Payment Date is a date on which principal is due, all of the principal (including principal called for redemption) of and premium, if any, on the Bonds coming due on such Interest Payment Date. When a Credit Facility is in effect with respect to the Bonds, The Institution shall make payments in immediately available funds to the Bank as and when required by a Reimbursement Agreement to reimburse the Bank for draws honored under a Credit Facility for the payment of principal (including principal called for redemption) of, premium, if any, or interest on Bonds. Upon written request of the Bank any moneys in the Debt Service Fund will be distributed to the Bank to reimburse the Bank for amounts drawn under a Credit Facility.

(ii) The payments to be made under the foregoing subsection shall be appropriately adjusted to reflect the issuance of additional Bonds, any earnings on amounts in the Debt Service Fund, and any

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purchase or redemption of Bonds, so that there will be available on each payment date in the Debt Service Fund the amount necessary to pay the interest and principal due or coming due on the Bonds and so that accrued interest will be applied to the installments of interest to which they are applicable (or, if applicable, to reimburse the Bank for draws on the Credit Facility for such amounts).

(iii) The Institution shall pay to the Trustee for deposit in the Rebate Fund the amounts and at the times required by the Agreement.

(iv) At any time when any principal of the Bonds is overdue, the Institution shall also have a continuing obligation to pay to the Trustee for deposit in the Debt Service Fund an amount equal to interest on the overdue principal. Redemption premiums shall not bear interest.

(v) Payments by the Institution to the Trustee for deposit in the Debt Service Fund or Rebate Fund under the Agreement shall discharge the obligation of the Institution to the extent of such payments; provided, that if any moneys are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay principal and interest on the Bonds when due, the Institution shall supply the deficiency.

(b) Additional Payments

(i) On each December 15 and June 15, the Institution shall pay to the Authority one-half (1/2) of the Annual Administrative Fee; provided, however, that the aggregate fees and charges to be received by the Authority from the Institution shall not equal or exceed that amount, if any, which if reasonably expected on the date of issue of the Bonds, would cause the interest on the Bonds to be taxable as interest on arbitrage bonds under the IRC. The obligation to pay the Annual Administrative Fee shall continue until the Bonds have been paid in full or have become due and the moneys for their payment have been irrevocably set aside with the Trustee for the purpose, notwithstanding any prior defeasance pursuant to the Agreement; provided that, in the event of defeasance through the issuance of refunding obligations by the Authority, appropriate adjustment shall be made to avoid duplication of the Annual Administrative Fee.

(ii) Within thirty (30) days after notice from the Authority, the Institution shall pay to the Authority all fees and expenses (except general administrative expenses or overhead) reasonably incurred by the Authority by reason of the Agreement.

(iii) Within thirty (30) days after notice from the Trustee, the Institution shall pay to the Trustee the reasonable fees and expenses of the Trustee as set forth in the Agreement.

(iv) Within thirty (30) days after notice from the Paying Agent, the Institution shall pay to the Paying Agent its reasonable fees and expenses.

(v) If a Credit Facility is in effect, the Institution shall pay to the Bank any amounts due and owing under the Reimbursement Agreement.

(c) Drawing on the Credit Facility

(i) Debt Service While a Credit Facility is available for the Bonds, the Paying Agent shall not later than 10:00 a.m., New York City time, on the payment date, draw on the Credit Facility in accordance with its terms an amount equal to the payment due (including amounts due for redemptions), provided that the amount so drawn shall not exceed amounts needed to pay the principal of, premium, if any, and interest on Bonds other than Institution Bonds and Pledged Bonds.

(ii) Mandatory Tenders for Purchase Drawings on the Credit Facility for the purchase of Bonds tendered for mandatory purchase pursuant to the Agreement shall be made pursuant to the provisions of the Agreement.

(iii) Purchase at Bondowners' Election Drawings on the Credit Facility for the purchase of Tendered Bonds pursuant to the Agreement shall be made pursuant to the provisions of the Agreement.

(iv) Use of Credit Facility In making draws under any Credit Facility, the Paying Agent shall do so in accordance with the terms and conditions of such Credit Facility. All amounts received by the Paying Agent under a Credit Facility shall be held in a fund (the “Credit Facility Account”) by the Paying Agent, separate and apart from all other amounts held by the Paying Agent and amounts in the Credit Facility Account shall remain uninvested or shall be invested in Government or Equivalent Obligations, maturing within thirty (30) days or the date that such amounts are required to be applied in accordance with the Agreement, whichever is earlier. All amounts received by the Paying Agent under any Credit Facility shall be deposited in the Credit Facility Account and used solely to pay the Purchase Price or principal and purchase price of and interest on the Bonds. Principal and purchase price of and interest on Institution Bonds or Pledged Bonds shall not be paid from amounts drawn on a Credit Facility. The Credit Facility Account shall consist solely of sums drawn by the Paying Agent under the Credit Facility.

(d) Transfer of Funds and Payment The Trustee shall transfer or cause to be transferred funds to the Paying Agent for the payment of principal, premium, if any, and interest payable on the Bonds as provided in the Agreement. The Paying Agent shall apply to such payments, in order (i) moneys drawn on the Credit Facility, (ii) Eligible Funds on deposit in the Debt Service Fund other than moneys drawn on the Credit Facility, and (iii) any other moneys in the Debt Service Fund; provided, however, that except as specified in the next sentence, in no event shall the Trustee use any moneys other than Eligible Funds to pay principal of or interest on the Bonds supported by a Credit Facility. If and to the extent that sufficient Eligible Funds, including moneys drawn on the Credit Facility pursuant to this section, are not available to pay in full the principal of, premium, if any, and interest on the Bonds supported by a Credit Facility (other than Pledged Bonds and Institution Bonds), then other available moneys, including other amounts received under the Agreement, shall be so used. The Paying Agent shall make payments from money drawn on the Credit Facility in accordance with the Agreement and pay the purchase price of Tendered Bonds.

(e) Institution’s Purchase of Bonds

(i) If a Credit Facility is then in effect and if the amount drawn on the Credit Facility, together with all other amounts received by the Paying Agent for the purchase of the Bonds tendered pursuant to the provisions of the Agreement, is not sufficient to pay the Purchase Price of such Bonds on the Purchase Date, the Paying Agent shall before 2:15 p.m., New York time, on such Purchase Date, notify the Institution and the Trustee of such deficiency by telephone or telegraph promptly confirmed in writing. The Institution shall pay to the Paying Agent in immediately available funds by 2:45 p.m. New York time, on the Purchase Date for the Bonds tendered pursuant to the provisions of the Agreement, an amount equal to the Purchase Price of such Bonds less the amount, if any, available to pay the Purchase Price in accordance with the provisions of the Agreement, as the case may be, from the proceeds of the remarketing of such Bonds or from drawings on the Credit Facility, if any, as reported by the Paying Agent.

(ii) If no Credit Facility is then in effect, the Remarketing Agent shall notify the Institution of the funds held by the Remarketing Agent as proceeds from the remarketing of such Bonds and any deficiency in amounts available to pay the Purchase Price of the Bonds tendered pursuant to the provisions of the Agreement, by 12:00 p.m., New York time, on such Purchase Date by telephone or telegraph promptly confirmed in writing. The Institution shall pay to the Paying Agent in immediately available funds by 2:30 p.m. New York time, on the Purchase Date for Bonds tendered, an amount equal to the Purchase Price of such Bonds less the amount, if any, available to pay the Purchase Price in accordance with provisions of the Agreement, from the proceeds of the remarketing of such Bonds.

(iii) Bonds so purchased with moneys furnished by the Institution (“Institution Bonds”) pursuant to the Agreement shall be registered to the Institution, but shall be delivered to and held by the Paying Agent for the account of the Institution until transferred pursuant to the following sentence or cancelled. Institution Bonds held by the Paying Agent shall, upon written instructions of the Institution, be cancelled or transferred to the Remarketing Agent for delivery to or at the direction of any purchaser of such Bonds from the Institution which the Institution certifies is a person other than the Institution or a “related person” as such term is used in Section 144(a)(3) of the Code, whereupon such Bonds shall not be

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Institution Bonds. Any Institution Bonds shall not be subject to purchase under the provisions of the Agreement, and, if so registered for a period of ninety (90) days (or such longer period as may be approved (under Massachusetts and federal law) in an Opinion of Bond Counsel reasonably acceptable to the Trustee) without being resold, shall be automatically cancelled, and the Institution shall deliver the Bonds to the Paying Agent.

General Obligation

The obligation of the Institution to make payments to the Authority, the Paying Agent, the Trustee and the Bank, if any, under the Agreement is a general obligation of the Institution to pay from any source legally available for expenditure by the Board of Trustees of the Institution for such purpose and shall be binding and enforceable in all circumstances whatsoever, and shall not be subject to setoff, recoupment or counterclaim. Neither The Commonwealth of Massachusetts nor any political subdivision thereof shall be obligated to pay the Purchase Price or principal of, premium (if any) or interest on, the Bonds or to pay any amounts due under any Reimbursement Agreement except from any source legally available for expenditure by the Board of Trustees of the Institution for such purpose, and neither the faith and credit nor the taxing power of The Commonwealth of Massachusetts is pledged to the payment of the Purchase Price or principal of, premium (if any) or interest on, the Bonds or to the payment of any amounts due under any Reimbursement Agreement. Without limiting the generality of the foregoing, the Board of Trustees of the Institution, acting by and on behalf of The Commonwealth of Massachusetts pursuant to Section 19A of Chapter 773 of the Acts of 1960, as amended, promises under the Agreement to transfer to the Authority to the extent necessary any amounts legally available for expenditure by the Board of Trustees of the Institution; provided, that in the case of any funds expected to be available for expenditure by the Board of Trustees of the Institution pursuant to subsequent appropriation or other spending authorization by the legislature, the Board of Trustees of the Institution may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization.

