

BOOK-ENTRY ONLY

\$100,000,000*
Massachusetts Port Authority
Tax Exempt Commercial Paper Notes
Series 2012-A **Series 2012-B**
(Non-AMT) **(AMT)**

May 10, 2012
Commercial Paper Ratings
Moody's: P-1
Standard & Poor's: A-1+

This Offering Memorandum, including the cover page and appendices hereto, is being furnished in connection with the Massachusetts Port Authority (the "Authority") Tax Exempt Commercial Paper Notes, Series 2012-A (the "2012-A Notes") and Series 2012-B (the "2012-B Notes," and collectively with the 2012-A Notes, the "Notes"). The Authority, created and existing pursuant to Chapter 465 of the Massachusetts Acts of 1956, as amended to date (the "Enabling Act"), is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority owns, controls, operates and manages the following: the "Airport Properties," consisting of Boston-Logan International Airport, Laurence G. Hanscom Field and Worcester Regional Airport; and the "Port Properties," consisting of certain facilities in the Port of Boston and other properties. The Notes will supplement the Authority's long-term debt financing program.

In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any 2012-B Note for any period during which such 2012-B Note is held by a person who is a "substantial user" of facilities financed with the proceeds of the 2012-B Notes or a "related person" of such a substantial user (within the meaning of Section 147(a) of the Code). In addition, interest on the 2012-A Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal alternative minimum taxable income of certain corporations. Interest on the 2012-B Notes is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. In the opinion of Bond Counsel, the Notes, their transfer and the income therefrom (including any profit made from their sale) will be exempt from taxation within the Commonwealth. Bond Counsel expresses no opinion as to whether the Notes or the interest thereon will be included in the measure of Massachusetts estate and inheritance taxes and certain Massachusetts corporation excise and franchise taxes. Bond Counsel expresses no opinion regarding any other federal or Massachusetts tax consequences, or regarding tax consequences of states other than The Commonwealth of Massachusetts. See "TAX EXEMPTION" herein.

The Authority is authorized to issue an aggregate of up to \$100,000,000 of Notes outstanding at any time, subject to statutory limitations, and has entered into a Letter of Credit and Reimbursement Agreement (the "Credit Agreement") with TD Bank, N.A. (the "Bank"), pursuant to which the Bank will issue an irrevocable direct-pay Letter of Credit to secure the payment of the Notes. The Letter of Credit will expire on June 1, 2015, unless extended or terminated earlier in accordance with its terms. See "SECURITY FOR THE NOTES" herein. The Notes will be issued as fully registered securities in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York.

The Notes will be issued by the Authority as bond anticipation notes. Pursuant to the Authority's Tax-Exempt Commercial Paper Resolution, adopted April 26, 2012, authorizing the issuance of the Notes, the principal of and interest on the Notes shall be payable from (i) drawings under the Letter of Credit, (ii) the proceeds of bonds or notes subsequently issued by the Authority, or (iii) moneys held for the credit of the Improvement and Extension Fund, as defined and described herein.

Neither the Commonwealth nor any political subdivision thereof shall be obligated to pay the principal of, premium or interest on any Note and neither the faith and credit nor taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. The Authority has no taxing power.

Citigroup

* Maximum Aggregate Principal Amount Outstanding at Any Time

INFORMATION CONCERNING THE OFFER

Citigroup Global Markets Inc. ("Citigroup") serves as the exclusive dealer for the Tax-Exempt Commercial Paper Notes, Series 2012-A (the "2012-A Notes") and Series 2012-B (the "2012-B Notes," and collectively with the 2012-A Notes, the "Notes") of the Massachusetts Port Authority (the "Authority"), each offered or to be offered hereby.

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Offering Memorandum or the other information incorporated herein by reference, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Notes offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Notes in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Offering Memorandum (including the information relating to the Authority and TD Bank, N.A. (the "Bank"), and other information incorporated herein by reference) has been prepared from information furnished by the Authority, the Bank or the Depository Trust Company ("DTC"), respectively, and has been reviewed and approved by the Authority, the Bank (with reference to information in Appendix A relating to the Bank and furnished by the Bank) or DTC, respectively, and such information is believed to be reliable. No representation is made by Citigroup as to either the accuracy or completeness of the information herein (including the information incorporated herein by reference). Neither the delivery of this Offering Memorandum nor the sale of any of the Notes implies that the information herein (including the information incorporated herein by reference) is correct as of any time subsequent to the date hereof. The summaries of and references to documents, statutes and agreements in this Offering Memorandum (including the information incorporated herein by reference) do not purport to be complete, comprehensive or definitive, and are qualified by reference to the complete text of each such document, statute or agreement. Copies of such documents, statutes and agreements may be obtained without charge by contacting John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Massachusetts Port Authority, One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128-2909, Tel: (617) 568-5000.

