



Metropolitan Transportation Authority

June 2016

MTA Board Action Items



MTA Board Meeting
2 Broadway - 20th Floor Board Room
New York, N.Y. 10004
Wednesday, 6/22/2016
10:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. APPROVAL OF MINUTES

MTA Regular Board Minutes - May 25, 2016

MTAHQ Minutes - May 25, 2016 - Page 5

NYCT/MaBSTOA/SIR/Bus Company Regular Board Minutes - May 25, 2016

NYCTA Minutes - May 25, 2016 - Page 9

MTA Metro-North Railroad Regular Board Minutes - May 25, 2016

Metro-North Railroad Minutes - May 25, 2016 - Page 13

MTA Long Island Rail Road Regular Board Minutes - May 25, 2016

LIRR Minutes - May 25, 2016 - Page 18

Triborough Bridge & Tunnel Authority Regular Board Minutes - May 25, 2016

TBTA Minutes - May 25, 2016 - Page 24

MTA Capital Construction Regular Board Minutes - May 25, 2016

MTACC Minutes - May 25, 2016 - Page 28

3. COMMITTEE ON FINANCE

Action Items

i. MTA Hudson Rail Yards Trust Obligations

Authorization to Issue MTA Hudson Rail Yards Trust Obligations - Page 30

ii. 2016 Public Work Enforcement Fund Assessment

PWEF Assessment - Page 208

MTAHQ Procurements Report

MTAHQ Procurement Report - Page 209

i. Non-Competitive (no items)

ii. Competitive

MTAHQ Competitive Procurements - Page 211

iii. Ratifications (no items)

Real Estate Items

i. Real Estate Agenda and Staff Summaries

Real Estate Agenda and Staff Summaries - Page 217

4. COMMITTEE ON NYCT & BUS

NYCT Procurements Report

NYCT June Procurement Staff Summary and Resolution - Page 226

i. Non-Competitive

NYCT Non-Competitive Actions - Page 230

ii. Competitive

NYCT Competitive Actions - Page 233

iii. Ratifications (no items)

5. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD

MNR Procurements Report

MNR Procurements - Page 236

i. Non-Competitive

MNR Non-Competitive Procurements - Page 240

ii. Competitive

MNR Competitive Procurements - Page 242

iii. Ratification (no items)

LIRR Procurements Report

LIRR Procurements - Page 250

i. Non-Competitive

LIRR Non-Competitive Procurements - Page 254

ii. Competitive (no items)

iii. Ratification (no items)

MTACC Procurements Report

MTA CC Procurements - Page 257

i. Non-Competitive (no items)

ii. Competitive (no items)

iii. Ratification

MTA CC Ratifications - Page 260

6. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

B&T Procurements Report

BT Procurements - Page 262

i. Non-Competitive (no items)

ii. Competitive

BT Competitive - Page 265

iii. Ratifications (no items)

7. CORPORATE GOVERNANCE COMMITTEE

Action Items

i. Mission Statement and Performance Measurement Report (Report included in Exhibit Book)

Staff Summary Mission Statement and Performance Measurement Report - Page 267

ii. Procurement Guidelines (Guidelines included in the Exhibit Book)

Staff Summary Procurement Guidelines - Page 268

iii. Revisions to Audit and Safety Committee Charters (Charters included in Exhibit Book)

Staff Summary Committee Charters - Page 270

8. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC) (no items)

Date of next meeting: Wednesday, July 27, 2016

**Metropolitan Transportation Authority
Minutes of
Regular Board Meeting
2 Broadway
New York, NY 10004
Wednesday, May 25, 2016
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman**

The following members were absent:

**Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board of the Metropolitan Transportation Authority, the Metropolitan Suburban Bus Authority, and the First

Mutual Transportation Assurance Company. Refer to the other agencies' minutes of this date for items on the agendas of the Boards of the other agencies.

1. **PUBLIC SPEAKERS.** There were eight (8) public speakers. The following speakers spoke on items relative to the MTA agenda. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records, and to the other agencies' minutes of this date, for the names of other speakers and the content of speakers' statements.

Veronica Vanterpool, Tri-State Transportation
Bill Henderson, PCAC

2. **CHAIRMAN'S REMARKS.**

Chairman Prendergast announced that both New York City Transit and Metro-North Railroad have earned the U.S. Transportation Security Administration's ("TSA") Gold Standard Award for 2015, the agency's highest corporate-entity award and among the federal government's top indicators of outstanding security professionalism. The Chairman introduced Sonia Proctor, TSA's Regional Director of Surface Transportation. Ms. Proctor, on behalf of the TSA, presented awards to Veronique Hakim, President, NYCT and Catherine Rinaldi, Executive Vice President, Metro-North Railroad, in recognition of the agencies' security excellence based on their scores in the most recent Baseline Assessment for Security Enhancement. Ms. Proctor acknowledged the leadership of MTA Security Director Ray Diaz and MTAPD Chief Michael Coan, and she commended Chairman Prendergast, NYCT President Veronique Hakim and Metro-North Railroad President Joseph Giulietti for their roles in prioritizing security across MTA operations. Ms. Proctor also acknowledged and commended the MTA on its "New Yorkers Keeping New Yorkers Safe" campaign, which expands upon the MTA's "See Something, Say Something" initiative. Ms. Proctor expressed her admiration for the way that MTA has expanded this campaign and credited MTA for recognizing the important role that its transit customers play in keeping the system secure.

Chairman Prendergast noted that the State's Capital Program Review Board approved MTA's 2015 to 2019 Capital Program, and he stated that the passage of the Program marks the single largest investment in MTA's infrastructure in history and sets the stage for five years' worth of vital investments to renew, enhance and expand MTA's network. The Chairman extended his thanks and expressed his appreciation, on behalf of the entire MTA, to Governor Cuomo for his leadership, vision and determined efforts to secure critical funding, the MTA Board Members who advocated for the Program, and Senate Majority Leader Flanagan, Speaker Heastie and all of their members for recognizing that public transit is the backbone of the regional economy.

Chairman Prendergast commented on the recent fire that crippled Metro-North Railroad's services into and out of Grand Central last week, and he said that he is proud of the Metro-North team who worked around the clock and used every available resource to mitigate the damages of the four-alarm blaze. The Chairman stated that the fire destroyed the tracks and badly damaged the Park Avenue viaduct, and he noted that Metro-North Railroad's staff had an alternative service plan ready, which was implemented as soon as the fire erupted. Chairman Prendergast stated that in the aftermath of the fire New Yorkers were

asking many of the right questions, such as who is responsible for inspecting elevated structures, and the businesses and homes underneath the structures. The Chairman stated that the MTA is responsible for inspecting its elevated structures and ensuring their safety, and for ensuring that the MTA lease holders are in compliance with the terms of its lease, including safety considerations. Chairman Prendergast noted that the Garden Center under the Park Avenue Viaduct, where the fire started, was not one of MTA's lease holders. The Chairman said that in light of this incident he has directed MTA's inspection teams to continue inspecting elevated structures to ensure lease holders are in compliance with their lease terms, and to conduct separate reviews and inspection of any leased properties under or adjacent to MTA's elevated structures.

3. **MINUTES.** Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on April 20, 2016.
4. **COMMITTEE ON FINANCE.**

A. Information Item.

1. **2015-2016 Station Maintenance Billing.** The Board was advised of the submission of the station maintenance billings to New York City and the counties for the period of April 1, 2015 to March 31, 2016.