Investments

(a) Pending their use under the Agreement, moneys in the Debt Service Fund, Expense Fund and Rebate Fund may be invested by the Trustee or the Authority, as applicable, in Permitted Investments (as defined below) maturing or redeemable at the option of the owner at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Institution if there is not then an Event of Default known to the Trustee. Moneys in the Program Acquisition Fund may be invested by the Authority in Permitted Investments maturing or redeemable at the option of the owner within three (3) years and not later than the times when such moneys are expected to be needed. Notwithstanding the foregoing, any amount of Bond proceeds deposited in the Program Acquisition Fund pursuant to the Agreement which has not been expended by March 29, 2003 or which represent proceeds of damage, destruction, condemnation, sale or other disposition of the Program shall be invested only in Permitted Investments with a yield not more than 1/8% higher than the yield on the Bonds, or in tax-exempt bonds without regard to yield unless the Institution shall have obtained an Opinion of Bond Counsel to the effect that failure so to restrict the investment of such proceeds will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any investments pursuant to this subsection shall be held by the Trustee, the Paying Agent or the Authority, as the case may be, as a part of the applicable Fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Fund, subject to the notice provisions of Section 9-504(3) of the UCC to the extent applicable. In the absence of written direction of the Institution, the Trustee, the Paying Agent or the Authority, as the case may be, shall invest in Permitted Investments described below. The Trustee, the Paying Agent and the Authority, as the case may be, shall not be liable or responsible for the making of any investment authorized by the Agreement in the manner provided in the Agreement, or for any loss resulting from any such investment so made. The Trustee, the Authority and the Paying Agent shall have no obligation to determine whether a directed investment is a Permitted Investment.

(b) Except as set forth below, any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings on the Expense Fund shall be deposited in the Program

Acquisition Fund. Earnings (which for this purpose include net profit and are after deduction of net loss) on the Debt Service Fund during the construction period shall be transferred to the Program Acquisition Fund not less often than quarterly. Earnings on the Debt Service Fund after the construction period shall be retained in the Debt Service Fund, unless there is an Event of Default known to the Trustee with respect to payments to the Debt Service Fund or the Rebate Fund, or to the Trustee, the Paying Agent, the Bank, if any, or the Authority, in which case they shall be applied to such payments.

(c) (i) The term “Permitted Investments” means:

(A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, which means (1) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, and (3) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”).

(B) “Tax Exempt Bonds” as defined in section 150(a)(6) of the Code, other than “specified private activity bonds” as defined in section 57(a)(5)(C) of the Code rated at least AA or Aa by S&P and Moody's, respectively, or the equivalent by any other nationally recognized rating agency at the time of acquisition thereof.

(C) Federal Housing Administration debentures.

(D) Obligations of government-sponsored agencies which are not backed by the full faith and credit of the U.S. government. These are specifically limited to:

- (1) Federal Home Loan Mortgage Corporation (FHLMC) - Participation certificates and Debt obligations;
- (2) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) - Consolidated systemwide bonds and notes;
- (3) Federal Home Loan Banks (FHL Banks) - Consolidated debt obligations and Letter of credit (LOC) - backed issues
- (4) -Federal National Mortgage Association (FNMA) - Senior debt obligations and Mortgage-backed securities (excluding stripped mortgages securities which are valued greater than par on the portion of unpaid principal);
- (5) Student Loan Marketing Association (SLMA) - Senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);
- (6) Financing Corporation (FICO) - Debt obligations;
- (7) Resolution Funding Corporation (REFCORP) - Debt obligations; and
- (8) Government National Mortgage Association (GNMA).

(E) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody's and “A-1” or “A” or better by S&P.

(F) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

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(G) Commercial paper rated, at the time of purchase, “Prime-1” by Moody's and “A-1” or better by S&P.

(H) Money market funds rated “AAm” or “AAM-G” by S&P, or better, and investments in the Massachusetts Health and Educational Facilities Authority Short Term Asset Reserve (STAR) Fund and the Common Fund.

(I) “State Obligations”, which means:

- (1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody's and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- (2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by S&P and “Prime-1” by Moody's.
- (3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated “AA” or better by S&P and “Aa” or better by Moody's.

(J) Pre-refunded municipal obligations rated “AAA” by Standard & Poor's Corporation and “Aaa” by Moody's Investors Service meeting the following requirements:

- (1) The municipal obligations are (1) not subject to redemption prior to maturity or (2) the Trustee has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- (2) The municipal obligations are secured by cash or United States Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- (3) The principal of and interest on the United States Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest and premium, if any, due and to become due on the municipal obligations (“Verification”);
- (4) The cash or United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- (5) No substitution of a United States Obligation shall be permitted except with another United States Obligation and upon delivery of a new Verification; and
- (6) The cash or United States Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(K) Repurchase Agreements under which a bank or trust company which has a capital and surplus of not less than \$50,000,000 or a government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York sells to, and agrees to repurchase from the Authority or the Trustee obligations issued or guaranteed by the United States; provided that the market value of such obligations is at the time of entering into the agreement at least one hundred three percent (103%) of the repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain which is not later than one (1) year after such agreement is entered into and shall expressly authorize the Trustee or the Authority, as the case may be, to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase

such obligations or the commencement against such party of a case under the Federal Bankruptcy Code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code; and further provided that any such investments may be purchased from or through the Trustee.

(L) Investment Agreements with providers (or guarantor of the provider's obligations thereunder) initially rated at least "AA-" and "Aa3" by S&P and Moody's, with the provision that (i) if the provider (or guarantor, if applicable) is downgraded below "AA-" or "Aa3" by S&P or Moody's, the Authority or the Trustee, as applicable, shall have the right to require the provider to deliver collateral of the type described in paragraph (A) above at a margin percentage of 103%, or that described in paragraph (C) or (D) above at a margin percentage of 104%, and (ii) if the provider (or guarantor, if applicable) is further downgraded below "A-" or "A3" by S&P or Moody's, the Authority or the Trustee, as applicable, will have the right to terminate the agreement and receive all invested amounts plus accrued but unpaid interest without penalty.

(M) Any other investments which are approved in writing by the Bank, if any.

(ii) Notwithstanding the provisions set forth above:

(1) Investments must be purchased and sold at fair market value. Fair market value is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide arm's length transaction.

(2) Investments must be purchased on an established market, and United States Treasury obligations must be purchased directly from the United States unless approved by Bond Counsel or are certified to be in accordance with the procedures set forth below:

(A) Guaranteed Investment Contracts Obligations purchased or sold pursuant to a guaranteed investment contract (e.g., a forward supply contract or any other investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate) are satisfactory if (a) a bona fide solicitation for a specified guaranteed investment contract is made; (b) at least 3 bona fide bids from providers which have no material financial interest (e.g., as an underwriter or broker) in the Bonds ("Qualifying Bids") are received; (c) the highest-yielding contract for which a Qualifying Bid is made is selected (determined net of broker's or other third party fees); (d) the yield on the contract (determined net of broker's or other third party's fees) is at least equal to the yield currently available from the provider on reasonably comparable contracts offered to other persons, if any, with respect to sources of funds other than gross proceeds of tax-exempt bonds or certificates; (e) the determination of the price of the contract takes into account as a significant factor the reasonably expected drawdown schedule for the funds to be invested (exclusive of "float funds" and reasonably required reserve or replacement funds); (f) the terms of the contract, including collateral security requirements, are reasonable; (g) the provider certifies those administrative costs that it is paying (or expects to pay) to third parties in connection with the contract; (h) such administrative costs are "qualified administrative costs;" (i) bidders have had an equal opportunity to bid so that, for example, no bidder may review other bids prior to bidding; and (j) all bidders are reasonably competitive providers of investments of the type provided.

(B) Certificates of Deposit A certificate of deposit must have a fixed interest rate, fixed principal payment schedule, fixed maturity and substantial penalty for withdrawal. The yield must be not less than the yield on reasonably comparable direct obligations of the United States and not less than the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(3) Where an investment in a "tax-exempt bond" is authorized or required, a "tax-exempt bond" is an obligation the interest on which is excludable from gross income under section 103 of the

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Code. The term “tax-exempt bond” does not include a specified private activity bond (as defined in section 57(a)(5)(C) of the Code). The term “tax-exempt bond” includes (1) an interest in a regulated investment company (as defined in section 851(a) of the Code) to the extent that at least 95% of the income of the interest to the holder is excludable from gross income under section 103(a) of the Code, and (2) a certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344.

(4) In determining payments and receipts on investments, only “qualified administrative costs” within the meaning of section 148 of the Code and the Regulations thereunder may be taken into account.

Any of the requirements of this paragraph (ii) shall not apply to moneys as to which the Trustee and the Authority shall have received an Opinion of Bond Counsel to the effect that such requirements are not necessary to preserve the exclusion of interest on the Bonds from the gross income of the owner thereof for federal income tax purposes. Permitted Investments shall not include any investment that would cause any of the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code, or constitute arbitrage bonds within the meaning of section 148(f) of the Code.

(d) The Trustee may hold undivided interests in Permitted Investments for more than one Fund (for which they are eligible) and may make interfund transfers in kind provided the Trustee shall maintain separate accounts for each Fund.

(e) This section shall not govern proceeds held by the Paying Agent from the remarketing of Bonds or from draws on a Credit Facility. Such amounts shall remain uninvested or shall be invested in Government or Equivalent Obligations, maturing within thirty (30) days or on the date that such amounts are required to be applied in accordance with the Agreement, whichever is earlier.

Unclaimed Moneys

Except as may otherwise be required by applicable law, in case any moneys deposited with the Paying Agent for the payment of the principal of, or interest or premium, if any, on any Bond remain unclaimed for the applicable escheat period after such principal, interest or premium has become due and payable, the Paying Agent may and upon receipt of a written request of the Institution shall pay over to the Institution the amount so deposited in immediately available funds, without additional interest, and thereupon the Paying Agent and the Authority shall be released from any further liability with respect to the payment of principal, interest or premium and the owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Institution as an unsecured creditor for the payment thereof. Such amounts shall remain uninvested or shall be invested in Government or Equivalent Obligations maturing on the date that such amounts are required in accordance with the Agreement.