Citigroup has provided the following sentence for inclusion in this Offering Memorandum. Citigroup has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but Citigroup does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion in this Offering Memorandum are subject to change without notice after May 10, 2012, and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since that date.

For further information with respect to the Authority, reference is made to (i) the Authority's Comprehensive Annual Financial Report ("CAFR") for fiscal year 2011, which contains the 2011 Annual Filing (as defined below), and (ii) filings presently or hereinafter made with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA") (items (i) and (ii) collectively referred to herein as the "Referenced Disclosure"), all of which are incorporated herein by reference.

Pursuant to the Continuing Disclosure Agreement dated as of August 1, 1997 (the "Continuing Disclosure Agreement") entered into between the Authority and State Street Bank and Trust Company, predecessor to U.S. Bank National Association, as dissemination agent, the Authority has agreed to file or cause to be filed a Statement of Annual Financial Information and Operating Data, each an "Annual Filing," with the MSRB on or before December 31 of each year that certain bonds of the Authority are outstanding. The Notes are not subject to the Continuing Disclosure Agreement and the Authority is not undertaking to provide continuing disclosure specifically with respect to the Notes; provided, however, that if the Authority ceases to make Annual Filings and notices under its Continuing Disclosure Agreement, then the Authority has agreed to update this Offering Memorandum on an annual basis or more often as necessary to reflect information material to investors in the Notes. The required Annual Filing for each year is included as part of such year's CAFR, which is filed with the MSRB. Accordingly,

the Authority's Statement of Annual Financial Information and Operating Data, dated as of November 29, 2011 (the "2011 Annual Filing"), is included as part of the CAFR for fiscal year 2011, which is available on EMMA. The information contained in the 2011 Annual Filing (and all other filings, including Annual Filings, made with the MSRB) is intended to be accurate as of its date, however, such information is subject to change without notice and no implication shall be created that there has been no change in the affairs of the Authority since the date thereof.

The information concerning the Authority contained in this Offering Memorandum and the Referenced Disclosure referred to above does not purport to cover all aspects of the Authority's operations and financial position. During the period of the offering of the Notes, reference is made to the most recent Official Statement or Annual Filing at the time available and the most recent audited financial statements and other information relating to the Authority at the time available, including the most recent offering materials prepared in connection with the issuance of other debt obligations of the Authority. Copies of such documents may be accessed on EMMA or obtained without charge by contacting the office of the Director of Administration and Finance and Secretary-Treasurer of the Authority as described above. In addition, copies of certain documents including the CAFR are available electronically at the Authority's website at:

<http://www.massport.com/massport/Investor%20Relations/InvestorRelationsdefault.aspx>

However, no information on the Authority's website, other than the Referenced Disclosure, is a part of or incorporated into this Offering Memorandum. The information concerning the Bank contained in Appendix A to this Offering Memorandum does not purport to cover all aspects of the Bank's operations and financial position. Additional information about the Bank may be obtained as described in Appendix A.

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**OFFERING MEMORANDUM
MASSACHUSETTS PORT AUTHORITY
TAX EXEMPT COMMERCIAL PAPER NOTES
SERIES 2012-A AND SERIES 2012-B**

THE NOTES

Authorization and Purpose

The Notes are secured by an irrevocable direct-pay Letter of Credit (the "Letter of Credit") issued by TD Bank, N.A. (the "Bank"), pursuant to a Letter of Credit and Reimbursement Agreement dated as of May 1, 2012 (the "Credit Agreement") between the Authority and the Bank. The Letter of Credit will expire on June 1, 2015, unless extended or terminated earlier in accordance with its terms, as further described herein. The Notes are issued and sold by the Authority, pursuant to Chapter 465 of the Massachusetts Acts of 1956, as amended to date (the "Enabling Act"), a Trust Agreement by and between the Authority and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company, as trustee (the "Trustee"), dated as of August 1, 1978, as amended and supplemented (the "1978 Trust Agreement"), and the Tax-Exempt Commercial Paper Resolution of the Authority pertaining to the issuance of the Notes (the "Issuance Resolution") adopted by the Authority on April 26, 2012. Capitalized terms not defined herein shall have the meanings ascribed thereto in the 2011 Annual Filing and the 1978 Trust Agreement.

The Authority, created and existing pursuant to the Enabling Act, is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority owns, controls, operates and manages the following: the "Airport Properties," consisting of Boston-Logan International Airport (the "Airport"), Laurence G. Hanscom Field ("Hanscom Field") and Worcester Regional Airport ("Worcester Airport"); and the "Port Properties," consisting of certain facilities in the Port of Boston (the "Port") and other properties.