B. Procurement Items. Upon motion duly made and seconded, the Board approved the following procurement items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

1. **Staples, Inc. – All-Agency Procurement of Office Supplies – No. 15229-0100.** Approved the award of a competitively negotiated, all-agency purchase contract to Staples, Inc. to provide office supplies for MTA Headquarters and its operating agencies for a period of three years from June 1, 2016 through May 31, 2019 with two (2) one-year options to be exercised at MTA's sole discretion.
2. **Various Contractors – All-Agency PC Hardware, Servers and Computer Maintenance Services – Nos. 15107-0100 thru -0300.** Approved the award of competitively negotiated contracts with Dell Marketing, LP to provide desktops, laptops, thin client devices, and monitors; CDW Government LLP (CDW-G) to provide various servers and rugged laptops; and NPA Computers, Inc. (NPA) to provide computer equipment maintenance for MTAHQ and its operating agencies for three years from June 1, 2016 through May 31, 2019, with two (2) one-year options to be exercised at MTA's sole discretion.
3. **Hewlett Packard, Inc. ("HP") – All-Agency Managed Print Services – No. 15253-0100.** Approved an all-agency, competitively negotiated, contract to HP to provide managed print services for MTAHQ and its operating agencies for three-years from June 1, 2016 through May 31, 2019 with two (2) one-year options to be exercised at MTA's sole discretion.

4. Government Sourcing Group (“GSG”) – E-Procurement Services – No. 12193-0100, S/A #6. Approved an amendment to an all-agency competitively negotiated contract to GSG (formerly MedPricer, LLC) to provide a hosted “Electronic-Procurement platform” (e-procurement) and to assist MTAHQ Procurement in conducting RFPs, RFQs and IFBs and other related services on an as-needed basis; and to extend the contract by 18 months through September 31, 2017 for the use of this e-procurement platform and related services.

C. **Real Estate Items.** Upon motion duly made and seconded, the Board approved the following real estate items. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

New York City Transit Authority

1. Surrender of leasehold interest to 9 DeKalb Owner LLC, a joint venture of JDS Development Group and The Chetrit Group, in a subway entrance located at 340 Flatbush Avenue Extension (Block 149, Lot 100 (“340 FAE”), adjoining the DeKalb Avenue Station) Brooklyn, N.Y.
2. Resolution authorizing the Chairman or designated staff member of the MTA to proceed with preliminary steps for the acquisition, by negotiated agreement or eminent domain, on a temporary easement, from Fortress New York Holdings Inc., of property located at 2-33 50th Avenue, Queens, N.Y.
3. Modification of a Lease between VNO 33-00 Northern Blvd. LLC, an affiliate of Vornado Realty Trust, to extend the term (currently scheduled to expire 4/30/20) and add space, to be used by NYCT Traffic Checking Operations and NYCT Paratransit, located at 33-00 Northern Boulevard, Long Island City, N.Y.
4. Contract with East Coast Abstract, Inc. to provide a title search report for MTA Staten Island Railway Operating Authority’s Clifton rail yard and facilities, Staten Island, N.Y.

Metro-North Railroad

5. Lease agreement with Bien Cuit, LLC d/b/a Bien Cuit for the operation of a bakery selling tenant-prepared breads, pastries, cookies, tarts and cakes at Retail Space MKT-20, Grand Central Terminal in Manhattan, N.Y.
5. **FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY (FMTAC).** This meeting served as FMTAC’s annual Board meeting.
6. **ADJOURNMENT.** Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:35 a.m.

Respectively submitted,

Victoria Clement
Assistant Secretary

Regular Board Meeting
May 25, 2016

**Minutes of the
Regular Board Meeting
for the New York City Transit Authority,
Manhattan and Bronx Surface Transit Operating Authority,
Staten Island Rapid Transit Operating Authority and
MTA Bus Company**

**2 Broadway
New York, NY 10004**

**Wednesday, May 25, 2016
10:00 a.m.**

The following members were present:

**Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman**

The following members were absent:

**Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke**

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

1. CHAIRMAN PRENDERGAST CALLED THE MEETING TO ORDER

2. PUBLIC COMMENT PERIOD

There were seven (7) public speakers who addressed MTA NYC Transit/MTA Bus Company issues.

Veronica Vanterpool, Tri-State Transportation Campaign, expressed her support for the approved capital program and also urged that the MTA call for the approval of three nominated candidates to the MTA Board.

Anthony Fotladis, Smart Local 137, asked the Board to ensure that the upcoming railroad car purchase creates jobs for those who face barriers to gainful employment.

Omar Vera, private citizen, expressed support for the restoration of W train service.

Arthur Piccolo, Bowling Green Association, commented on the structure of the subway system and proposed an alternative structure consisting of a network of switching stations.

Malika Conner, Jobs to Move America, suggested that more needs to be done to ensure that public transportation investments are being used to promote jobs, workforce development and training development and opportunities for those historically underrepresented in the transportation and manufacturing industry.

Harold Stolper, Community Services Society, asked that the US Employment Plan be incorporated into railroad car proposal evaluation criteria to generate manufacturing jobs for those who face barriers to gainful employment.

Pedro Valdez Rivera Jr., private citizen, applauded the MTA for restoring W service.

William Henderson, PCAC, asked for the Board to make the Board and Committee materials available earlier to the public.

A video recording of the meeting produced by the MTA and maintained in MTA records provides more detailed content of speakers' statements.

3. CHAIRMAN PRENDERGAST'S COMMENTS

Details of Chairman Prendergast's comments are set forth in minutes recorded by the MTA, copies of which are on file with the records of the meeting of the Board of the MTA NYC Transit/Staten Island Rapid Transit Operating Authority/MTA Bus Company.

4. MINUTES

Upon motion duly made and seconded, the Board unanimously approved the minutes of the regular board meeting of MTA NYC Transit, the Manhattan and Bronx Surface Transit

Operating Authority, the Staten Island Rapid Transit Operating Authority, and MTA Bus Company held on April 20, 2016.

5. COMMITTEE ON FINANCE

Real Estate Items:

MTA NYC Transit: Upon motion duly made and seconded, the Board approved: (i) the surrender of MTA NYC Transit's lease interest in a subway entrance at 340 Flatbush Ave. Extension in Brooklyn; (ii) the commencement of preliminary steps for acquisition of a temporary easement located at 2-33 50th Avenue, Queens Block 17 Lot 1; (iii) a lease between VNO 33-00 Northern Blvd, LLC and MTA NYC Transit for office space at 33-00 Northern Blvd., Queens, NY; and (iv) the procurement of a title search report from East Coast Abstract, Inc. for MTA Staten Island Railway's Clifton rail yard and facilities, Staten Island.

6. COMMITTEE ON TRANSIT & BUS OPERATIONS **MTA NYC Transit & MTA Bus Company**

Action Items

Second Avenue Subway Phase 1 Service Plan: Upon motion duly made and seconded, the Board approved the Recommended Service Plan for Phase 1 of the Second Avenue Subway, which would revise N and Q subway services and restore W subway service between Queens and lower Manhattan (eliminated as part of the 2010 service reductions).

Procurements:

Non-Competitive Procurements: Upon motion duly made and seconded, the Board approved the non-competitive procurements requiring a two-thirds vote (Schedule A in the Agenda) and majority vote (Schedule G in the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

Competitive Procurements: Upon motion duly made and seconded, the Board approved the competitive procurements requiring a majority vote (Schedules H, I and L the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

Ratifications: Upon motion duly made and seconded, the Board approved the ratifications requiring a majority vote (Schedules K the Agenda). Details of the above items are set forth in staff summaries, copies of which are on file with the records of the meeting of the Board of MTA NYC Transit /Staten Island Rapid Transit Operating Authority /MTA Bus Company.