Program Acquisition Fund

A Program Acquisition Fund is established to be held by the Authority. The moneys in the Program Acquisition Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Authority solely to the payment or reimbursement of Program Costs (which shall not include costs of issuance of the Bonds) with respect to the Program. If there is an Event of Default known to the Authority with respect to payments to the Rebate Fund or Debt Service Fund or with respect to payments to the Authority, the Paying Agent or the Trustee, the Authority may use the Program Acquisition Fund without requisition to make up the deficiency (but for transfers to the Rebate Fund, only out of earnings) and the Institution shall restore the funds so used. Disbursements from the Program Acquisition Fund shall be made by the Authority to pay directly or to reimburse the Institution for Program Costs, as directed by requisitions signed on behalf of the Institution by the Program Officer.

In the event at any time or from time to time the Institution determines that the moneys on deposit in the Program Acquisition Fund are in excess of that needed by the Institution, the Institution shall deliver to the Trustee and the Authority a certificate signed by the Program Officer stating the amount of such excess (the “Excess

Proceeds”), and the Authority shall transfer such Excess Proceeds to the Debt Service Fund to be applied to a redemption of Bonds pursuant to the Agreement.

Carrying Out the Program and Deposit of Institution Funds

(a) The Institution shall diligently and continuously carry out the Program. The materials and workmanship shall be of high quality, and no materials, fixtures or equipment intended to become part of the Program shall be purchased by the Institution subject to any lien, encumbrance or claim. Contracts for carrying out the Program and acquisitions in connection therewith have been and shall be made by the Institution in its own name. No funds of the Authority, other than the proceeds of the Bonds, shall be available to pay Program Costs.

(b) In future contracts and to the extent permitted by existing contracts, the Institution shall require each contractor engaged in the construction of the Program to employ construction techniques which will tend to minimize detrimental environmental impact.

Use of Program

In the acquisition, construction, maintenance, improvement and operation of the assets financed under the Program, the Institution covenants that it has complied and will comply with all applicable building, zoning, land use, environmental protection, sanitary, safety and educational laws, rules and regulations, and all applicable grant, reimbursement and insurance requirements, and will not permit a nuisance thereon; but it shall not be a breach of this paragraph if the Institution fails to comply with such laws, rules, regulations and requirements (other than Chapter 21E of the Massachusetts General Laws, as amended) during any period in which the Institution is diligently and in good faith contesting the validity thereof, provided that the security created or intended to be created by the Agreement is not, in the opinion of the Authority, unreasonably jeopardized thereby.

The Institution agrees that the Program shall be used only for the purposes described in Section 3(b) of the Act and no part of the Program shall be used for any purpose which would cause the Authority’s financing of the Program to constitute a violation of the First Amendment of the United States Constitution. In particular, the Institution agrees that no part of the Program, so long as it is owned or controlled by the Institution, shall be used for any sectarian instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; and any proceeds of any sale, lease, taking by eminent domain of the Program or other disposition thereof shall not be used for, or to provide a place for, such instruction, worship or program. The provisions of the foregoing sentence shall, to the extent permitted and required by law, survive termination of the Agreement.

Indemnification as to the Program

To the extent permitted by law, the Institution shall indemnify the Authority and the Trustee against (a) the claims of any person arising out of any condition of the assets financed pursuant to the Program, the construction, use, occupancy or management thereof, or any accident, injury or damage to any person occurring in or about such assets and (b) any and all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon.

Default by the Institution

“Event of Default” in the Agreement means any one of the events set forth below after any applicable grace period and “default” means any Event of Default without regard to any lapse of time or notice.

(i) Any principal of, premium, if any, or interest on any Bond shall not be paid when due, whether at maturity, upon redemption or otherwise from (a) Eligible Funds when a Credit Facility is in effect (except with respect to Pledged Bonds and Institution Bonds) or (b) funds of the Institution when no Credit Facility is in effect; or any Purchase Price for Bonds shall not be paid as provided in the Agreement.

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(ii) The Institution shall fail to make or cause to be made any debt service payment required of it under the provisions of the Agreement when the same becomes due and payable unless payment is otherwise provided therefor under a Credit Facility. When a Credit Facility is in effect with respect to the Series A Bonds, it shall not be an Event of Default under this provision if the Institution shall fail to make payments to the Bank required under the Reimbursement Agreement.

(iii) The Institution shall fail to make or cause to be made any payment of Purchase Price or redemption price required of it under the Agreement when the same becomes due and payable, unless payment is otherwise provided therefor under a Credit Facility. When a Credit Facility is in effect, it shall not be an Event of Default under this provision if the Institution shall fail to make payments to the Bank required under the applicable Reimbursement Agreement.

(iv) When a Credit Facility is in effect, the Paying Agent and the Trustee shall have received notice from the Bank of the occurrence of an “Event of Default,” as defined in the applicable Reimbursement Agreement.

(v) When a Credit Facility is in effect, a failure by the Institution to observe or perform any of its agreements, covenants or obligations contained in the Agreement which causes the interest on the Bonds to become included in the gross income of the recipients thereof for federal income tax purposes. If no Credit Facility is in effect, the Institution shall fail to make any other required payment to the Trustee, and such failure is not remedied within fourteen (14) days after written notice thereof is given by the Authority or the Trustee to the Institution; or the Institution shall fail to observe or perform any of its other agreements, covenants or obligations under the Agreement or any of its agreements, covenants or obligations under the terms of any mortgage or other agreement securing the Credit Facility and such failure is not remedied within sixty (60) days after written notice thereof is given by the Authority or the Trustee to the Institution.

(vi) An Event of Bankruptcy shall occur, provided, that in the event of a filing of an involuntary case in bankruptcy under the United States Bankruptcy Code or the commencement of a proceeding under any other applicable law concerning bankruptcy, insolvency or reorganization against the Institution, such petition or proceeding shall remain undismissed for a period of sixty (60) days.

(vii) When a Credit Facility is in effect, the occurrence of a material breach of warranty made in the Agreement by the Institution as of the date it was intended to be effective which causes the interest on the Bonds to become included in the gross income of the recipients thereof for federal income tax purposes. If no Credit Facility is in effect, there shall be a material breach of warranty made in the Agreement by the Institution as of the date it was intended to be effective and the breach is not cured within sixty (60) days after written notice thereof is given by the Authority or the Trustee to the Institution.

(viii) If a Letter of Credit is in effect with respect to the Series A Bonds, the Paying Agent shall receive written notice from the Bank within five (5) calendar days after a drawing under the Letter of Credit that the Bank has not reinstated the amount so drawn and such non-reinstatement causes the total amount of the obligation of the Bank under the Letter of Credit to be less than the principal amount of the Outstanding Bonds (other than Pledged Bonds and Institution Bonds), plus accrued interest (A) for a period of 45 days at the Maximum Rate with respect to the principal amount of Bonds then Outstanding if the Bonds are in the Weekly Rate Period or (B) for the maximum period of days required by the rating agencies then rating the Bonds to maintain the rating on the Bonds at the Maximum Rate with respect to the principal amount of Bonds then Outstanding if the Bonds bear interest at the Flexible Rate or (C) for a period of 195 days at the Maximum Rate with respect to the principal amount of Bonds then Outstanding if the Bonds bear interest at the Long-Term Rate, or, with respect to any of the foregoing, the minimum number of days’ interest required by the Agreement. The Paying Agent shall immediately notify the Trustee of the Bank’s failure to reinstate the full amount drawn under the Letter of Credit.

(ix) If no Credit Facility is in effect, a breach shall occur (and continue beyond any applicable grace period) with respect to the payment of indebtedness of the Institution for borrowed money with respect to loans exceeding \$10,000,000, or with respect to the performance of any agreement securing such

indebtedness or pursuant to which the same was issued or incurred, or an event shall occur with respect to provisions of any such agreement relating to matters of the character referred to in this section, so that a owner or owners of such indebtedness or a trustee or trustees under any such agreement accelerates or is empowered to accelerate any such indebtedness; but an Event of Default shall not be deemed to be in existence or to be continuing under this clause if (A) the Institution is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings, (B) the power of acceleration is not exercised and it ceases to be in effect, or (C) such breach or event is remedied and the acceleration, if any, is wholly annulled. The Institution shall notify the Authority, the Trustee and the Bank, if any, of any such breach or event immediately upon the Institution's becoming aware of its occurrence and shall from time to time furnish such information as the Authority, the Trustee or the Bank, if any, may reasonably request for the purpose of determining whether a breach or event described in this clause has occurred and whether such power of acceleration has been exercised or continues to be in effect.

If the Trustee determines that a default other than a default in the payment of principal of, premium, if any, or interest on the Bonds has been cured before the entry of any final judgment or decree with respect to it, the Trustee may waive the default and its consequences, with the written consent of the Authority, by written notice to the Institution and shall do so, with the written consent of the Authority, upon written instruction of the owners of at least twenty-five per cent (25%) in principal amount of the Outstanding Bonds; provided, however, that no such waiver shall be effective while a Credit Facility is in effect without the written consent of the Bank and notice of the reinstatement of any such Credit Facility to an amount equal to the principal amount of the Outstanding Bonds (other than Pledged Bonds and Institution Bonds), plus interest thereon as required by the Agreement.

Court Proceedings

The Authority may enforce the obligations of the Institution under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained in the Agreement, whether or not any breach has become an Event of Default, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Institution of the provisions of the Agreement, including (to the extent the Agreement may lawfully provide) court costs, reasonable attorney's fees and other reasonable costs and expenses incurred in enforcing the obligations of the Institution under the Agreement.

Subject to the last sentence of the section entitled Rights and Duties of the Authority herein, the Trustee shall as soon as practicable enforce the obligations of the Authority under the Agreement and the obligations of the Institution to the Trustee and the Paying Agent under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained in the Agreement, whether or not an Event of Default exists, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Authority or the Institution of the provisions of the Agreement, including (to the extent the Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations of the Authority or the Institution under the Agreement.