Pursuant to the Enabling Act and the Issuance Resolution, the principal amount of Notes outstanding at any time shall not exceed in the aggregate the lesser of (x) \$100,000,000 or (y) the ceiling on bond anticipation notes imposed by the Enabling Act of not more than ten percent (10%) of the aggregate principal amount of the Authority's bonds then outstanding as of the date of issuance of the Notes (such amount, the "Note Limit"); provided, however, that the Authority has covenanted that it will not issue Notes in an aggregate amount of principal and interest to maturity that is in excess of the Stated Amount of the Letter of Credit. (The Authority currently has approximately \$1.1 billion in principal amount of bonds outstanding.) The Authority has covenanted to observe these limitations in the management of its commercial paper programs. The Notes may be issued as 2012-A Notes, 2012-B Notes or a combination of both as long as the aggregate principal amount of Notes outstanding at any time does not exceed the Note Limit. The Notes are being issued (i) to finance Additional Improvements, as defined in the 1978 Trust Agreement, as determined from time to time by the Authority, (ii) to refund currently all of the Authority's Tax Exempt Commercial Paper Notes, Series 2003-A (Non-AMT) and Series 2003-B (AMT), each as Outstanding on the date of the initial issuance of the Notes, (iii) to refund Notes of the same Series when due, (iv) to provide for capitalized interest on the Notes of the same Series, and (v) to pay the expenses of issuance of the Notes of the same Series; provided that no proceeds of the 2012-A Notes shall be used to finance activities that would cause the interest on the 2012-A Notes to be treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on taxpayers other than corporations; and provided, further, that proceeds of the 2012-B Notes may be used only for purposes as to which the Authority shall have complied with the public notice and approval requirements of section 147(f) of the Code.

Description of the Notes

Each Note shall be issued in the minimum denomination of \$100,000 and multiples of \$1,000 in excess thereof. The Notes mature not later than the earlier of (i) 270 days from the date of issuance, or (ii) five (5) days prior to the scheduled expiration date of the Letter of Credit. The Notes shall bear interest from the date of issuance. The Notes are not subject to redemption prior to maturity. The Authority has entered into an Issuing and Paying Agency Agreement dated as of May 15, 2012 (as amended, the "Issuing and Paying Agency Agreement") with

Deutsche Bank Trust Company Americas (the "Issuing and Paying Agent"). The Issuing and Paying Agency Agreement provides for a separate and special account designated as the Massachusetts Port Authority Payment Account (the "Payment Account") funded solely with the proceeds of drawings under the Letter of Credit. Moneys on deposit in the Payment Account shall be used solely for payment of Notes at maturity.

The Notes will be issued in book-entry form through the book-entry system of DTC. DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for each Series of the Notes, and will be deposited with the Issuing and Paying Agent. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered. For additional information on DTC, see "Book-Entry Only Method."

Book-Entry Only Method

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," and together with Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 Authority or the Issuing and Paying Agent, on the 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 nor its nominee, the Authority or the Issuing and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Issuing and Paying Agent, 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.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Authority or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority takes no responsibility for the accuracy thereof.

NONE OF THE AUTHORITY, THE ISSUING AND PAYING AGENT OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OF DTC OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR BY ANY PARTICIPANT OF DTC, (II) PAYMENTS OR THE PROVIDING OF NOTICE TO THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS, OR (III) ANY OTHER ACTION TAKEN BY DTC OR ITS PARTNERSHIP NOMINEE AS OWNER OF THE NOTES.

SECURITY FOR THE NOTES

Letter of Credit

In order to assure timely payment of the principal of and interest on the Notes, at the Authority's request, the Bank issued to the Issuing and Paying Agent, as beneficiary, the Letter of Credit pursuant to, and upon the terms and conditions stated in, the Credit Agreement. On or before the date of maturity of any Note, the Issuing and Paying Agent shall draw on the Letter of Credit an amount equal to the aggregate principal amount of Notes maturing on such date and accrued interest thereon to such date. Pursuant to the Issuing and Paying Agency Agreement, all amounts received from any drawing on the Letter of Credit are required to be deposited in the Payment Account established thereunder and held in trust and set aside exclusively for the payment of the Notes for which such drawing was made, and the Issuing and Paying Agent is required to apply such amounts to the payment of such Notes when due. Pursuant to the Issuing and Paying Agency Agreement, the Issuing and Paying Agent may not issue Notes if the issuance of such Notes would result in the Outstanding principal amount of such Notes together with any interest due thereon at maturity to be in excess of the Stated Amount of the Letter of Credit immediately after issuance of such Notes.

The initial Stated Amount of the Letter of Credit, as of May 15, 2012, will be \$107,397,261.00, representing the sum of the principal portion of \$100,000,000 plus interest thereon at 10% per annum (on the basis of a 365-day year) for a period of 270 days in the amount of \$7,397,261.00. The Stated Amount may be reduced and reinstated from time to time at the request of the Authority pursuant to the terms of the Credit Agreement,

provided, however, that the Stated Amount may never exceed the Maximum Stated Amount. The Maximum Stated Amount is \$107,397,261.00. See Appendix A for information concerning the Bank.