7. **ADJOURNMENT**

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:35 a.m.

Respectfully submitted,
/s/Mariel A. Thompson
Mariel A. Thompson
Assistant Secretary

Minutes of the Regular Meeting
Metro-North Commuter Railroad Company
2 Broadway – 20th Floor
New York, NY 10004

Wednesday, May 25, 2016
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

Chairman Prendergast called the meeting to order.

1. Public Speakers:

There were eight public speakers, none of whom spoke on Metro-North agenda items. The details of the speakers' comments are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

2. Chairman's Opening Remarks:

Chairman Prendergast announced that Metro-North and NYCT have won the federal Transportation Security Administration's (TSA) Gold Standard Award for 2015, the agency's highest security rating. The ratings are part of TSA's 2015 Baseline Assessments for Security Enhancement program. He noted that both agencies are proud to be honored by the TSA.

3. Presentation of TSA Gold Standard Award for 2016:

Sonya Proctor, Surface Division Director, Office of Security Policy and Industry Engagement, TSA, presented the TSA Gold Standard Award for 2015 to Metro-North and NYCT on behalf of Peter Neffenger, TSA Administrator.

Ms. Proctor thanked the MTA for all that it does do to secure its transportation network. She acknowledged the hard work and dedicated professionalism of Metro-North and NYCT. She noted that the award recognizes the security excellence as evidenced by the agencies' scores on the recent baseline assessment for security enhancement in 2015. She noted that this is the highest level of recognition given by the TSA to surface transportation entities for their corporate security standards. Ms. Proctor acknowledged the commitment of the Chair, the Presidents of Metro-North and NYCT and their security teams and MTA security for making transit security a top priority within their organizations.

Ms. Proctor further recognized the MTA for expanding its See Something, Say Something" program to New Yorkers, noting the important role customers play in keeping the system secure. She noted that the Department of Homeland Security has adopted this program and the slogan "If You See Something, Say Something" is being used nationwide.

The details of Ms. Proctor's presentation are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

4. Continuation of the Chairman's Opening Remarks:

Chairman Prendergast announced that the Capital Program Review Board has approved the MTA Capital Program. He noted that the Capital Program represents the largest investment in the MTA system in history. The Chairman thanked Governor Cuomo for his determined efforts to secure critical funding for the MTA, and he thanked Senate Majority Leader Flanagan, Speaker Heastie and members of the legislature for recognizing that public transit is the backbone of our regional economy. The Chairman also thanked the Board for working behind the scenes and in public to advocate for MTA's indispensable Capital Program.

Chairman Prendergast reported on the fire under the Park Avenue Viaduct, noting that the fire destroyed railroad tracks and badly damaged the Viaduct. He noted that Metro-North had alternate service plans that were put into effect on the evening that the fire erupted. He stated that he is proud of the Metro-North team for working tirelessly to make the repairs necessary to fully restore service. Chairman Prendergast noted that the Metro-North system does not have

total redundancy and that the Capital Program will be of benefit in the work to provide access to Penn Station in the event of an emergency.

Chairman Prendergast noted that the MTA is responsible for inspecting its elevated structures and for ensuring the safety and reliability of those structures. The MTA is also responsible for ensuring that its leaseholders are in compliance with the terms of their lease, including safety regulations. He reported that the area under the Viaduct was leased by the City of New York, not the MTA. The Chairman has directed the MTA's inspection teams to inspect its leaseholders and to inspect any leased properties under or adjacent to the MTA's elevated structures.

The details of Chairman Prendergast's Opening Remarks are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

5. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of April 20, 2016 were approved.

6. Committee on Finance:

Information Item:

- 2015-2016 Station Maintenance Billing – Submission of the station maintenance billings to New York City and the counties for the period April 1, 2015 to March 31, 2016.

The details of the above item are contained in the minutes of the MTA Board meeting held this day, a staff summary and report filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

MTAHQ Procurements:

The Board was presented with the following competitive procurements recommended to it by the Committee on Finance that relate to Metro-North:

- Approval of an all-MTA, competitively negotiated, purchase contract to Staples, Inc. to provide office supplies for MTA Headquarters and its operating agencies in a not-to-exceed amount of \$21,729,327 which includes a 10% contingency of \$1,975,393. The contract period is three (3) years from June 1, 2016 through May 31, 2019 with two (2) one-year options to be exercised at MTA's sole discretion.
- Approval of a competitively negotiated, all-MTA, miscellaneous procurement contract to the following three vendors: Dell Marketing, L.P. (Dell) to provide desktops, laptops, thin client devices, and monitors; CDW Government LLP (CDW-G) to provide various servers and rugged laptops; and NPA Computers, Inc. (NPA) to provide computer equipment maintenance for MTA Headquarters and its operating

agencies, at a combined not-to exceed amount of \$31,618,928. The proposed contract period is three (3) years from June 1, 2016 through May 31, 2019 with two (2) one-year options to be exercised at MTA's sole discretion.

- Approval of a competitively negotiated, all-MTA, miscellaneous procurement contract to Hewlett Packard, Inc. ("HP") to provide managed print services ("MPS") for MTA Headquarters and its operating agencies in a not-to-exceed amount of \$16,940,000 which includes a 10% contingency of \$1,540,000. The proposed contract period is three (3) years from June 1, 2016 through May 31, 2019 with two (2) one-year options to be exercised at MTA's sole discretion.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which are contained in the minutes of the MTA Board meeting held this day, staff summaries and reports filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

Real Estate:

The Board was presented with the following real estate item recommended to it by the Committee on Finance that relate to Metro-North:

- Lease with Bien Cuit, LLC dba Bien Cuit for a bakery in Retail Space MKT-20 at Grand Central Terminal in Manhattan.

Upon motion duly made and seconded, the Board approved the foregoing real estate item, the details of which are contained in the minutes of the MTA Board meeting held this day, a staff summary and report filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

7. Committee on Metro-North Railroad:

Procurements:

The Board was presented with the following non-competitive procurement recommended to it by the Metro-North Committee:

- Approval to award a non-competitive three-year miscellaneous service contract in the not-to-exceed amount of \$664,834 (includes option to purchase one new alternator) to Kato Engineering, Inc. for the pick-up, repair, and delivery of Main Traction Alternator/Companions used on Metro-North's BL20 Locomotive fleet.

The Board was presented with the following competitive procurements recommended to it by the Metro-North Committee:

- Approval to award a 17-month competitively solicited contract (two proposals received) in the not-to-exceed amount of \$8,378,276 to Multiclip Company Limited d/b/a Vortok International, for design, build and furnishing of Pre-Wired Houses for

Train Fault Detectors. This is a joint procurement with Metro-North (MNR) acting as the lead Agency and Long Island Rail Road (LIRR).

- Approval to award a competitively solicited (one bid received), three-year miscellaneous service contract in the not-to-exceed amount of \$10,000,000 to Axion Technologies (USA) Ltd., for the repair, return and replacement of radio and train public address system assemblies and subassemblies for Metro-North's M-7 and M-8 Railcars. This is the first repair, return and replacement service agreement for these assemblies and is necessary to support Metro-North's M-7 and M-8 fleet.
- Approval to award a competitively solicited (three bids received) three-year miscellaneous service contract in the not-to-exceed amount of \$721,440 to Stewart and Stevenson Power, Inc. for pick up and unit exchange services (UTEX) for BL-20 Locomotive fuel injectors.
- Approval for additional funding to an existing miscellaneous service contract with Automotive Resources International in the total not-to-exceed amount of \$3,850,000 to manage a cost effective vehicle repair network.
- Approval for additional funding in the not-to-exceed amount of \$1,225,000 and a 12-month time extension for a contract modification to an existing, miscellaneous service contract with RZS Solutions, Inc. to add safety enhanced functionalities to the Park Avenue Tunnel Alarm System.