Revenues After Default

Any funds pledged as security under the Agreement and any other moneys received by the Trustee for the benefit of the Bondowners, after payment or reimbursement of the reasonable expenses of the Trustee and the Authority in connection therewith (including without limitation the expenses of taxes or other charges which the Authority may deem advisable to pay, and reserves for the foregoing to the extent deemed necessary by the Authority), shall be applied, first to the remaining obligations of the Institution under the Agreement, including Reimbursement Obligations (other than obligations to make payments to the Authority for its own use) in such order as may be determined by the Trustee, and second, to any unpaid sums due the Authority for its own use. Any surplus thereof shall be paid to the Institution.

APPENDIX B

Remedies Cumulative

The rights and remedies under the Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Institution or of the Authority or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance or of the right to exercise any remedy for the violation.

Control of Remedies by Bank

Notwithstanding anything in the Agreement to the contrary, if a Credit Facility is in effect, so long as the Bank has not failed to make any payments under such Credit Facility following presentation of drafts and certificates in strict compliance with the Credit Facility, the Bank shall have the right, at any time, by written instrument delivered to the Trustee and the Authority, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Agreement.

Appointment of Paying Agent

The Paying Agent shall designate in writing to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it under the Agreement by a written instrument of acceptance delivered to the Authority, the Trustee and the Bank, if any. The Paying Agent shall also be the tender agent, the registrar and authentication agent under the Agreement with respect to the Bonds. By such acceptance, the Paying Agent will agree to, particularly:

- (i) hold and be the beneficiary of a Credit Facility, if any, and take all steps required to be taken thereunder and under the Agreement with respect thereto;
- (ii) hold all sums delivered to it by the Trustee or paid to it under a Credit Facility, if any, for the payment of principal of and interest on the Bonds in trust for the benefit of the Bondowners until such sums shall be paid to the Bondowners or otherwise disposed of as provided in the Agreement;
- (iii) to hold all Bonds delivered to it for purchase under the Agreement in trust for the benefit of the respective Owners, until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;
- (iv) hold all Pledged Bonds until such Pledged Bonds shall have been remarketed by the Remarketing Agent or redeemed in the manner set forth in the Agreement and in the form of Bonds;
- (v) hold all moneys delivered to it under the Agreement for the purchase of Bonds in trust for the benefit of, the person or entity which shall have so delivered such moneys, until the Bonds purchased with such moneys have been delivered to or for the account of such person or entity;
- (vi) to perform all duties of the Paying Agent with respect to Tender Notices, other notices, the tender and purchase of Bonds and the deposit, holding and payment of funds as specified in the Agreement; and
- (vii) to keep such books and records as shall be consistent with prudent industry practice, and make such books and records available for inspection by the Notice Parties at all reasonable times.

Liability of Paying Agent

The Paying Agent may not be relieved from liability for its own gross negligence or willful misconduct except that:

- (i) the Paying Agent need perform only those duties that are specifically set forth in the Agreement to be performed by it as the Paying Agent and no others;
- (ii) in the absence of bad faith on its part, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of the Agreement; provided, however, that the Paying Agent shall examine the certificates and opinions to determine whether they conform to the requirements of the Agreement;
- (iii) the Paying Agent shall not be liable for any error of judgment made in good faith by an officer of the Paying Agent, unless it is proved that the Paying Agent was grossly negligent in ascertaining the pertinent facts;
- (iv) no provision of the Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement or in the exercise of any of its rights or powers; and
- (v) the Paying Agent shall not be liable for interest on any cash held by it except as the Paying Agent may agree in writing with the Authority and the Institution or as may be provided in the Agreement.

Every provision of the Agreement that in any way relates to the Paying Agent is subject to all the paragraphs of this paragraph.

Resignation; Removal; Qualification of Successor Paying Agent

The Paying Agent may resign and be discharged of the duties and obligations created by the Agreement by giving at least sixty (60) days' notice by mail to the Notice Parties. The Paying Agent may be removed at any time by an instrument signed by the Institution, filed with the Notice Parties. A successor Paying Agent shall be appointed by the Institution and shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least Fifty Million Dollars (\$50,000,000), authorized by law to perform all of the duties imposed upon it by the Agreement and having a rating (or being a bank comprising at least 51% of the assets of a bank holding company having a rating) from Fitch of BBB/F3 or higher. No removal or resignation will be effective until a successor has delivered an acceptance of its appointment to the Trustee.

Appointment of Remarketing Agent; Resignation and Removal

The Remarketing Agent shall designate in writing to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it under the Agreement and in the Remarketing Agreement by a written instrument of acceptance delivered to the Authority, the Institution and the Trustee.

The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Agreement by giving at least 30 days' written notice to the Notice Parties. The Remarketing Agent may be removed at any time by the Institution by a written notice filed at least 15 days prior to the effective date of such removal with the Notice Parties. Upon the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, deliver and assign any moneys and Bonds held by it in such capacity to its successor.

Qualifications of Successor Remarketing Agent If the position of Remarketing Agent shall become vacant for any reason, or if the Remarketing Agent gives notice of its resignation as provided in the Agreement, the Authority shall immediately use its best efforts to appoint a successor Remarketing Agent to fill the vacancy. A written acceptance of office shall be filed by the successor Remarketing Agent in the manner set forth in the Agreement. Any successor Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$50,000,000 (or, alternatively, maintaining a line of credit in such amount from a commercial bank having a capitalization of at least \$25,000,000) and be authorized by law to perform all of the duties imposed on it under the Agreement.

APPENDIX B

General Responsibilities of the Remarketing Agent

The Remarketing Agent shall perform the duties and obligations set forth in the Agreement, and in particular shall:

- (1) use its best efforts to solicit purchases of Bonds tendered and deemed tendered and Pledged Bonds and Institution Bonds from investors able to purchase municipal bonds, effectuate and process such purchases, bill and receive payment for Bonds purchased, and perform related functions in connection with the remarketing of Bonds under the Agreement;
- (2) keep such books and records as shall be consistent with prudent industry practice and which will document its action taken under the Agreement, and make such books and records available for inspection by the Notice Parties at a reasonable time; and
- (3) comply at all times with all applicable state and federal securities laws and other statutes, rules and regulations applicable to the offering and sale of the Bonds.

In performing its duties and obligations under the Agreement, the Remarketing Agent shall use the same degree of care and skill as a prudent person would exercise under the same circumstances in the conduct of his or her own affairs.

The Remarketing Agent may deal in Bonds and with the Authority and the Institution to the same extent and with the same effect as provided with respect to the Trustee and Paying Agent in the Agreement.

The Notice Parties shall each cooperate to cause the necessary arrangements to be made and thereafter continued whereby Bonds prepared, executed, authenticated and issued under the Agreement shall be made available to the Remarketing Agent to the extent necessary for delivery pursuant to the Agreement, and to otherwise enable the Remarketing Agent to carry out its duties under the Agreement.

Remarketing and Sale of Bonds

With respect to all Institution Bonds (subject to the section entitled Institution's Purchase of Bonds), Pledged Bonds and all Bonds subject to purchase on a Purchase Date, the Remarketing Agent shall offer for sale and use its best efforts to sell all such Bonds at a price equal to the principal amount thereof plus accrued interest, if any, and with an interest rate determined by the Remarketing Agent as provided in the Agreement; provided that Institution Bonds may, with the prior consent of the Institution, be remarketed at a price higher or lower than par plus accrued interest.

Any Bond purchased pursuant to the optional tender provisions of the Agreement during the period following notice of conversion pursuant to the Agreement or a notice of redemption pursuant to the provisions of the Agreement shall not be remarketed except to a purchaser who is provided with a notice to the same effect as the notice to be given Bondowners pursuant to the Agreement.

The proceeds of sale of any Bonds other than Institution Bonds or Pledged Bonds sold by the Remarketing Agent pursuant to the Agreement shall be transferred by or at the direction of the Remarketing Agent by wire transfer in immediately available funds to the Paying Agent at the times and otherwise as provided in the Agreement, for application in accordance with the Agreement. The proceeds of the remarketing of Institution Bonds or Pledge Bonds shall be transferred by or at the direction of the Remarketing Agent to the Institution or the Bank, as applicable in immediately available funds on the date of remarketing in the manner as shall be specified by the Institution or the Bank, as applicable to the Remarketing Agent.

Rights and Duties of the Trustee.

All moneys received by the Trustee under the Agreement (other than moneys received for its own use) shall be held by the Trustee in trust and applied subject to the provisions of the Agreement.

The Trustee shall keep proper accounts of its transactions under the Agreement (separate from its other accounts), which shall be open to inspection by the Authority and the Institution and their representatives duly authorized in writing.

If the Authority shall fail to observe or perform any covenant or obligation contained in the Agreement, the Trustee may to whatever extent it deems appropriate for the protection of the Bondowners or itself, perform any such obligation in the name of the Authority and on its behalf.

The Trustee shall not be required to monitor the financial condition of the Institution or the physical condition of the Program and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with it under the Agreement, except to make them available for inspection by Bondowners. Upon a failure of the Institution to make a debt service or rebate payment or to purchase any tendered Bonds, required of it under the Agreement after the same becomes due and payable the Trustee shall give written notice thereof to the Authority and the Institution, and the Trustee shall notify the Remarketing Agent of any Event of Default. The Trustee shall not be required to take notice of any other breach of default by the Institution or the Authority except when given written notice thereof by the owners of at least ten percent (10%) in principal amount of the Outstanding Bonds. The Trustee shall give default notices under the Agreement when instructed to do so by the written direction of the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds. The Trustee shall proceed with respect to the remedy of court proceedings provided under the Agreement for the benefit of the Bondowners in accordance with the written directions of the owners of a majority in principal amount of the Outstanding Bonds. The Trustee shall not be required, however, to take any remedial action (other than the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred therein.

Upon receipt of written notice, direction or instruction and indemnity, as provided above, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedy provided by the Agreement or any of such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Bondowners, and in its actions under this paragraph, the Trustee shall act for the protection of the Bondowners with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

The Trustee shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. The Trustee may rely conclusively on any notice, certificate or other document furnished to it under the Agreement and reasonably believed by it to be genuine. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under the Agreement or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by the Trustee is called for by the Agreement, the Trustee may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act. The Trustee shall in no event be liable for the application or misapplication of funds, or for other acts or defaults, by any person, firm or corporation except by its own directors, officers, agents and employees. No recourse shall be had by the Institution and the Authority or for any claim based on the Agreement, the Bonds or any agreement securing the same against any director, officer, agent or employee of the Trustee unless such claim is based upon the bad faith, fraud or deceit of such person. For the purposes of the Agreement matters shall not be considered to be known to the Trustee unless they are known to an officer in its corporate trust department.