The Letter of Credit will expire on the earliest to occur of the following (the "Letter of Credit Expiration Date"): (a) June 1, 2015, as such date may be extended by the Bank upon delivery of a notice of extension, (b) the date on which the Bank receives a notice of cancellation of the Letter of Credit from the Authority and the Issuing and Paying Agent, and (c) the day immediately following final payment in full of the Notes outstanding prior to receipt by the Authority and the Issuing and Paying Agent of a notice of termination from the Bank as a result of an Event of Default under the Credit Agreement.

Upon the occurrence of certain specified events under the Credit Agreement, the Bank may, in its sole discretion, (i) exercise all or any of such rights and remedies as it may have under law to protect and enforce its rights under the Enabling Act, the Issuance Resolution, the Credit Agreement or otherwise by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for specific performance of any covenant or agreement contained in the Issuance Resolution or the Credit Agreement, or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, and/or (ii) subject to certain limitations set forth in the Credit Agreement, by notice to the Authority, the Dealer and the Issuing and Paying Agent, reduce the Stated Amount of the Letter of Credit to the amount of the then outstanding Notes supported by the Letter of Credit and interest payable thereon at maturity of such Notes and reduce such Stated Amount as the then outstanding Notes are paid, declare the obligation of the Bank to permit drawings under the Letter of Credit to be terminated and instruct the Issuing and Paying Agent to stop issuing and delivering Notes, which termination and instruction shall take effect as of the commencement of business on the Business Day next following the Business Day on which such notice is received by the Authority and the Issuing and Paying Agent or, if such notice is received prior to 9:30 AM New York time, on a Business Day, at the time such notice is received by the Issuing and Paying Agent. Notwithstanding any such notices provided in (ii) above, however, the obligation of the Bank to permit drawings under the Letter of Credit shall not terminate with respect to any Notes issued prior to the time provided in the preceding sentence.

Substitution of Letter of Credit

The Authority will at all times maintain in effect a letter of credit in an aggregate amount equal to the sum of the principal amount of the Notes Outstanding plus interest due at maturity thereof. Under the Issuance Resolution, with no less than fifteen (15) days prior written notice to the Dealer, the Issuing and Paying Agent, the Noteholders, the Bank and each of the Rating Agencies then maintaining a rating on the Notes, the Authority may cause to be delivered to the Issuing and Paying Agent (a) an amended or substitute Letter of Credit issued by the Bank, or (b) on the maturity date of any Note (or any tranche thereof), an irrevocable, direct pay letter of credit issued by another bank, provided in either case that such amended, substitute or replacement letter of credit shall have a Stated Amount that is at least equal to the principal of all Notes then maturing, plus interest thereon at a rate of no less than ten percent (10%) (calculated on the basis of a 365-day year) for a period of 270 days. In the event that the Authority causes a Letter of Credit issued by a bank other than the Bank to be delivered in accordance with the Issuance Resolution, the Authority shall either (x) cause all the Notes then outstanding to become due on the same date or (y) if the Notes (or tranches thereof) then outstanding are due on different dates, the prior Letter of Credit shall be maintained and continue to secure the remaining outstanding Notes until such all the Notes (or tranches thereof) are paid upon maturity. In either event, the substitute Letter of Credit shall secure the Notes issued in order to refund Notes due following the maturity of such Notes (or tranches thereof) on and after the delivery of such substitute Letter of Credit.

Improvement and Extension Fund

As authorized under the 1978 Trust Agreement, the Authority has pledged to the payment of principal of and interest on the Notes, to the extent necessary to make such amounts available for the payments of the Notes, all moneys from time to time held for the credit of the Improvement and Extension Fund (which pledge will exclude accounts holding funds subject to rebate to the United States and certain other amounts). Any balance of moneys in the Operating Fund will be transferred to the Improvement and Extension Fund on a monthly basis after making all other required transfers under the 1978 Trust Agreement. Pursuant to the Issuance Resolution, funds in the Improvement and Extension Fund shall not be prohibited from use by the Authority for any other purpose permitted

under the 1978 Trust Agreement. This pledge shall not prohibit or be superior to any further pledge of moneys in the Improvement and Extension Fund under the 1978 Trust Agreement with respect to any other bond anticipation notes of the Authority. As of June 30, 2011, such fund balance (excluding amounts not available to pay the Notes) was approximately \$182.1 million. As of March 31, 2012, such fund balance (excluding amounts not available to pay the Notes) was approximately \$212.0 million (unaudited).