Upon motion duly made and seconded, the Board approved the foregoing procurement items. The details of the above items are contained in staff summaries and reports filed with the records of this meeting and in the video recording of the meeting produced by the MTA and maintained in the MTA records.

8. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:35 a.m.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Minutes of the Regular Board Meeting
Long Island Rail Road Company
2 Broadway
New York, NY 10004
Wednesday, May 25, 2016
10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

Chairman Prendergast called the meeting to order.

1. Public Speakers:

There were Eight (8) public speakers. Two (2) speakers commented on matters related to the LIRR.

Veronica Vanterpool, Executive Director of the Tri-State Transportation Campaign (“TTC”), noted that scoping sessions on LIRR’s proposed Third Track Project began yesterday, and that the TTC was very supportive of the Project. She also stated that she attended one of the scoping sessions in New Hyde Park, and that a number of community concerns about the Project were raised, which need to be considered and addressed.

Pedro Valdez Rivera, Jr., a private citizen, thanked the MTA for conducting a study looking into the potential reactivation of the former LIRR Rockaway Beach Branch. Mr. Rivera noted that the study is ongoing and also noted that over the next several years, there will be a lot of new development taking place along the Branch. He stressed that the study should be impartial and that it was important to take into consideration the concerns of people who live along this former rail line.

The details of the speakers’ comments are contained in the video recording of the meeting, produced by the MTA and maintained in MTA records, and in the minutes of the other agencies of this date.

2. Chairman’s Opening Remarks:

Chairman Prendergast announced that MTA New York City Transit and MTA Metro-North Railroad had each won a 2015 “Gold Standard Award” from the Federal Transit Administration (“FTA”). He introduced Sonia Proctor, Director of FTA’s Surface Division, for presentation of these awards. Ms. Proctor stated that, on behalf of FTA Administrator Peter Messenger, she wanted to publicly recognize MTA for its efforts to secure its network. She indicated that MTA New York City Transit and MTA Metro-North Railroad had each won a 2015 “Gold Standard Award” for security excellence, based on their scores in the most recent Baseline Assessment conducted by the FTA. These Awards are the highest awards given by FTA in recognition of efforts to ensure security, based on assessments that comprehensively review 17 security fundamentals. Ms. Proctor stated that the Chairman should be very proud of the MTA staff’s accomplishments in this area, and congratulated the agency Presidents, Chief Coan of the MTA Police, and security staff at both agencies. Ms. Proctor also commended MTA for its “New Yorkers Keeping New Yorkers Safe” program, building upon the success of MTA’s “If You See Something, Say Something” campaign. Ms. Proctor then presented plaques to Veronique Hakim, President of MTA New York City Transit, and Catherine Rinaldi, Executive Vice President of MTA Metro-North Railroad, in recognition of the Awards.

Chairman Prendergast indicated that he had more good news to announce. He explained that yesterday New York State’s Capital Program Review Board had approved MTA’s 2015-2019 Capital Program, the largest single investment in MTA infrastructure in history. The Chairman went on to thank several key individuals and groups for their help in securing approval of this Capital Program: Governor Cuomo, for his leadership and vision; those members of the Board who advocated for approval of the Capital Program; and Senate Majority Leader Flanagan and Assembly Speaker Heastie, who recognized the importance of reliable public transportation. The Projects included in the Capital Program will mean a much better public transportation system for all who rely on the MTA.

Chairman Prendergast commented on the recent fire under the Metro-North Park Avenue Viaduct in Manhattan, and stated that he was proud of the efforts of MTA Metro-North Railroad to get people home safely and to restore service as quickly as possible. He noted that Metro-North staff had an alternative service plan ready; spent 2-1/2 days, working non-stop, to restore temporary service; and restored full service by Friday morning. The Chairman also noted that in light of the fire, people, and the MTA, were asking an appropriate question: Who is responsible for inspecting spaces beneath MTA's elevated structures? The Chairman noted that MTA is responsible for inspecting the structures themselves, and ensuring that MTA tenants leasing space under such structures comply with the terms of their leases. The garden center where the fire occurred was not an MTA tenant, but the Chairman indicated he had directed MTA staff going forward to conduct inspections not only of MTA elevated structures and MTA tenant leaseholds under those structures, but also other leaseholds under or adjacent to such structures.

3. Approval of Minutes:

Upon motion duly made and seconded, the minutes of the Regular Board Meeting of April 20, 2016 were approved.

4. Committee on Finance:

Information Item:

The Board received a report from Robert E. Foran, Chief Financial Officer, advising the Board on station maintenance billings to New York City and the counties for the period April 1, 2015 through March 31, 2016.

Procurements:

The Board was presented with the following competitive procurements recommended to it by the Committee on Finance that relate to Long Island Rail Road:

- Approval of the award of a competitively negotiated all-agency, purchase contract to Staples, Inc. to provide office supplies for MTA Headquarters and its operating agencies in a not-to-exceed amount of \$21,729,327, which includes a 10% contingency of \$1,975,393. The contract period is three (3) years from June 1, 2016 through May 31, 2019, with two (2) one-year renewal options, to be exercised at MTA's sole discretion.
- Approval of the award of a competitively negotiated all-agency miscellaneous procurement contract to the following three vendors: Dell Marketing, L.P., to provide desktops, laptops, thin client devices, and monitors; CDW Government LLP, to provide various servers and rugged laptops; and NPA Computer to provide computer equipment maintenance, for MTA Headquarters and its operating agencies at a not-to-exceed amount of \$31,618,928. The contract period is three (3) years from June 1, 2016 through May 31, 2019, with two (2) one-year renewal options, to be exercised at MTA's sole discretion.

- Approval of the award of a competitively negotiated an all-agency miscellaneous procurement contract with Hewlett Packard, Inc. to provide managed print services for MTA Headquarters and its operating agencies in a not-to-exceed amount of \$16,940,000, which includes a 10% contingency of \$1,540,000. The contract period is three (3) years from June 1, 2016 through May 31, 2019, with two (2) one-year renewal options, to be exercised at MTA's sole discretion.
- Amendment to the Board-approved, competitively negotiated all-agency personal services contract with GSG (formerly MedPricer, LLC) to provide a hosted "Electronic-Procurement platform" (e-procurement) and to assist MTA HQ procurement in conducting RFPs, RFQs, and IFBs and other related services on an as-needed basis, in an amount not-to-exceed \$720,000; and to extend the contract by 18 months through September 31, 2017 for the use of this e-procurement platform and related services.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which are contained in the minutes of the MTA Board meeting held this day, staff summaries and reports filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

Real Estate Items:

There were no Real Estate items presented to the Board for approval which related to the LIRR.

5. Committee on Long Island Rail Road:

Procurements:

The Board was presented with the following non-competitive procurement items recommended to it by the Committee on Long Island Rail Road for approval:

- Approval to award a Sole Source, Public Works, renewal contract to AFA Protective Systems ("AFA") for a five-year period in the not-to-exceed amount of \$160,915 for labor, material and equipment necessary for the lease, maintenance, monitoring, repair and upgrade of the Fire Alarm System located at Long Island Rail Road Jamaica Station Building.
- Approval to award a Sole Source contract to Ansaldo STS, USA, Inc. ("Ansaldo") in the fixed amount of \$1,611,402.00 for forty-six (46) M-3 switch machines and twenty (20) A-5 switch machines to be installed by LIRR's Signal Department.