The Trustee may be or become the owner of or trade in Bonds with the same rights as if it were not the Trustee.

The Trustee shall not be required to furnish any bond or surety.

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It shall be the duty of the Trustee to execute and file, or cause to be executed and filed, such continuation statements as may be required by the UCC with respect to any security interest granted to the Authority under the Agreement for the benefit of the Bondowners. All such continuation statements shall be signed by the secured party and any assignee.

Nothing contained in the Agreement shall in any way obligate the Trustee to pay any debt or meet any financial obligations to any person in relation to the Program except from moneys received under the provisions of the Agreement or from the exercise of the Trustee's rights under the Agreement other than the moneys received for its own purposes.

Except to the extent the Trustee has been paid or reimbursed from the Expense Fund or the Program Acquisition Fund, the Institution shall pay to the Trustee reasonable compensation for its services and pay or reimburse the Trustee for its reasonable expenses and disbursements, including attorneys' fees, under the Agreement. To the extent permitted by law, the Institution shall indemnify and save the Trustee harmless against any expenses and liabilities which it may incur in the exercise of its duties under the Agreement and which are not due to its negligence or bad faith. Any fees, expenses, reimbursements or other charges which the Trustee may be entitled to receive from the Institution under the Agreement, if not paid when due, shall bear interest at the "base rate" of the Trustee (or, if none, the nearest equivalent), and if not otherwise paid, shall be a first lien upon any funds or other property then or thereafter held under the Agreement by the Trustee. The Trustee may apply any such funds to any of the foregoing items, and in that event the lien of this section shall continue to apply to any other such funds, and the Institution shall remain liable for the same. Any subsequent payment of any such item by the Institution shall be used to restore the funds so applied. The foregoing payment and indemnification obligation shall survive the termination and defeasance of the Agreement.

Resignation or Removal of the Trustee

The Trustee may resign on not less than thirty (30) days' notice given in writing to the Authority, the Bondowners and the Institution, but such resignation shall not take effect until a successor has been appointed. The Trustee will promptly certify to the Authority that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required the Agreement. The Trustee may be removed by written notice from the owners of a majority in principal amount of the Outstanding Bonds to the Trustee, the Authority and the Institution, but such removal shall not take effect until a successor has been appointed.

Successor Trustee

Any corporation or association which succeeds to the corporate trust business of the Trustee as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of the Trustee under the Agreement, without any further act or conveyance.

In case the Trustee resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if a public officer takes charge or control of the Trustee, or of its property or affairs, a successor shall be appointed by written notice from the Authority to the Institution. The Authority shall notify the Bondowners of the appointment in writing within twenty (20) days from the appointment. The Authority will promptly certify to the successor Trustee that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required the Agreement. If no appointment of a successor is made within forty-five (45) days after the giving of written notice in accordance with the Agreement or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Bondowner may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee appointed under this section shall be a trust company or a bank having the powers of a trust company, legally permitted to serve as trustee under the Act, having a capital and surplus of not less than \$50,000,000. Any such successor Trustee shall notify the

Authority and the Institution of its acceptance of the appointment and, upon giving such notice, shall become Trustee, vested with all the property, rights and powers of the Trustee under the Agreement, without any further act or conveyance. Such successor Trustee shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession under the Agreement and any predecessor Trustee shall from time to time execute, deliver, record and file such instruments as the incumbent Trustee may reasonably require to confirm or perfect any succession under the Agreement.

Rights and Duties of the Authority

The Authority shall keep proper accounts (separate from its other accounts) of the transactions in the Program Acquisition Fund and Expense Fund, which shall be subject to inspection by the Trustee and the Institution, or their representatives duly authorized in writing. The Authority shall cause these accounts and the accounts of the Trustee under the Agreement to be audited annually within one hundred twenty (120) days after the end of the fiscal year by a nationally recognized independent public accountant selected by the Authority. Annually within thirty (30) days after the receipt by the Authority of the report of such audit, signed copies of such report shall be furnished to the Institution and the Trustee and, upon written request, to any Bondowner.

The Authority shall not be required to monitor the financial condition of the Institution or the physical condition of the Program and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with it under the Agreement. The Authority shall not be required to take notice of any breach or default by the Institution except when given written notice thereof by the owners of at least ten percent (10%) in principal amount of the Outstanding Bonds or by the Trustee. The Authority shall give default notice under the Agreement when instructed to do so by the written direction of the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds. The Authority shall proceed with respect to the remedy of court proceedings provided under the Agreement for the benefit of the Bondowners in accordance with the written directions of the owners of a majority in principal amount of the Outstanding Bonds. The Authority shall not be required, however, to take any remedial action, other than the giving of notice, unless reasonable indemnity is furnished for any expense or liability to be incurred therein. Upon receipt of written notice, direction or instruction and indemnity, as provided above, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Authority shall promptly pursue the remedies provided by the Agreement or any of such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Bondowners, and in its actions under this sentence, the Authority shall act for the protection of the Bondowners with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

The Authority shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. The Authority may rely conclusively on any notice, certificate or other document furnished to it under the Agreement and reasonably believed by it to be genuine. The Authority shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under the Agreement or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by the Authority is called for by the Agreement, the Authority may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act. The Authority shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person, firm or corporation except by its own members, officers, agents and employees. No recourse shall be had by the Institution and the Trustee, or any Bondowner for any claim based on the Agreement, the Bonds, or any agreement securing the same against any member, officer, agent or employee of the Authority unless such claim is based upon the bad faith, fraud or deceit of such person.

Nothing contained in the Agreement shall in any way obligate the Authority to pay any debt or meet any financial obligations to any person at any time in relation to the Program except from moneys received under the

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provisions of the Agreement or from the exercise of the Authority's rights under the Agreement other than moneys received for its own purposes.

Action by Bondowners

Any request, authorization, direction, notice, consent, waiver or other action provided by the Agreement to be given or taken by Bondowners may be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Bondowners or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Agreement (except as otherwise in the Agreement expressly provided) if made in the following manner, but the Authority or the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

The fact and date of the execution by any Bondowner or his or her attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Authority or to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondowner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books for the Bonds maintained by the Paying Agent.

Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond. Bonds owned or held by or for the account of the Authority or the Institution shall not be deemed Outstanding Bonds for the purpose of any consent or other action by Bondowners.

No Bondowner shall have any right to institute any legal proceedings for the enforcement of the Agreement or any applicable remedy under the Agreement, unless the Bondowners have directed the Authority to act and furnished the Authority indemnity as provided in the Agreement and have afforded the Authority reasonable opportunity to proceed, and the Authority shall thereafter fail or refuse to take such action.

No Bondowner shall have any right to institute any legal proceedings for the enforcement of the obligations of the Authority under the Agreement or any applicable remedy under the Agreement, unless the Bondowners have directed the Trustee to act and furnished the Trustee indemnity as provided in the Agreement and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter fail or refuse to take such action.

Subject to the foregoing, any Bondowner may by any available legal proceedings enforce and protect its rights under the Agreement and under the laws of The Commonwealth of Massachusetts.

Organization, Authorization and Powers

The Institution represents and warrants that it is a state coeducational institution within the Commonwealth authorized by law to provide a program of education beyond the high school level, with the power to enter into and perform the Agreement, and that by proper corporate action it has duly authorized the execution and delivery of the Agreement. The Institution further represents and warrants that the execution and delivery of the Agreement and the consummation of the transactions contemplated in the Agreement will not conflict with or constitute a breach of or default under any bond, indenture, note or other evidence of indebtedness of the Institution, the charter or by-laws of the Institution, any gifts, bequests or devises pledged to or received by the Institution, or any contract, lease or other instrument to which the Institution is a party or by which it is bound or cause the Institution to be in violation of any applicable statute or rule or regulation of any governmental authority.

Tax Status

The Institution covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under section 103 of the Code. In particular, the Institution will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or the Institution, or take or omit to take any action, if such use, action or omission would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code. To that end, the Institution will comply with all requirements of section 148 of the Code to the extent applicable to the Bonds. In the event that at any time for purposes of this section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee or the Authority under the Agreement or otherwise, the Institution shall so instruct the appropriate person in writing.

The Institution agrees to perform all duties imposed upon it by the Agreement, by the Institution Tax Certificate, the Institution Certificate as to Arbitrage and by the Code to preserve the exclusion of the interest payable on the Bonds from federal income taxation. Insofar as the Institution Tax Certificate makes representations or covenants by, or to be performed by, the Institution, as to the expenditure or use of Bond proceeds, investment restrictions, ownership of the Program and property financed with Bond proceeds or otherwise, or impose duties and responsibilities upon the Institution, such provisions are specifically incorporated in the Agreement by reference.

The Institution represents and warrants that internal advances to be repaid from the proceeds of the Bonds under the Agreement are in every instance internal advances shown on the Institution’s books of account as advances or loans, with respect to each of which it was the intention and expectation of the Institution that the expenditure would be permanently financed through the Authority or other external lenders unless gifts or grants were obtained for the purpose; that no arrangements have been made for permanent financing of any of these expenditures by means other than financing through the Authority; that any internal repayment schedules which have been arranged with respect to any of the advances are subject to modification to reflect the maturity schedule of permanent Authority financing.

Securities Law Status

The Institution represents and warrants that it is a state institution.

Annual Reports and Other Current Information

The Institution shall from time to time render such reports concerning the condition of the Program or compliance with the Agreement as the Authority or the Trustee may reasonably request. Within two hundred and forty (240) days after the close of each fiscal year, the Institution shall furnish to the Trustee and the Authority, and to Bondowners requesting the same, copies of its audited financial statements. Copies of the reports and statements required to be filed with the Trustee pursuant to this section shall be filed with the Trustee in sufficient quantity to permit the Trustee to retain at least one copy for inspection by Bondowners and to permit the Trustee to mail a copy to each Bondowner who requests it. The Trustee shall maintain a list of Bondowners who have made such a request. The Institution shall furnish to the agencies rating the Bonds such information as they may reasonably require for current reports to their subscribers.