THE AUTHORITY

Powers and Facilities

Under the Enabling Act, the Authority has general power, *inter alia* (a) to issue its revenue bonds and to borrow money in anticipation thereof, (b) to fix, revise, charge and collect tolls, rates, fees, rentals and charges for use of the Projects, (c) to maintain, repair and operate and to extend, enlarge and improve the Projects, and (d) to construct or acquire Additional Facilities (as defined in the Enabling Act) within the Commonwealth when authorized by the Legislature of the Commonwealth. The Authority has the power to acquire property by purchase or through the exercise of the right of eminent domain in certain circumstances. The Authority has no taxing power.

The Authority's facilities include the Airport Properties, consisting of the Airport, Hanscom Field and Worcester Regional Airport, and the Port Properties, consisting of Moran Terminal, Hoosac Pier (site of Constitution Center), Mystic Piers 1, 48, 49 and 50 and the Medford Street Terminal, all of which are located in Charlestown; Conley Terminal, the North Jetty and Fargo Street Terminals, the former Army Base (including Black Falcon Cruise Terminal), the Boston Fish Pier, Commonwealth Pier (site of World Trade Center Boston), and a portion of Commonwealth Flats, all of which are located in South Boston; and the East Boston Piers and the Boston Marine Works, both located in East Boston.

Members and Management

The Enabling Act provides that the Authority shall consist of seven Members (collectively, the "Board") appointed by the Governor of the Commonwealth, one of whom shall be the Secretary of Transportation of the Commonwealth. Four Members of the Board constitute a quorum and the affirmative vote of four Members is necessary for any action taken by the Board. With the exception of the Secretary of Transportation, the Members are appointed for staggered seven-year terms. Members completing a term in office are eligible for reappointment and remain in office until their successors are appointed, except that any Member appointed to fill a vacancy shall serve only for the unexpired term. The Members of the Board serve without compensation, although they are reimbursed for expenses they incur in carrying out their duties.

The Chairman of the Board is elected annually by the Members. The Members also annually elect a Vice Chairman and a Secretary-Treasurer (who need not be a Member of the Board), both of whom serve at the pleasure of the Members. The management of the Authority and its operations is carried out by a staff headed by the Chief Executive Officer and Executive Director, who is appointed by and reports directly to the Board.

BOSTON-LOGAN INTERNATIONAL AIRPORT

The Airport

The Airport is the principal source of the Authority's Revenues, Net Revenues and net income, and is the dominant factor in the determination of the Authority's financial condition. In fiscal year 2011, the Airport accounted for approximately 84% of the Authority's Revenues and approximately 97% of the Authority's Net Revenues (as defined in the 1978 Trust Agreement). In calendar year 2010 (the most recent year for which information is available), based upon total passenger volume, the Airport was the most active airport in New England, the 19th most active in the United States and the 48th most active in the world, according to the Airports Council International. The Airport has been classified as a large traffic hub by the Federal Aviation Administration (the "FAA"). Airports are classified as large hubs if they enplane over 1% of the total passengers enplaned by domestic airlines in the United States. Enplaned plus deplaned passengers at the Airport for fiscal year 2011 totaled approximately 28.3 million passengers, excluding general aviation.

Airport Traffic Statistics

The following table summarizes Airport traffic statistics for the five most recent fiscal years and the nine-month periods ended March 31, 2011 and March 31, 2012. Both operations and passengers are grouped by origin and destination regardless of whether the carrier was a U.S. air carrier or a foreign flag carrier:

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SELECTED BOSTON-LOGAN INTERNATIONAL AIRPORT TRAFFIC STATISTICS
(Fiscal Year Ended June 30)