The Board was presented with the following competitive procurement items recommended to it by the Committee on Long Island Rail Road for approval:

- Approval to adopt a resolution declaring that competitive bidding is impractical or inappropriate and that it is therefore in the public's interest to use the competitive Request for Proposal ("RFP") procurement method pursuant to Section 1265-a of the Public Authorities Law to (i) award a contract for the remanufacture and delivery of twenty-four (24) Work Locomotives to support LIRR's operations; and (ii) add the Work Locomotives project to the 2010-2014 Capital Program.
- Approval to award a Firm Fixed Price contract to Railroad Construction Company/Citnalta Construction Corp – Joint Venture ("RCC/Citnalta-JV"), in the amount of \$56,665,889 to provide construction services for the Hicksville Improvements Project.
- Approval to award a Public Works Contract to Skanska-Posillico II (Joint Venture) in the amount of \$59,675,000 to provide Design-Build Services for a new second track to be constructed on the Main Line Ronkonkoma Branch, from Central Islip to Farmingdale ("Phase II").
- Approval to award a Public Works contract to Ansaldo STS USA, Inc. in the amount of \$44,851,750 to design and furnish signal system components for the New Second Track – Farmingdale to Ronkonkoma on the LIRR Ronkonkoma Branch.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which are contained in the minutes of the MTA Board meeting held this day, the staff summary filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

MTA Capital Construction:

Procurements:

The Board was presented with the following procurement items recommended to it by the Committee on Capital Construction for approval:

- Modification to the East Side Access Project's Vertical Circulation Elements contract (VM014) to settle a claim by the contractor for delays associated with the creation of Contracts CM014B and CM007 in the amount of \$4,000,000.
- Ratification of a Modification to the East Side Access Project's Harold Structures – Part 3A contract (CH057A) to demolish a 638 foot section of 12kv duct bank and remove cables in the amount of \$808,300.

Upon motion duly made and seconded, the Board approved the foregoing procurement items, the details of which are contained in the minutes of the MTA Board meeting held this day, the staff summary filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

Other Business:

Action Item:

The Board was presented with the following action item:

Request for Board approval of an amendment to the Project Labor Agreement ("PLA") between the Long Island Rail Road and the Buildings and Construction Trades Council of Nassau and Suffolk, and their constituent unions, to incorporate the PLA into the terms and conditions of two (2) additional capital projects: Main Line Second Track-Phase 2, and Post Avenue Bridge. The amendment was previously executed by LIRR on May 2, 2016.

Upon motion duly made and seconded, the Board approved the foregoing action item, the details of which are contained in the minutes of the MTA Board meeting held this day, the staff summary filed with those minutes and in the video recording of the meeting, produced by the MTA and maintained in MTA records.

6. Adjournment:

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 10:35 a.m.

Respectfully submitted,



Mark D. Hoffer
Secretary

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

BOARD MINUTES

May 25, 2016

Minutes of the Regular Meeting
Triborough Bridge and Tunnel Authority
May 25, 2016

Meeting Held at
2 Broadway, 20th Floor
New York, New York 10004

10:00 a.m.

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke

Donna Evans, Chief of Staff, Jerome F. Page, General Counsel, Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore, Veronique Hakim, President, New York City Transit, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, Triborough Bridge and Tunnel Authority, Darryl Irick, Senior Vice President, New York City Transit Department of Buses/President, MTA Bus Company, Michael Horodniceanu, President, MTA Capital Construction, and Stephen Morello, Counselor to the Chairman, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

1. Public Speakers

There were eight (8) public speakers. None of the speakers specifically commented on issues regarding the Triborough Bridge and Tunnel Authority.

Refer to the video recording of the meeting produced by the Metropolitan Transportation Authority and maintained in MTA records, and to the other agencies' minutes of this date, for the content of the speakers' statements.

2. Chairman and Chief Executive Officer Prendergast's Opening Comments

Chairman and CEO Prendergast opened his remarks by congratulating New York City Transit and Metro North on having earned the Transportation Security Administration's (TSA) Gold Standard Award for 2015, which honors transportation agencies with exceptional security programs. The Gold Standard is the highest rating offered through the TSA's Baseline Assessment Security Enhancement (BASE) Program. Chairman and CEO Prendergast also announced that the State's Capital Program Review Board approved the MTA 2015-2019 Capital Program, which marks the single largest investment in MTA infrastructure in history, and sets the stage for five years' worth of vital investments to renew, enhance, and expand the MTA network. Chairman and CEO Prendergast thanked Governor Cuomo for his leadership, his vision, and his determined efforts to secure this critical funding and he also thanked the MTA Board, Senate Majority Leader Flanagan, Speaker Heastie and every member of the MTA family. Finally, Chairman and CEO Prendergast discussed the fire that badly damaged the Park Avenue Viaduct and disrupted Metro-North service.

The details of Chairman and CEO Prendergast's comments are contained in the video recording of this meeting, produced by the MTA and maintained in MTA records, and the MTA's and other agencies' minutes of the meeting of this date.

3. Approval of the Minutes of the Regular Meeting April 20, 2016

Upon a motion duly made and seconded, the minutes of the Regular Board Meeting held on April 20, 2016 were approved.

4. Committee on MTA Bridges and Tunnels Operations

Procurements

Commissioner Cappelli stated that there are two (2) procurements totaling \$255.2 million.

Non-Competitive Procurements

Commissioner Cappelli stated that there are no non-competitive procurements.

Competitive Procurements

Commissioner Cappelli stated that there are two (2) competitive procurements totaling \$255.2 million.

Commissioner Cappelli stated that the Committee members who were present at the Committee Meeting considered and voted in favor of the two (2) procurements although a Committee Quorum was not present. Upon a motion duly made and seconded, the Board approved the procurements recommended to it by the Committee for MTA Bridges and Tunnels Operations.

**Competitive Requests for Proposals (Award of Purchase
and Public Work Contracts)**

Various Contractors	Contract Nos. GFM-516 (B&T)	Aggregate not to exceed
	LIRR 6194	amount for each agency:
	B&T -20 Proposals - 2 additional Contracts	\$95,000,000.00 (B&T)
	to be awarded	<u>\$10,000,000.00 (LIRR)</u>
	LIRR - 19 Proposals - 6 Contracts to be	\$105,000,000.00
	awarded	
	Multi-agency procurement for	
	miscellaneous construction services on an	
	as-needed basis for B&T and LIRR.	

**Modifications to Personal Service Contracts and Miscellaneous Service
Contracts Awarded as Contracts for Services**

Xerox State & Local Solutions	Contract No. PSC-05-2741	\$150,200,000.00
	MTA Bridges and Tunnels is seeking Board approval under the All Agency Guidelines for Procurement of Services to amend personal service Contract No. PSC-05-2741 with Xerox State & Local Solutions (Xerox) to add funding in the amount of \$42.2 million for services through September 2017 when the initial ten-year contract term ends and to exercise the three-year renewal option at a cost of \$108 million.	

Ratifications

Commissioner Cappelli stated that there are no ratifications.

5. Adjournment

Upon a motion duly made and seconded, the Board unanimously voted to adjourn the meeting at 10:35 a.m.