Continuing Disclosure

The Institution and the Trustee covenant and agree that each will comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. The Authority shall have no liability to the owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of the Agreement, failure of the Institution or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the owners of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any owner (including a beneficial owner) of Bonds may, seek specific performance of the Institution’s obligations to comply with its

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obligations under the Continuing Disclosure Agreement or this paragraph and not for money damages in any amount.

Limitations on Additional Indebtedness

The Institution shall not issue additional Indebtedness or request or permit UMBA or the Authority to issue additional Indebtedness on behalf of the Institution except as set forth in the Agreement.

(a) The Institution may, without limit, issue additional Indebtedness or request UMBA or the Authority to issue additional Indebtedness on behalf of the Institution so long as such Indebtedness is payable from all available funds of the Institution. Furthermore, except as set forth below and except for pledges or liens already in existence on the date of the Agreement, the Institution shall not pledge, or permit to exist any lien on, any of its funds or revenues. Additional parity Indebtedness issued by UMBA under its Trust Agreement dated as of April 1, 1984, as amended and supplemented, shall be deemed to be General Obligation Indebtedness if upon the issuance thereof the Institution shall be obligated to make payments in support thereof payable from all available funds of the Institution, notwithstanding that such additional parity Indebtedness shall also be secured by revenues pledged under said UMBA Trust Agreement. Nothing in this paragraph shall be construed to limit the ability of UMBA to impose student fees as necessary to make up any deficiency in the Expendable Fund Balance in connection with General Obligation Indebtedness issued by UMBA.

(b) The Institution may request UMBA to issue additional Indebtedness on behalf of the Institution that is not payable from all available funds of the Institution as set forth in the previous paragraph, provided (i) the additional Indebtedness is secured by (w) pledged revenues derived from the project or projects being financed, (x) new or increased student fees whether imposed by the Institution or UMBA, (y) existing pledged revenues or (z) any combination of the foregoing and (ii) the maximum annual debt service on all Revenue Indebtedness then outstanding, including the proposed additional Indebtedness, does not exceed 10% of the amount shown in the then most recent audited financial statements of the Institution as total Available Revenues.

(c) Indebtedness of the Institution shall not be subject to acceleration, and no obligation of the Institution to make payments on account of Indebtedness issued by UMBA or the Authority shall be subject to acceleration.

(d) Upon the issuance of any additional Indebtedness pursuant to this section, the Institution shall file or caused to be filed with the Trustee and the Bank, if any, a certificate evidencing compliance with the provisions of this section. If a Credit Facility is in effect, the Institution shall also provide the Bank with a copy of the official statement or other disclosure document, if any, prepared in connection with the issuance of any such additional Indebtedness.

Sufficiency of Expendable Funds

The following provisions shall apply to all General Obligation Indebtedness issued by the Institution, UMBA or the Authority:

On or before April 1 of each year, the President of the Institution or the Vice President for Management and Fiscal Affairs and Treasurer of the Institution shall provide in writing to UMBA, the Authority and the Bank a detailed list of the Debt Service and Related Costs with respect to the twelve-month period commencing the next succeeding November 1 and shall certify in writing to UMBA, the Authority and the Bank whether or not there are as of such April 1 sufficient funds in the Expendable Fund Balance to pay all such Debt Service and Related Costs and, if so, that funds sufficient to pay Debt Service and Related Costs with respect to the Bonds will be held in trust for the benefit of the Trustee and the Bank, if any, to be applied to the payment of such amounts and will not be expended for any other purpose. On and after such date of certification, such funds will be so held and not expended for any other purpose.

In the event of the absence or inability of the President of the Institution or the Vice President for Management and Fiscal Affairs and Treasurer of the Institution, or in the event that either such office should no longer exist, such certification may be made by such other officer of the

Institution knowledgeable about the financial affairs of the Institution. The Trustees hereby authorize and delegate power to the President of the Institution, the Vice President for Management and Fiscal Affairs and Treasurer of the Institution and any such other officer to deliver the certificate described in the preceding paragraph and to do all other acts and things necessary or desirable to cause the Institution to comply with its obligations under this section.

If such certification states that sufficient funds are not available in the Expendable Fund Balance to pay all Debt Service and Related Costs, such certification shall state the amount of funds in the Expendable Fund Balance that are available to pay such Debt Service and Related Costs and a ratable portion of such funds in the Expendable Fund Balance shall be held in trust for the benefit of the Trustee and the Bank, if any, to be applied to the payment of Debt Service and Related Costs with respect to the Bonds and will not be expended for any other purpose. "Ratable portion" for purposes of this paragraph shall be calculated by dividing the Debt Service and Related Costs with respect to the Bonds for such period by the Debt Service and Related Costs with respect to all Indebtedness payable from the Expendable Fund Balance for such period and multiplying the result by the available amounts in the Expendable Fund Balance. The Institution will continue to be obligated to pay all Debt Service and Related Costs with respect to the Bonds notwithstanding any shortfall in amounts available in the Expendable Fund Balance on or before April 1.

All moneys collected or received by the Institution, from whatever source, to pay Debt Service and Related Costs with respect to the Bonds, including without limitation moneys held in trust for the ratable benefit of the Bank, if any, and the Trustee, shall be collected or received for the account of the Bank, if any, and the Trustee in trust to be held and applied solely to Debt Service and Related Costs with respect to the Bonds.

Amendment

The Agreement may be amended by the parties without Bondowner consent for any of the following purposes: (a) to add to the covenants and agreements of the Institution or to surrender or limit any right or power of the Institution, (b) to cure any ambiguity or defect, or to add provisions which are not materially inconsistent with the Agreement and which do not impair the security for the Bonds, including without limitation, any amendments necessary to accommodate a Credit Facility or a substitute Credit Facility, (c) to modify the mechanics with respect to the determination of interest rates, mandatory tenders and Puts which do not materially adversely affect the interests of the Bondowners or (d) to provide for the establishment of a book entry system of registration for any series of Bonds through a securities depository (which may or may not be DTC). If any amendment pursuant to this section requires an amendment to the form of Bonds, the Paying Agent shall direct the Bondowners to surrender their Bonds at the office of the Paying Agent for definitive Bonds incorporating such amendments upon not less than 15 days' prior written notice. The Institution shall pay all costs associated with amending the Agreement and with preparing and printing any amended Bonds. Provisions of the Agreement affecting only the Series A Bonds may also be amended by the parties without Bondowner consent upon any Mandatory Purchase of the Series A Bonds, provided that notice of any such amendment is included in the notice of mandatory tender for purchase described in the Agreement. The Institution acting alone may amend the Maximum Rate to a higher interest rate without Bondowner consent, but only if the Credit Facility then in effect entitles the Paying Agent to draw upon or demand and receive in immediately available funds an amount equal to the principal amount of the Bonds then Outstanding plus (A) 45 days' accrued interest at such amended Maximum Rate on the principal amount of Bonds then Outstanding if the Bonds are in the Daily or Weekly Rate Period (B) for the maximum period of days' interest required by the rating agencies then rating the Bonds to maintain the rating on the Bonds at such amended Maximum Rate on the principal amount of Bonds then Outstanding if the Bonds bear interest at a Flexible Rate, or (C) 195 days' accrued interest at such amended Maximum Rate on the principal amount of Bonds then Outstanding if the Bonds bear interest at the Long-Term Rate or with respect to

APPENDIX B

the foregoing, the maximum number of days' interest required by any rating agency then rating the Bonds to maintain the rating on the Bonds.

Except as provided in the foregoing paragraph, the Agreement may be amended only with the written consent of the owners of at least fifty-one percent (51%) in principal amount of the Outstanding Bonds; provided, however, that no amendment of the Agreement may be made without the unanimous written consent of the affected Bondowners for any of the following purposes: (i) to extend the maturity of any Bond, (ii) to reduce the principal amount or interest rate of any Bond, (iii) to make any Bond redeemable other than in accordance with its terms, (iv) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds, (v) to reduce the percentage of the Bonds required to be represented by the Bondowners giving their consent to any amendment or (vi) to decrease (by an amount in excess of that permitted in accordance with the provisions of the Agreement) the amount payable under, or to shorten the term of, any Credit Facility then in effect.

Any amendment of this Agreement shall be accompanied by an Opinion of Bond Counsel to the effect that the amendment (i) is permitted by this Agreement and (ii) shall not adversely affect the validity of the Bonds or the exclusion of interest on any Bonds from the gross income of the owners of such Bonds for federal income tax purposes. If a Credit Facility is in effect, any amendment to the Agreement (other than an amendment necessary to accommodate a substitute Credit Facility which does not adversely affect the interests of the Bank under the Agreement) shall require the consent of the Bank.

When the Trustee determines that the requisite number of consents have been obtained for an amendment which requires Bondowner consents, it shall, within ninety (90) days, file a certificate to that effect in its records and mail notice to the Bondowners. No action or proceeding to invalidate the amendment shall be instituted or maintained unless it is commenced within sixty (60) days after such mailing. The Trustee will promptly certify to the Authority that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required the Agreement. A consent to an amendment may be revoked by a notice given by the Bondowner and received by the Trustee prior to the Trustee's certification that the requisite consents have been obtained.

Governing Law

The Agreement shall be governed by the laws of The Commonwealth of Massachusetts.

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MINTZ LEVIN

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

Form of Opinion of Bond Counsel

[Conversion Date]

Massachusetts Health and Educational Facilities Authority
99 Summer Street
Boston, Massachusetts 02110

Re: Massachusetts Health and Educational Facilities Authority (the “Authority”) Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A (the “Bonds”).