	2007	2008	2009	2010	2011	Nine Months Ended <u>3/31/11</u>	Nine Months Ended <u>3/31/12</u>
Aircraft Operations (1)							
Domestic (2)	214,441	207,693	190,271	200,015	216,249	159,490	161,419
International (3)	37,368	39,094	34,919	33,814	33,961	24,310	26,853
Regional	126,097	115,529	109,208	100,148	91,307	69,253	63,960
General Aviation	<u>30,716</u>	<u>27,724</u>	<u>16,690</u>	<u>13,766</u>	<u>20,740</u>	<u>11,772</u>	<u>21,570</u>
Total Operations	408,622	390,040	351,088	347,743	347,743	264,825	273,802
Aircraft Landed Weights	20,408,164	19,905,370	18,741,720	18,681,983	19,712,898	14,521,220	14,767,670
Passengers Traffic							
Domestic (2)							
Enplaned	10,438,225	10,223,459	9,314,138	10,062,680	11,110,527	8,141,039	8,406,158
Deplaned	10,485,949	10,279,164	9,344,673	10,085,288	11,152,038	8,099,046	8,341,264
International (3)							
Enplaned	1,995,778	2,064,293	1,868,603	1,818,370	1,874,108	1,305,583	1,467,492
Deplaned	2,013,591	2,100,097	1,884,406	1,834,023	1,896,528	1,341,016	1,512,740
Regional							
Enplaned	1,433,466	1,326,073	1,270,475	1,236,145	1,152,967	849,575	806,719
Deplaned	<u>1,432,862</u>	<u>1,322,741</u>	<u>1,272,569</u>	<u>1,223,010</u>	<u>1,152,971</u>	<u>843,876</u>	<u>808,646</u>
Subtotal Commercial Passenger Traffic	27,799,871	27,315,827	24,954,864	26,259,516	28,339,139	20,580,135	21,343,019
General Aviation							
Total Passengers	<u>117,704</u>	<u>108,058</u>	<u>65,212</u>	<u>54,946</u>	<u>84,096</u>	<u>47,380</u>	<u>87,258</u>
Total Passengers	27,917,575	27,423,885	25,020,076	26,314,462	28,423,235	20,627,515	21,430,277
Total Enplaned Passengers	13,867,469	13,613,825	12,453,216	13,117,195	14,137,602	10,296,197	10,680,369
Average Passengers Per Flight							
Domestic (2)	97.6	98.7	98.1	100.7	103.0	101.8	103.8
International (3)	107.3	106.5	107.5	108.0	111.0	108.9	111.0
Regional	22.7	22.9	23.3	24.6	25.3	24.5	25.3
Air Carrier and Passenger Metrics							
Primary carrier	US Airways	American	JetBlue	JetBlue	JetBlue	JetBlue	JetBlue
Primary carrier market share	13.8%	14.1%	14.7%	16.3%	21.2%	18.70%	23.80%
Two top carriers market share	27.6%	27.6%	28.8%	30.2%	36.3%	34.20%	38.90%
Origination & destination share (4)	88.4%	88.4%	NA	95.0%	96.0%	NA	NA
Compensatory airline payments to the Authority per enplaned passenger (5)	\$13.18	\$14.30	\$15.66	\$14.93	\$13.65	\$14.95	\$14.45
Logan Airport revenue per enplaned passenger	\$30.29	\$33.04	\$34.96	\$33.45	\$32.23	\$33.09	\$33.02
Total Cargo & Mail (000 lbs.)	680,079	644,552	571,186	563,210	568,806	428,490	410,443

(1) Includes all-cargo flights, but excludes helicopters.

(2) Includes domestic flights on jets and charters.

(3) Includes international flights on jets, charters and commuter carriers.

(4) Source: This statistic has been estimated by ICF SH&E in the market studies published in the Authority's Official Statements and has also been quoted in the Authority's CAFR; it is only published when the Authority issues bonds. This statistic reflects the percentage of domestic origin and destination travelers as compared to all domestic passengers.

(5) Compensatory airline payments consist of landing fees, terminal rents, certain non-PFC passenger fees, aircraft parking fees and baggage fees. Source: Authority reports.

Additional Information

For additional information with respect to the Authority's operations and financial condition, reference is made to the Referenced Disclosure. See "INFORMATION CONCERNING THE OFFER" herein.

TAX EXEMPTION

In the opinion of Foley & Lardner LLP, Bond Counsel, based on existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, as described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any 2012-B Note for any period during which such 2012-B Note is held by a person who is a "substantial user" of facilities financed with the proceeds of the 2012-B Notes or a "related person" of such a substantial user (within the meaning of Section 147(a) of the Code). In addition, interest on the 2012-A Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal alternative minimum taxable income of certain corporations. Interest on the 2012-B Notes is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. A copy of the proposed form of the opinion of Foley & Lardner LLP, as Bond Counsel, is set forth in APPENDIX B.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Certain different restrictions, conditions and requirements apply to the 2012-A Notes, which are issued as "governmental bonds" that are not treated as "private activity bonds" under Section 141 of the Code, and the 2012-B Notes, which are issued as "exempt facility bonds" under Section 142 of the Code. The Authority has covenanted to comply with certain restrictions and requirements designed to assure that the interest on the Notes will not be included in gross income for federal income tax purposes, and that interest on the 2012-A Notes will not be treated as a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Failure to comply with these covenants may result in such interest being included in gross income for federal income tax purposes, possibly from the original issuance date of the Notes. The opinion of Foley & Lardner LLP, as Bond Counsel, assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the issuance of the Notes may adversely affect the tax status of the interest on the Notes. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

The opinion of Bond Counsel relies on factual representations made by the Authority and other persons. These factual representations include but are not limited to certifications by the Authority regarding its reasonable expectations regarding the use and investment of bond proceeds. Bond Counsel has not verified these representations by independent investigation. Bond Counsel does not purport to be an expert in asset valuation and appraisal, financial analysis, financial projections or similar disciplines. Failure of any of these factual representations to be correct may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the original issuance date of the Notes.