Respectfully submitted,



Julia R. Christ
Acting Assistant Secretary

**Regular Board Meeting
MTA Capital Construction Company
2 Broadway
New York, NY 10004
Wednesday, May 25, 2016
10:00 AM**

The following members were present:

Hon. Thomas F. Prendergast, Chairman & CEO
Hon. Fernando Ferrer, Vice Chairman
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. Allen P. Cappelli
Hon. Jeffrey A. Kay
Hon. Susan Metzger
Hon. John J. Molloy
Hon. Mitchell H. Pally
Hon. Lawrence Schwartz
Hon. James L. Sedore, Jr.
Hon. Polly Trottenberg
Hon. Neal Zuckerman

The following members were absent:

Hon. John H. Banks, III
Hon. Charles G. Moerdler
Hon. Ed Watt
Hon. Carl V. Wortendyke

Board Member Andrew Albert, Board Member Norman Brown, Board Member Ira Greenberg, Board Member Vincent Tessitore and Michael Horodniceanu, President, MTA Capital Construction Company also attended the meeting as did various other agency presidents and staff including Donna Evans, Chief of Staff, MTA, Jerome F. Page, General Counsel, MTA, Stephen Morello, Counselor to the Chairman, MTA, Veronique Hakim, President, NYCTA, Patrick Nowakowski, President, Long Island Rail Road, Catherine Rinaldi, Executive Vice President, Metro-North Railroad, Donald Spero, President, TBTA, Darryl Irick, SVP, NYCT DoB/President, MTA Bus Company, Evan M. Eisland, Sr. Vice President, General Counsel and Secretary, MTA Capital Construction Company and David K. Cannon, Sr. Director, Chief Procurement Officer & Assistant Secretary, MTA Capital Construction Company.

The Board of the Metropolitan Transportation Authority met as the Board of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road, the Metro-North Commuter Railroad Company, the MTA Capital Construction Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Chairman and Chief Executive Officer ("Chairman") Prendergast called the meeting to order.

Public Comment Period

There were eight public speakers. The names and remarks of the public speakers are noted and filed with the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.

Chairman's Remarks

The Chairman's remarks are noted in the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.

Approval of Minutes

Upon motion duly made and seconded, the Board approved the minutes of the Regular Meeting of the Board of the Metropolitan Transportation Authority and the MTA Capital Construction Company held on April 20, 2016.

Committee on Finance

Procurement

Upon motion duly made and seconded, the Board approved the following Procurement items:

1. Award of a competitively negotiated, all-agency purchase contract (15229-0100) to provide office supplies for a not-to-exceed amount of \$21,729,327 for a three year (June 1, 2016 – May 31, 2019) period with two (2) one-year options.
2. Award of three competitively negotiated, all-agency miscellaneous procurement contracts (15107-0100, 15107-0200 and 15107-0300) to provide desktops, laptops, thin client devices, monitors, servers and computer equipment maintenance for a not-to-exceed amount of \$31,618,928 and a contract period of three (3) years (June 1, 2016 – May 31, 2019) with two (2) one year options.
3. Award of a competitively negotiated, all-agency miscellaneous procurement contract (15253-0100) to provide managed print services a not-to-exceed amount of \$16,940,000 for a three year (June 1, 2016 – May 31, 2019) period with two (2) one-year options.
4. Amendment to the Electronic-Procurement platform all-agency contract to provide a hosted Electronic-Procurement platform and related services to extend the contract for 18 months (through September 31, 2017) for the not-to-exceed amount of \$720,000.

A copy of the Resolution, Staff Summaries and details of the above items are filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.

Committee on NYCT and MTA Bus

Upon motion duly made and seconded, the Board ratified the following completed procurement item:

A Modification to the Second Avenue Subway Project's 72nd Street Station Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances contract (C-26011) for the furnishing and installation of the Securiplex Water Mist Fire Suppression system for the amount of \$2,100,000.

A copy of the Resolution, Staff Summary and details of the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.

Committee on the Long Island Rail Road

Procurement

Upon motion duly made and seconded, the Board approved the following competitive procurement item:

A Modification to the East Side Access Project's Vertical Circulation Elements contract (VM014) to settle a claim by the contractor for delays associated with the creation of Contracts CM014B and CM007 for the amount of \$4M.

A copy of the Resolution, Staff Summary and details of the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.

Upon motion duly made and seconded, the Board ratified the following completed procurement item:

A Modification to the East Side Access Project's Harold Structures Part 3A contract (CH057A) to demolish a 638 foot section of 12kV ductbank and remove various cables for the amount of \$808,300.

A copy of the Resolution, Staff Summary and details of the above item is filed with the records of the Regular Meeting of the Board of the Metropolitan Transportation Authority held on May 25, 2016.



Adjournment



Upon motion duly made and seconded, the Board voted to adjourn the public meeting at 10:40 a.m.

Respectfully submitted,


David K. Cannon
Assistant Secretary

Staff Summary

Subject Authorization to Issue MTA Hudson Rail Yards Trust Obligations to raise proceeds for 2005-2009 and 2010-2014 Capital Program Projects.	Date June 20, 2016
Department Finance	Vendor Name N/A
Department Head Name Robert E. Foran, Chief Financial Officer	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager Name Patrick J. McCoy, Director, Finance 	Table of Contents Ref #

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance Comm.	6/20/16	X			1	Legal 	2	Chief of Staff 
2	Board	6/22/16	X						

BACKGROUND:

In 2008, the MTA Board adopted resolutions which, among other things, authorized negotiations for the development of the Eastern Rail Yard (“ERY”) and Western Rail Yard (“WRY”) portions of the John D. Caemmerer West Side Yard (the “Hudson Rail Yards”). Such negotiations resulted in MTA and The Related Companies, L.P. (“Related”) entering into agreements in 2010 for the development of the ERY and WRY. Subsequently, consistent with such agreements, MTA and Related-controlled entities entered into separate 99-year ground leases for the ERY and WRY that granted the tenant the option to (1) sever the ERY and WRY into separate development parcels and (2) purchase the fee interest in any or all of the severed parcels. The tenants are responsible, at their sole cost and expense, for constructing a platform over the Hudson Rail Yards.

The ERY has been severed into (a) six development parcels for commercial, retail and residential purposes, the tenants of which will make ground lease payments to MTA, and (2) a parcel reserved for cultural purposes that will not make any ground lease payments to MTA. Substantial development has occurred on the severed ERY commercial, retail and residential parcels. The WRY has not yet been severed into development parcels. The 99-year ground leases on the Hudson Rail Yards (as such leases have been severed and as they may continue to be severed), not including the ground lease on the cultural shed parcel, are collectively referred to herein as the “Leases.”

MTA has included, and the MTA Capital Program Review Board has approved, in the 2005 – 2009, and 2010 - 2014 Capital Programs the funding of \$1.053 billion of transit and commuter capital projects to be financed with the payments generated by the ground leases at the Hudson Rail Yards. The continuing development of the Hudson Rail Yards, the low interest rate environment and the availability of tax-exempt financing, provide the ideal conditions to currently monetize future ground lease payments to maximize the proceeds available for funding transit and commuter capital projects.

PURPOSE:

The MTA Finance Department is seeking approval of the Boards of the Related Transportation Entities described below of the Resolution annexed hereto to issue obligations (the “MTA Hudson Rail Yards Trust Obligations” or “Trust Obligations”) and authorize the execution and delivery of all other transaction documents and

closing certificates in connection with the plan of finance to monetize (1) the ground lease payments (“Base Rent”) and (2) payments for the purchase, at the option of each tenant, of the fee interests (the “Fee Purchase Payments”). The monetization of these payments will allow MTA to currently take advantage of the low interest rates and the value of the 99-year ground leases to raise approximately \$1 billion in proceeds for the benefit of the Capital Program.