We acted as bond counsel and counsel to the University of Massachusetts (the “University”) with respect to the Bonds originally issued by the Authority on March 29, 2000. In accordance with the Amended and Restated Loan and Trust Agreement dated as of October 12, 1999, as amended on March 27, 2009 (the “Trust Agreement”) among the Authority, the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), the Bonds are subject to mandatory tender on the date hereof as a result of the scheduled expiration of the Credit Facility and the University has elected to convert \$20,000,000 of the Bonds from the Weekly Rate Period to the Long-Term Rate Period. The balance of the Bonds will no longer be Outstanding after the mandatory tender date. In our capacity as bond counsel and counsel to the University, we have examined the law and such certified proceedings and papers as we have deemed necessary to render this opinion, including the Trust Agreement. Capitalized terms used herein shall, unless otherwise specified, have the meanings set forth in the Trust Agreement.

Pursuant to the Trust Agreement, the proceeds from the original sale of the Bonds were used by the Authority to make a loan to the University. In order to secure the payment of the principal of and interest on the Bonds, the Authority pledged and assigned to the Trustee all revenues to be received from the University under the Trust Agreement and the rights of the Authority to receive the same, excluding certain administrative fees, indemnities and reimbursements, and all funds held under the Trust Agreement, except the Rebate Fund.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority and the University contained in the Trust Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the University, without undertaking to verify the same by independent investigation.

Based upon our examination and subject to the foregoing, we are of the opinion that:

C-1

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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1. The Authority is validly existing as a body politic and corporate and public instrumentality of the Commonwealth with the power to enter into the Trust Agreement, perform the agreements on its part contained therein and issue the Bonds.

2. The Trust Agreement has been duly authorized, executed and delivered by the Authority and constitutes a valid and binding obligation of the Authority enforceable upon the Authority.

3. Pursuant to the Act, the Trust Agreement creates a valid lien on the funds pledged by the Trust Agreement for the security of the Bonds on a parity with other bonds, if any, to be issued under the Trust Agreement.

4. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor pursuant to the Trust Agreement. Neither the Commonwealth nor any political subdivision thereof nor the Authority is obligated to pay the principal of or interest on the Bonds except from the sources provided therefor as aforesaid pursuant to the Trust Agreement, and neither the faith and credit nor the taxing power of the Commonwealth nor of any political subdivision thereof nor of the Authority is pledged to the payment of the principal of or interest on the Bonds.

5. (a) Interest on the Bonds will not be included in the gross income of holders of the Bonds for federal income tax purposes. This opinion is expressly conditioned upon compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), which requirements must be satisfied after the date of issuance of the Bonds in order to assure that the interest on the Bonds is and continues to be excludable from the gross income of the holders the Bonds. Failure so to comply could cause the interest on the Bonds to be included in the gross income of the holders thereof retroactive to the date of issuance of the Bonds.

(b) While interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under federal tax law on individuals and corporations, interest on the Bonds will be included in the "adjusted current earnings" of corporate holders of the Bonds and therefore will be taken into account in computing the alternative minimum tax imposed on certain corporations.

(c) We express no opinion regarding other federal tax consequences of holding the Bonds.

6. Interest on the Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to other Massachusetts tax consequences arising with respect to the Bonds or as to the taxability of the Bonds or the income therefrom under the laws of any state other than Massachusetts.

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Massachusetts Health and Educational Facilities Authority

[Conversion Date]

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It is to be understood that the rights of the holder of the Bonds and the enforceability of the Bonds and the Trust Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

PROPOSED FORM OF OPINION OF BOND COUNSEL

April 1, 2019

Massachusetts Development Finance Agency
99 High Street, 11th Floor
Boston, MA 02110

\$20,000,000 Massachusetts Health and Educational Facilities Authority
Variable Rate Demand Revenue Bonds,
University of Massachusetts Issue, Series A

We have acted as bond counsel and counsel to the University of Massachusetts (the “University”) in connection with the conversion of the above-captioned bonds (the “Bonds”) from the current Long-Term Rate Period to a new Long-Term Rate Period, as described below, and we have examined a copy of the Amended and Restated Loan and Trust Agreement, dated as of October 12, 1999, as amended and restated on March 27, 2009 (the “Agreement”), by and among the Massachusetts Health and Educational Facilities Authority (predecessor to the Massachusetts Development Finance Agency) (the “Issuer”), the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), and originals or copies satisfactory to us of all records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to originals of all items submitted to us as certified or photo static copies. Capitalized terms used and not otherwise defined herein shall have the same meanings assigned to them in the Agreement.

The University has elected to convert the Bonds on April 1, 2019 (the “Conversion Date”) from the current Long-Term Rate Period to a new Long-Term Rate Period pursuant to the Agreement (the “Conversion”).

Based upon the foregoing, under existing law, we are of the opinion that: subject to the satisfaction of the various conditions to the implementation of the Conversion on or prior to the Conversion Date, including the delivery of certain notices and the receipt by the Trustee of sufficient funds to purchase the Bonds tendered for mandatory purchase on the Conversion Date, the proposed conversion of the Bonds from the current Long-Term Rate Period to a new

Long-Term Rate Period on the Conversion Date (a) will not in and of itself adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and (b) is authorized or permitted under the Agreement.

Please be advised that we have made no investigation and express no opinion as to whether any events have occurred (other than the Conversion) or circumstances have existed since the issuance of the Bonds which could adversely affect the tax-exempt status of the interest thereon.

The opinions expressed herein are for the benefit of the addressees only and may not be quoted, circulated, assigned or delivered to any other person or for any other purpose without our prior written consent. The opinions expressed herein are based on an analysis of existing laws, including regulations, rulings, official interpretations of law issued by the United States Internal Revenue Service, and court decisions on or prior to the date hereof. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update this opinion in light of such actions or events.

HINCKLEY, ALLEN & SNYDER LLP

AMENDED AND RESTATED CONTINUING DISCLOSURE AGREEMENT

This Amended and Restated Continuing Disclosure Agreement (the “**Disclosure Agreement**”) amends and restates the Continuing Disclosure Agreement dated April 1, 2013 and is executed and delivered by University of Massachusetts (the “**Institution**”) and The Bank of New York Mellon Trust Company, N.A., as successor trustee to Citizens Bank of Massachusetts (the “**Trustee**”), in connection with the remarketing of \$20,000,000 Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A (the “**Bonds**”). The Bonds are being remarketed by the Massachusetts Development Finance Agency (the “**Agency**”) pursuant to an Amended and Restated Loan and Trust Agreement dated as of October 12, 1999, as amended and restated on March 27, 2009 (the “**Agreement**”) among the Massachusetts Health and Educational Facilities Authority, predecessor to the Agency, the Institution and the Trustee. The proceeds of the Bonds were loaned by the Agency to the Institution pursuant to the Agreement. The Institution and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Institution and the Trustee for the benefit of the Bondowners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Institution and the Trustee acknowledge that the Agency has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondowner, with respect to any such reports, notices or disclosures. The Trustee, except as provided in Section 3(c), has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondowner, with respect to any such reports, notices or disclosures except for its negligent failure to comply with its obligations under Section 3(c).

SECTION 2. Definitions. In addition to the definitions set forth in the Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Institution pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Bondowner**” shall mean the registered owner of a Bond and any beneficial owner thereof, as established to the reasonable satisfaction of the Trustee or the Institution.

“**Dissemination Agent**” shall mean any Dissemination Agent or successor Dissemination Agent designated in writing by the Institution and which has filed with the Institution, the Trustee and the Agency a written acceptance of such designation. The same entity may serve as both Trustee and Dissemination Agent. The Dissemination Agent shall be the Trustee. In the absence of a third-party Dissemination Agent, the Institution shall serve as the Dissemination Agent.

APPENDIX E

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligations; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB as contemplated by this Disclosure Agreement. Filing information relating to the MSRB is set forth in Exhibit B hereto.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds and any person who offers or sells the Bonds required to comply with the Rule in connection with the offering and remarketing of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Dissemination Agent, not later than 270 days after the end of each fiscal year beginning with the fiscal year ending June 30, 2019 (the **“Filing Deadline”**), shall provide to the MSRB an Annual Report provided by the Institution, the Institution agrees shall be consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than thirty (30) business days prior to the Filing Deadline, the Institution (if it is not the Dissemination Agent) shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Institution may be submitted separately from, and at a later date than, the balance of the Annual Report if such audited financial statements are not available as of the date set forth above (but in no event later than 350 days after the end of such fiscal year). The Institution shall submit the audited financial statements to the Dissemination Agent and the Trustee (if not also the Dissemination Agent) as soon as practicable after they become available and the Dissemination Agent shall submit the audited financial statements to the MSRB as soon as practicable thereafter. The Institution shall provide a copy of the Annual Report to the Agency and the Trustee.

(b) The Dissemination Agent shall:

(i) file a report with the Institution, the Agency and the Trustee (if not also the Dissemination Agent) certifying that the Annual Report has been provided pursuant to this

Disclosure Agreement and stating the date it was provided (the “**Compliance Certificate**”); such report shall include a certification from the Institution that the Annual Report complies with the requirements of this Disclosure Agreement; and

(ii) upon request of any Bondowner or Beneficial Owner to the Dissemination Agent, the Dissemination Agent shall provide the most recent Annual Report directly to such requesting Bondowner or Beneficial Owner, and the costs of complying with such requests will be borne by the Institution.

(c) If the Trustee has not received a Compliance Certificate by the Filing Deadline (or while the Trustee is the Dissemination Agent, provided such Compliance Certificate by the Filing Deadline), the Trustee shall send, and the Institution hereby authorizes and directs the Trustee to submit on its behalf, a notice to the MSRB in substantially the form attached as Exhibit A.

(d) If the Dissemination Agent has not provided the Annual Report to the MSRB by the applicable Filing Deadline, the Institution shall send, or cause the Dissemination Agent to send, a notice substantially in the form of Exhibit A irrespective of whether the Trustee submits such notice.

SECTION 4. Content of Annual Reports.