The opinion of Bond Counsel applies to Notes issued on the date of the opinion and to Notes issued pursuant to the terms of the Issuance Resolution and the Tax Certificate to refund Notes of the same Series ("Rollover Notes"). Additional Notes may be issued by the Authority on one or more future dates to finance the costs of Additional Facilities (as defined in the 1978 Trust Agreement). Accordingly, in the future the Notes issued under the Issuance Resolution may include different issues for purposes of the federal income tax eligibility requirements relating to tax-exempt bonds which are treated as issued on different dates.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes, and interest on the 2012-A Notes is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect a Beneficial Owner's federal tax liability. The nature and extent of these

other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration recently announced a legislative proposal which, for years beginning on or after January 1, 2013, generally would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Such future legislation, if enacted, possibly could apply to obligations issued before such legislation is enacted and some or all of the Notes possibly could be treated for purposes of the such future legislation as issued on one or more dates after the date of original issuance of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigations, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel speaks only as of its date and is based on current legal authorities, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts, and it is not a guarantee of result. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or about the effect of changes to the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the applicable requirements of the Code.

Bond Counsel is not obligated to defend the Authority regarding the tax-exempt status of the Notes in the event of an examination by the IRS. Under current IRS procedures, the Beneficial Owners and parties other than the Authority would have little, if any, right to participate in an IRS examination of the Notes. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt bonds is difficult, obtaining independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for examination, or the course or result of such an examination, or an examination of bonds presenting similar tax issues may affect the market price, or the marketability, of the Notes, and may cause the Authority or the Beneficial Owners to incur significant expense.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Beneficial Owner of a Note is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

State Tax Exemption

In the opinion of Foley & Lardner LLP, Bond Counsel, under existing Massachusetts law, the Notes, their transfer and the income therefrom (including any profit made on the sale thereof) are exempt from taxation within the Commonwealth. Bond Counsel expresses no opinion as to whether the Notes or the interest thereon will be included in the measure of Massachusetts estate and inheritance taxes and certain Massachusetts corporation excise and franchise taxes. Bond Counsel expresses no opinion regarding any other Massachusetts tax consequences, or regarding tax consequences of states other than the Commonwealth of Massachusetts.

RATINGS

<u>MASSACHUSETTS PORT AUTHORITY</u>			
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>Commercial Paper Ratings:</u>	P-1	A-1+	N/A
<u>Revenue Bond Ratings:</u>			
Series 1998, 2003, 2005, 2007, 2008 and 2010 outstanding as of May 15, 2012	Aa3	AA-	AA

The ratings set forth above reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Notes.

May 10, 2012

TD BANK, N.A.

TD Bank, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer, trust and insurance agency services. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of March 31, 2012, the Bank had consolidated assets of \$193.1 billion, consolidated deposits of \$157.5 billion and stockholder's equity of \$27.5 billion, based on regulatory accounting principles.

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the "SEC"), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Letter of Credit has been issued by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034
Attn: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this Appendix A is correct as of any time subsequent to its date.

PROPOSED FORM OF OPINION OF BOND COUNSEL



May __, 2012

Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, Massachusetts 02128-2909

Re: \$100,000,000 Massachusetts Port Authority Tax Exempt Commercial
Paper Notes, Series 2012-A (Non-AMT) and Series 2012-B (AMT)

Ladies and Gentlemen:

We have acted as bond counsel to the Massachusetts Port Authority (the "Authority") in connection with the issuance by the Authority of its Tax Exempt Commercial Paper Notes, Series 2012-A (Non-AMT) (the "2012-A Notes") and its Tax Exempt Commercial Paper Notes, Series 2012-B (AMT) (the "2012-B Notes" and, together with the 2012-A Notes, the "Notes"). The Notes are issued pursuant to Chapter 465 of the Massachusetts Acts of 1956, as amended to the date hereof (as so amended, the "Act"), the Trust Agreement dated as of August 1, 1978, as supplemented and amended to the date hereof (as so supplemented and amended, the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company, as trustee (the "Trustee"), and the Tax Exempt Commercial Paper Resolution adopted by the Members of the Authority on April 26, 2012 (the "Resolution"). All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Resolution.

We have examined the law, a certified copy of the proceedings relating to the issuance of the Notes, the Act, the Trust Agreement and the Resolution, and certifications of Authorized Officers of the Authority and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

In order to secure the payment when due of principal of and interest on the Notes, an irrevocable letter of credit (the "Letter of Credit") is being issued for the account of the Authority by TD Bank, N.A. (the "Bank"), in favor of Deutsche Bank Trust Company Americas, as Issuing and Paying Agent under the Resolution. The Letter of Credit is being issued pursuant to the Letter of Credit and Reimbursement Agreement dated as of May 1, 2012 (the "Credit Agreement") between the Authority and the Bank. The Letter of Credit expires on the close of business on June 1, 2015 (the "Letter of Credit Termination Date"), which date may be extended as provided in the Credit Agreement. In addition, the Letter of Credit is subject to termination prior to the Letter of Credit Termination date under certain circumstances set forth therein.

