

EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, ANY TRANSIT SERVICE RENDERED BY TRANSIT FACILITIES OWNED OR CONTROLLED BY THE AUTHORITY AND THE AUTHORITY OR ANY CORPORATION, FIRM OR ASSOCIATION PERFORMING SUCH TRANSIT SERVICE PURSUANT TO AN OPERATING CONTRACT WITH THE AUTHORITY, SHALL, IN CONNECTION WITH THE PERFORMANCE OF SUCH SERVICE, BE EXEMPT FROM ALL LAWS, RULES, REGULATIONS AND ORDERS OF THE SIGNATORIES AND OF THE UNITED STATES OTHERWISE APPLICABLE TO SUCH TRANSIT SERVICE AND PERSONS, EXCEPT THAT LAWS, RULES, REGULATIONS AND ORDERS RELATING TO INSPECTION OF EQUIPMENT AND FACILITIES, SAFETY AND TESTING SHALL REMAIN IN FORCE AND EFFECT; PROVIDED, HOWEVER, THAT THE BOARD MAY PROMULGATE REGULATIONS FOR THE SAFETY OF THE PUBLIC AND EMPLOYEES NOT INCONSISTENT WITH THE APPLICABLE LAWS, RULES, REGULATIONS OR ORDERS OF THE SIGNATORIES AND OF THE UNITED STATES.

#### 78. TAX EXEMPTION.

IT IS HEREBY DECLARED THAT THE CREATION OF THE AUTHORITY AND THE CARRYING OUT OF THE CORPORATE PURPOSES OF THE AUTHORITY IS IN ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE OF THE SIGNATORY STATES AND IS FOR A PUBLIC PURPOSE AND THAT THE AUTHORITY AND THE BOARD WILL BE PERFORMING AN ESSENTIAL GOVERNMENTAL FUNCTION, INCLUDING, WITHOUT LIMITATION, PROPRIETARY, GOVERNMENTAL AND OTHER FUNCTIONS, IN THE EXERCISE OF THE POWERS CONFERRED BY THIS TITLE. ACCORDINGLY, THE AUTHORITY AND THE BOARD SHALL NOT BE REQUIRED TO PAY TAXES OR ASSESSMENTS UPON ANY OF THE PROPERTY ACQUIRED BY IT OR UNDER ITS JURISDICTION, CONTROL, POSSESSION OR SUPERVISION OR UPON ITS ACTIVITIES IN THE OPERATION AND MAINTENANCE OF ANY TRANSIT FACILITIES OR UPON ANY REVENUES THEREFROM AND THE PROPERTY AND INCOME DERIVED THEREFROM SHALL BE EXEMPT FROM ALL FEDERAL, STATE, DISTRICT OF COLUMBIA, MUNICIPAL AND LOCAL TAXATION. THIS EXEMPTION SHALL INCLUDE, WITHOUT LIMITATION, ALL MOTOR VEHICLE LICENSE FEES, SALES TAXES AND MOTOR FUEL TAXES.

#### 79. REDUCED FARES.

THE DISTRICT OF COLUMBIA, THE NORTHERN VIRGINIA TRANSPORTATION DISTRICT, THE WASHINGTON SUBURBAN TRANSIT DISTRICT AND THE COMPONENT GOVERNMENTS THEREOF MAY ENTER INTO CONTRACTS OR AGREEMENTS WITH THE AUTHORITY TO MAKE EQUITABLE PAYMENTS FOR FARES LOWER THAN THOSE ESTABLISHED BY THE AUTHORITY PURSUANT TO THE PROVISIONS OF ARTICLE XIII HEREOF FOR ANY SPECIFIED CLASS OR CATEGORY OF RIDERS.

#### 80. LIABILITY FOR CONTRACTS AND TORTS.

THE AUTHORITY SHALL BE LIABLE FOR ITS CONTRACTS AND FOR ITS TORTS AND THOSE OF ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS COMMITTED IN THE CONDUCT OF ANY PROPRIETARY FUNCTION, IN ACCORDANCE WITH THE LAW OF THE APPLICABLE SIGNATORY (INCLUDING RULES ON CONFLICT OF LAWS), BUT SHALL NOT BE LIABLE FOR ANY TORTS OCCURRING IN