The Trust Obligations will be issued and secured pursuant to a MTA Hudson Rail Yards Trust Agreement (the “Trust Agreement”) by and between MTA and Wells Fargo Bank, National Association. (“Wells Fargo”), as trustee (the “Trustee”). Pursuant to an Interagency Financing Agreement (the “Financing Agreement”), by and among MTA, the Trustee, New York City Transit Authority (the “Transit Authority”), Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), The Long Island Rail Road Company (“LIRR”), Metro-North Commuter Railroad Company (“MNCRC”), and MTA Bus Company (“MTA Bus”; and collectively with MTA, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus, the “Related Transportation Entities”), MTA has agreed to pay the Base Rent and Fee Purchase Payments it receives under the Leases and certain other amounts to the Trustee to secure the Trust Obligations. MTA will direct the tenants to make such payments directly to Wells Fargo, as custodian (the “Custodian”) under a Lockbox Agreement (the “Lockbox Agreement”) between the MTA and the Custodian, and the Custodian will transfer such payments to the Trustee for payment on designated principal and interest payment dates to the owners of the Trust Obligations. The Related Transportation Entities are the operating agencies expected to be benefitted by the financing of their capital projects with the proceeds of the Trust Obligations.

A portion of the proceeds of the Trust Obligations will be deposited into a capitalized interest account for the purposes of paying interest on the Trust Obligations during the rent abatement period under the Leases. Other than the abatement periods originally provided for under the Leases, abatement of Base Rent is not permitted for any other reason.

Pursuant to the Financing Agreement, for liquidity purposes, in the event a tenant under a Lease is delinquent in its payment of Base Rent, MTA, on behalf of the Related Transportation Entities, has agreed to advance, on a monthly basis with 25 days’ notice, the amount by which the monthly Base Rent amounts received during the month is less than one-sixth ($1/6^{\text{th}}$) of the next semi-annual interest payment on the Trust Obligations. MTA’s obligation to make such interest reserve advances is limited to seven (7) years from the date of any delinquency. The cost of interest rate advances, if any, will be shared by the Related Transportation Entities in accordance with the proportion that the Related Transportation Entity benefits from the proceeds of the Trust Obligations. MTA will be reimbursed for the interest reserve advances from the amounts recovered from the delinquent tenant. Such interest reserve advances are made from moneys available under the Transportation Revenue Bond Resolution after the payment of debt service on Transportation Revenue Bonds (i.e., on parity with operating and maintenance expenses of the operating agencies).

A fee mortgage will be delivered for each parcel (including each parcel hereafter severed) by Related or the applicable severed parcel Tenant for the benefit of the Trustee to further secure the Trust Obligations. Under the Trust Agreement, MTA will have one year after the default by the tenant to decide if MTA wants to continue to have control over the defaulting parcel by agreeing to pay all delinquent and future Base Rent under the defaulting Lease, or allow the Trustee to sell or relet the defaulting parcel.

The proceeds of the Trust Obligations will be used to (1) fund capital projects of the Related Transportation Entities in approved MTA Capital Program Plans, (2) fund capitalized interest during the rent abatement period, (3) make an initial deposit to the two-month Interest Reserve Fund under the Trust Agreement, and (4) pay costs of issuance and related fees and expenses.

DISCUSSION:

The approval of the Boards of the Related Transportation Entities is being requested for the aforementioned transaction, including approval of the following:

- the adoption of the authorizing resolution, which authorizes the selection of underwriters for the Trust Obligations, the preparation and delivery of a Preliminary Official Statement, Official Statement, bond purchase agreement and continuing disclosure agreement relating to the Trust Obligations, and the taking of other standard actions relating to the issuance of such Trust Obligations;

- the appointment of Wells Fargo as the Trustee and Custodian;
- the Trust Agreement, the Financing Agreement, the Lockbox Agreement, the bond purchase agreement and a form of the fee mortgages, in substantially the forms presented, together with such revisions and amendments as are approved by the Authorized Officers; and
- all other actions necessary or desirable to effectuate the transactions contemplated by the foregoing.

ALTERNATIVES:

In lieu of authorizing the monetization of the Base Rent and any Fee Purchase Payments as set forth in the foregoing discussion, the Boards could choose to finance the capital projects on a pay-go basis as such payments are received under the terms of the Leases. MTA could also issue Transportation Revenue Bonds utilizing the Hudson Yards ground lease payments as a source of obligation payment, however such alternative would not be preferable due to cost, dilution of the Transportation Revenue Obligation credit, and increased exposure to lease non-performance.

RECOMMENDATION:

That the Boards of the Related Transportation Entities authorize the annexed Resolution Authorizing MTA Hudson Rail Yards Trust Obligations, Series 2016A, authorizing the issuance of the Trust Obligations, as well as all actions related to the issuance of the Trust Obligations as described above, including other costs of issuance and transaction costs, from time to time deemed necessary or desirable in connection therewith; and such other related actions hereunder, which authorizations shall continue in effect without any further action by the Board, unless modified or repealed.

**METROPOLITAN TRANSPORTATION AUTHORITY,
NEW YORK CITY TRANSIT AUTHORITY,
MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY,
THE LONG ISLAND RAIL ROAD COMPANY,
METRO-NORTH COMMUTER RAILROAD COMPANY,
AND
MTA BUS COMPANY**

**RESOLUTION AUTHORIZING
MTA HUDSON RAIL YARDS TRUST OBLIGATIONS, SERIES 2016A**

Adopted June __, 2016

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MTA HUDSON RAIL YARDS TRUST OBLIGATIONS, SERIES 2016A RESOLUTION

BE IT RESOLVED by the Metropolitan Transportation Authority (the “Authority”), the New York City Transit Authority (the “Transit Authority”), the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), The Long Island Rail Road Company (“LIRR”), Metro-North Commuter Railroad Company (“MNCRC”) and MTA Bus Company (“MTA Bus”) as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01 Definitions. As used in this Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

“Additional Related Transportation Entity” shall mean any subsidiary or affiliate of a Related Transportation Entity now or hereafter established which is designated as a Related Transportation Entity in a certificate delivered by an Authorized Officer to the Trustee and which has become a party to the Financing Agreement.

“Authorized Officer” shall mean the Chairman and Chief Executive Officer, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer of the Authority, the Director, Finance of the Authority, the Director of Budget and Financial Management of the Authority, the Secretary of the Authority or any Assistant Secretary of the Authority.

“Board” shall mean the members of each Related Transportation Entity acting as such pursuant to the provisions of State law.

“Bond Counsel” shall mean Nixon Peabody LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Authority.

“Capital Costs” shall have the meaning set forth in the Trust Agreement.

“Costs of Issuance” shall have the meaning set forth in the Trust Agreement.

“Fee Mortgages” shall mean the fee mortgages executed and delivered by the Authority relating to the parcels subject to the Leases.

“Fee Purchase Payments” means the amount paid as an Option Price under a Lease by the Tenant and payable to the Custodian, at the direction of the Authority, in accordance with the Financing Agreement and the Lockbox Agreement.

“Financing Agreement” shall mean that certain Interagency Financing Agreement, dated as of July 1, 2016, by and among the Authority, the Trustee, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus, as the same may be amended or supplemented from time to time.

“Leases” shall mean those certain ground leases on the John D. Caemmerer West Side Yard pursuant to which the tenants are making annual base rent payments to the Authority, all as more particularly identified in the Financing Agreement.

“MTA Financing Agreement Amount” has the meaning set forth in the Financing Agreement.

“Lockbox Agreement” shall mean that certain Lockbox Agreement, dated as of July 1, 2016, by and between the Authority and Wells Fargo Bank, National Association, as custodian thereunder, as the same may be amended or supplemented from time to time.