We express no opinion as to laws other than the laws of The Commonwealth of Massachusetts (the "Commonwealth") and the federal laws of the United States of America.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority is a body politic and corporate and public instrumentality of the Commonwealth duly created by the Act, with all necessary power and authority to adopt the Resolution, perform its obligations under the Resolution and issue the Notes.

2. The issuance of the Notes has been duly authorized. When the Notes of each Series are issued in accordance with the terms of Section 2.4 of the Resolution, all conditions precedent to the delivery of the Notes will have been fulfilled.

3. When issued in a duly authorized form, executed by an Authorized Officer of the Authority, countersigned by the Issuing and Paying Agent, and delivered to and paid for by the purchasers thereof, all in accordance with the Resolution, the Notes will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their terms and entitled to the benefits and security of the Resolution, subject to the qualifications that enforcement of the rights and remedies created thereby is subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application affecting the rights and remedies of creditors and secured parties, and that the availability of the remedy of specific enforcement, injunctive relief or other equitable relief is subject to the discretion of the court before which any proceeding therefore may be brought.

4. Principal of and interest on the Notes are payable solely from the proceeds of drawings on the Letter of Credit, from the proceeds of Bonds (as defined in the Trust Agreement) subsequently issued by the Authority, from the proceeds of subsequent borrowings by the Authority under the Resolution and/or Section 216(I) of the Trust Agreement and, as provided in the Notes and Section 3.2 of the Resolution, and from moneys held for the credit of the Improvement and Extension Fund established under Section 503 of the Trust Agreement.

5. The Resolution is a valid, legally binding obligation of the Authority, enforceable against the Authority in accordance with its terms, subject to the qualifications that enforcement of the rights and remedies created thereby is subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application affecting the rights and remedies of creditors and secured parties, and that the availability of the remedy of specific enforcement, injunctive relief or other equitable relief is subject to the discretion of the court before which any proceeding therefore may be brought.

6. The interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any 2012-B Note for any period during which such 2012-B Notes is held by a person who is a "substantial user" of the facilities financed with proceeds of the 2012-B Notes or a "related person" of such a substantial user within the meaning of Section 147(a) of the Code. In addition, interest on the 2012-A Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings in calculating federal alternative minimum taxable income of certain corporations. Interest on the 2012-B Notes is a specific preference item for purposes of federal individual and corporate alternative minimum taxes. The opinions set forth in this paragraph are subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with each such requirement. Failure to comply with certain other requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date the Notes were issued. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion set forth in this paragraph applies to Notes issued on the date of this opinion and, as qualified by the last paragraph hereof, to Notes issued pursuant to the terms of the Resolution and the Tax Certificate to refund Notes of the same Series ("Rollover Notes"). Additional Notes may be issued pursuant to the Resolution on one or more future dates to finance the costs of other Additional Facilities (as defined in the Trust Agreement).

7. Under existing Massachusetts law, the Notes, their transfer and the income therefrom (including any profit made on the sale thereof) are exempt from taxation within the Commonwealth. We express no opinion as to whether the Notes or the interest thereon are included in the measure of Massachusetts estate and inheritance taxes and certain Massachusetts corporation excise and franchise taxes. We express no opinion regarding other Massachusetts tax consequences arising with respect to the Notes, or regarding the tax consequences of states other than the Commonwealth.

8. The offer and sale of the Notes are not subject to registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended. We have not passed upon any matters pertaining to compliance with the Blue Sky laws of any state in connection with the offering and sale of the Notes.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Notes (except to the extent, if any, stated in the Offering Memorandum), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Offering Memorandum).

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law; however, unless otherwise notified by us, you may continue to rely on this opinion to the extent that (i) there is no change in pertinent existing Commonwealth or federal law, (ii) the Trust Agreement and the Resolution, in the respective forms in effect on the date hereof, remain in full force and effect, (iii) the representations, warranties, and covenants of the parties contained in the Credit Agreement, Issuing and Paying Agency Agreement, the Dealer Agreement, and certain certificates dated the date hereof and delivered by Authorized Officers of the Authority remain true and accurate and are complied with in all material respects, and (iv) no litigation affecting the issuance or validity of the Notes is pending or threatened at the time of delivery of any such Notes. In acting as bond counsel, we have established an attorney-client relationship solely with the Authority.

Very truly yours,