(a) Subject to the provisions of Section 3, the Annual Report submitted by the Institution shall contain or incorporate by reference the following data, in each case updated through the last day of the prior fiscal year unless otherwise noted, relating to the following information in Appendix A – “Letter from the Institution” to the Remarketing Circular dated March __, 2019 delivered in connection with the remarketing of the Bonds, and in each case substantially in the same level of detail as is found under the subheading under such caption referenced in parentheses after each item:

1. number of full-time equivalent undergraduates and graduates at each campus of the Institution as of the fall of the prior fiscal year (“University Campuses –*Amherst Campus,*” “-*Boston Campus,*” “-*Dartmouth Campus,*” “-*Lowell Campus,*” “-*Worcester Campus,*” and “-*UMassOnline*”);
2. degrees and programs offered at each campus of the Institution (“University Campuses –*Amherst Campus,*” “-*Boston Campus,*” “-*Dartmouth Campus,*” “-*Lowell Campus,*” “-*Worcester Campus,*” and “-*UMassOnline*”);
3. organizations related to the Institution (“University Related Organizations”);
4. number and members of the Board of Trustees or other chief governing body of the Institution and general governmental structure (“Governance - *Board of Trustees*”);
5. number of faculty members and the number of full-time faculty members, the percentage of tenured faculty members and the full-time equivalent student to the full-time

APPENDIX E

- equivalent faculty ratios for each campus of the Institution (except the Worcester campus) (“Governance – *Faculty and Staff*”);
6. academic programs (to the extent not covered by (2) above) and accreditation (“Academic Programs and Accreditation”);
 7. applicants, acceptances and matriculations each fall on a five-year comparative basis through the fall of the prior fiscal year for first-year applicants and transfer students and opening fall head count enrollment for each campus shown on a five-year comparative basis through the fall of the prior fiscal year and total head count enrollment and total full-time equivalent enrollment shown on a five-year comparative basis (“Enrollment”);
 8. tuition and fees shown on a five-year comparative basis through the prior fiscal year for each campus of the Institution (“Tuition and Fees”);
 9. student financial aid amounts (“Tuition and Fees – *Student Financial Aid*”);
 10. sources of revenue of the Institution (“University Revenues and Budgeting – *Budget Process*”);
 11. modifications to the Institution’s five-year capital plan and status of completion of the Institution’s five-year capital plan (“Current and Future Capital Plans”);
 12. modifications to the budget process (“University Revenues and Budgeting – *Budget Process*”);
 13. management of appropriated funds, including appropriations received by the Institution shown on a five-year comparative basis and management of non-appropriated funds (“University Revenues and Budgeting – *Appropriated Funds and Management of Non-Appropriated Funds*”);
 14. combined statement of revenues and expenses, including current fund revenues and expenditures and other changes (accrual basis) on a five-year comparative basis through the prior fiscal year (“Summary of Operations” and “Summary of Financial Results, Fiscal Years 2010 through 2012”);
 15. Institution and Foundation endowment assets shown on a five-year comparative basis (“Endowment and Fundraising”);
 16. Indebtedness of the Institution (“Indebtedness of the University”);
 17. unrestricted net assets (formerly expendable fund balances) (“Indebtedness of the University – *Unrestricted Net Assets*”);
 18. additional indebtedness (“Indebtedness of the University – *Additional Indebtedness*”);

19. capitalized leases (“Indebtedness of the University – *Capitalized Leases*”);
20. insurance (“Insurance”);
21. technological initiatives (“Technological Initiatives”);
22. litigation (“Litigation”); and
23. employee relations (“Employee Relations”).

(b) The Institution’s Annual Report shall contain or incorporate by reference the Institution’s annual audited financial statements prepared on an accrual basis in accordance with generally accepted accounting principles as in effect from time to time (or as otherwise may be required or permitted by law) and will consist of a combined balance sheet, a combined statement of changes in net assets and a combined statement of current net assets, revenues, expenses and other changes (or such other items as may be required or permitted by law or by generally accepted accounting principles as in effect from time to time or by other accounting principles as in effect from time to time in accordance with which the financial statements of the Institution may be prepared). Such financial statements will be audited by a group of certified public accountants appointed by the Institution.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Institution is an “obligated person” (as defined by the Rule), which (i) are available to the public on the MSRB Internet website or (ii) have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Institution shall clearly identify each such other document so incorporated by reference. Neither the Trustee nor the Dissemination Agent shall be under any obligation to verify the content or correctness of, and shall not be responsible for the sufficiency of any Annual Report or for the compliance of any Annual Report with the Rule or this Disclosure Agreement.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, any one of which event is a “**Listed Event**” and collectively are “**Listed Events**”:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;

APPENDIX E

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers (the giving of notice of regularly scheduled mandatory sinking fund redemption shall not be deemed material for this purpose under clause (b) of this Section 5);
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Institution;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Institution in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Institution, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Institution;

13. the consummation of a merger, consolidation, or acquisition involving the Institution or the sale of all or substantially all of the assets of the Institution, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional Trustee or the change of the name of the Trustee, if material;
15. incurrence of a Financial Obligation of the Institution, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Institution, any of which affect the holders of the Bonds, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Institution, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event the Institution shall, in a timely manner not to exceed ten (10) business days, file, or direct the Dissemination Agent to file, a notice of such occurrence with the MSRB. The Institution shall provide a copy of each such notice to the Agency and the Trustee. The Dissemination Agent, if other than the Institution, shall have no duty to file a notice of an event described hereunder unless it is directed in writing to do so by the Institution, and shall have no responsibility for verifying any of the information in any such notice or determining the materiality of the event described in such notice.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Institution's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon delivery to the Trustee of an opinion of counsel expert in federal securities laws selected by the Institution and acceptable to the Trustee to the effect that compliance with this Disclosure Agreement no longer is required by the Rule. If the Institution's obligations under the Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Institution and the original Institution shall have no further responsibility hereunder.

SECTION 8. Dissemination Agent. The Institution may, from time to time with notice to the Trustee and the Agency, appoint or engage a third-party Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may, with notice to the Trustee and the Agency, discharge any such third-party Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Institution) may resign upon thirty (30) days' written notice to the Institution, the Trustee and the Agency. The initial Dissemination Agent shall be the Trustee.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Institution and the Trustee may amend this Disclosure Agreement (and, except as provided in the last sentence of this Section 9, the Trustee shall agree to any amendment so requested by the Institution and which does not affect the rights and remedies of the Trustee or Dissemination Agent) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Institution and the Trustee to the effect that such amendment or waiver would not, in and of itself, violate the Rule. Without limiting the foregoing, the Institution and the Trustee may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Institution or

APPENDIX E

of the type of business conducted by the Institution, (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) (i) the Trustee determines, or the Trustee receives an opinion of counsel expert in federal securities laws and acceptable to the Trustee to the effect that, the amendment does not materially impair the interests of the Bondowners or (ii) the amendment is consented to by the Bondowners as though it were an amendment to the Agreement. The annual financial information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment is made to an undertaking specifying a change in the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Neither the Trustee nor the Dissemination Agent shall be required to accept or acknowledge any amendment of this Disclosure Agreement if the amendment adversely affects its respective rights or immunities or increases its respective duties hereunder.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Institution from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Institution chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Institution shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Institution or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of Bondowners representing at least 25% in aggregate principal amount of Outstanding Bonds and upon receipt of indemnity satisfactory to the Trustee, shall), take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Without regard to the foregoing, any Bondowner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Institution, the Trustee, or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. In no event shall the Institution or the Dissemination Agent be liable for monetary damages in the event of a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. As to the Trustee, Article IX of the Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Agreement. The Dissemination Agent (if other than the Institution) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Institution agrees to indemnify and save the Dissemination Agent (if other than the Institution), its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. If the Trustee is the Dissemination Agent, then it shall be entitled to all of the rights, protections, privileges and immunities hereunder as the Trustee enjoys under Article IX of the Agreement. The obligations of the Institution under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Institution covenants that whenever it is serving as Dissemination Agent, it shall take any action required of the Dissemination Agent under this Disclosure Agreement.

The Trustee, provided that the Trustee is not also the Dissemination Agent, shall have no obligation under this Disclosure Agreement to report any information to the MSRB or any Bondowner. If an officer of the Trustee obtains actual knowledge of the occurrence of an event described in Section 5 hereunder, whether or not such event is material, the Trustee shall timely notify the Institution of such occurrence, provided, however, that any failure by the Trustee to give such notice to the Institution shall not affect the Institution's obligations under this Disclosure Agreement or give rise to any liability by the Trustee for such failure.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Institution, the Agency, the Trustee, the Dissemination Agent, the Participating Underwriters and the Bondowners, and shall create no rights in any other person or entity.

SECTION 14. Disclaimer. No Annual Report or notice of a Listed Event filed by or on behalf of the Institution under this Disclosure Agreement shall obligate the Institution to file any information regarding matters other than those specifically described in Section 4 and Section 5 hereof, nor shall any such filing constitute a representation by the Institution or raise any inference that no other material events have occurred with respect to the Institution or the Bonds or that all material information regarding the Institution or the Bonds has been disclosed. The Institution shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed in accordance with the laws of The Commonwealth of Massachusetts.

APPENDIX E

SECTION 17. Entire Agreement. This Agreement, including the Exhibits hereto, constitutes the sole and entire agreement and understanding of the parties with respect to the subject matter hereof. All Exhibits hereto are incorporated herein by reference.

[The remainder of this page is intentionally blank; signature page follows]

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement to be effective as of the date written below.

Date: April 1, 2019

University of Massachusetts

By: _____
Title: _____

The Bank of New York Mellon Trust Company, N.A.

By: _____
Title: _____

EXHIBIT A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Massachusetts Development Finance Agency (successor by merger)

Name of Bond Issue: Massachusetts Health and Educational Facilities Authority Variable Rate
Demand Revenue Bonds University of Massachusetts Issue, Series A

Name of Obligated Person: University of Massachusetts

Date of Original Issuance: March 29, 2000

Date of Remarketing: April 1, 2019

NOTICE IS HEREBY GIVEN that the University of Massachusetts (the “Institution”) has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated April 1, 2019 between the Institution and the Trustee.

Dated: _____

cc: University of Massachusetts

EXHIBIT B
FILING INFORMATION FOR THE MSRB

Filing information relating to the Municipal Securities Rulemaking Board is as follows:

Municipal Securities Rulemaking Board
<http://emma.msrb.org/>