“Payment Guaranties” means pending the commencement of construction of certain buildings and facilitates, affiliates of the Tenants have delivered the following payment guaranties that guaranty, subject to limitations described in the Financing Agreement, the payment of, among other things, Monthly Base Rent by certain Tenants and/or a payment in lieu of proceeding with such construction, all as more fully described in such guaranties.

“Related Transportation Entities” shall mean any of the Authority, MTA Bus, MaBSTOA, the Transit Authority, MNCRC, LIRR and any Additional Related Transportation Entity.

“State” means the State of New York.

“Tenant(s)” means the tenant(s) under the Leases.

“Trust Agreement” shall mean that certain MTA Hudson Rail Yards Trust Agreement, dated as of July 1, 2016, by and between the Authority and the Trustee, as the same may be amended or supplemented from time to time.

“Trustee” shall mean Wells Fargo Bank, National Association, and its successors and assigns.

References to “principal amount” herein are references to “Principal Components” and references to “interest” herein are references to “Interest Components”, each as referred to in the Trust Agreement and the Financing Agreement.

Section 1.02 Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the laws of the State of New York. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Trust Agreement.

ARTICLE II

AUTHORIZATION OF SERIES 2016A OBLIGATIONS

Section 2.01 Authorized Principal Amount, Designation and Series. In order to finance Capital Costs and Costs of Issuance and fund capitalized interest and the Interest Reserve Fund in an amount equal to the Interest Reserve Requirement, a Series of MTA Hudson Rail Yards Trust Obligations (which may be issued at one time or from time to time and in any

number of Series or subseries, which for purposes of this Resolution shall collectively be referred to herein as the “Series 2016A Obligations”, evidencing interests in the MTA Financing Amount payable by the Authority pursuant to the Financing Agreement) entitled to the benefit, protection and security of the Trust Agreement are hereby authorized to be issued in an aggregate principal amount not exceeding the principal amount necessary so that, after giving effect to any net original issue discount and underwriters’ discount from the principal amount, the amount to be deposited in the Obligations Proceeds Fund pursuant to, or otherwise applied to effectuate the purposes of, Section 2.02 and Section 3.01 of this Resolution (exclusive of the amount so deposited therein determined in the related Certificate of Determination as estimated to be necessary to pay capitalized interest or to make a deposit to the Interest Reserve Fund or to pay any Costs of Issuance of the Series 2016A Obligations), shall not exceed the amount or amounts determined in a Certificate of Determination to be necessary to effectuate the purposes set forth in Section 2.02 hereof. For all purposes of this Section 2.01, net original issue premium as determined to be advisable by an Authorized Officer in connection with the marketing of the Series 2016A Obligations shall not be counted.

Series 2016A Obligations shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “MTA Hudson Rail Yards Trust Obligations, Series 2016A” or such other title or titles set forth in one or more Certificates of Determination.

Section 2.02 Purposes. The purposes for which the Series 2016A Obligations are issued shall be set forth in one or more Certificates of Determination and may include the payment of all or any part of the Capital Costs, Costs of Issuance, funding of capitalized interest related to the Series 2016A Obligations and the funding of the Interest Reserve Fund in an amount equal to the Interest Reserve Requirement, all to the extent and in the manner provided in this Resolution.

Section 2.03 Redemption. The Series 2016A Obligations shall be subject to optional, early mandatory redemption or otherwise as determined in accordance with Article III of the Trust Agreement or as provided in a Supplemental Trust Agreement or a Certificate of Determination.

Section 2.04 Delegation to an Authorized Officer. 1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in the Trust Agreement, the following powers with respect to the Series 2016A Obligations:

(a) to determine whether and when to issue any Series 2016A Obligations, the amount of the Series 2016A Obligations to be applied to finance Capital Costs, and the amount of the proceeds of the Series 2016A Obligations estimated to be necessary to pay the Costs of Issuance of the Series 2016A Obligations, to fund capitalized interest (and to determine how much of such capitalized interest will be funded from the proceeds of the Series 2016A Obligations and how much will be funded from other available moneys of the Authority) or to make a deposit to the Interest Reserve Fund, if any;

(b) to determine the purpose or purposes for which the Series 2016A Obligations are being issued, which shall be one or more of the purposes set forth in Section 2.02 of this Resolution;

(c) to determine the principal amounts of the Series 2016A Obligations to be issued for the purposes set forth in Section 2.02 of this Resolution and whether such principal amounts constitute a separate Series or a subseries of Series 2016A Obligations;

(d) to determine the maturity date and principal amount of each maturity of the Series 2016A Obligations;

(e) to determine the date or dates which the Series 2016A Obligations shall be dated and the interest rate or rates of the Series 2016A Obligations or the manner of determining such interest rate or rates; provided, however, that any Series 2016A Obligations issued as fixed rate tax-exempt Obligations shall be subject to a maximum interest rate of not greater than 10% per annum, any Series 2016A Obligations issued as fixed rate taxable Obligations shall be subject to a maximum interest rate of not greater than 12% per annum, or, in each such case, such higher rate or rates as determined by the Authority's Board;

(f) to determine the redemption price or redemption prices, if any, and the redemption terms, if any, for the Series 2016A Obligations; provided, however, that if the Series 2016A Obligations are to be redeemable at the election of the Authority, the redemption price (except in the case of taxable Series 2016A Obligations) shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2016A Obligations to be redeemed, plus accrued interest thereon up to but not including the date of redemption; and, provided, further, however, that if the Series 2016A Obligations are subject to early mandatory redemption, the redemption price shall not be greater than one hundred three percent (103%) of the greater of (i) amortized value and (ii) the principal amount of the Series 2016A Obligations to be redeemed, plus accrued interest thereon up to but not including the date of redemption; and with respect to either optional redemption or early mandatory redemption, any provisions relating to pro rata redemption and/or make-whole redemption;

(g) to determine the purchase price for the Series 2016A Obligations to be paid by the purchaser or purchasers referred to in one or more Purchase Agreements (hereinafter defined), which may include such original issue discount and original issue premium as shall be determined in the Trust Agreement; provided, however, that, in the case of the Series 2016A Obligations, the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Series 2016A Obligations;

(h) to take all actions required for the Series 2016A Obligations to be eligible under the rules and, regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and notwithstanding any provisions to the contrary contained in this Resolution, to include in the Trust Agreement such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2016A Obligations issuable in fully registered form;

(i) to determine whether to issue all or any portion of the Series 2016A Obligations as tax-exempt Obligations, taxable Obligations, or as any other form of Obligations permitted by the Trust Agreement and any matters related thereto, including (i) the terms and provisions of any such Series 2016A Obligations, (ii) the selection of any agents or parties to

ancillary arrangements and the terms of any such arrangements, and (iii) the methods for determining the accrual of debt service;

(j) to determine the advisability, as compared to an unenhanced transaction, of obtaining one or more credit facilities (including any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder or any combination of the foregoing, which is obtained by the Authority and is issued by a financial institution, insurance provider or other person and which provides security or liquidity in respect of any outstanding Series 2016A Obligations, hereinafter, a "Credit Facility"), to select a provider or providers thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the Authorized Officer executing the Trust Agreement shall be considered necessary or appropriate and to effect such determinations by making any changes in or additions to this Resolution required by Credit Facility providers, if any, or required by a rating agency in order to attain or maintain specific ratings on the Series 2016A Obligations, or relating to the mechanisms for the repayment of amounts advanced thereunder or payment of fees, premiums, expenses or any other amounts, notices, the provision of information, and such other matters of a technical, mechanical, procedural or descriptive nature necessary or appropriate to obtain or implement a Credit Facility with respect to the Series 2016A Obligations, and to make any changes in connection therewith;

(k) to make such changes in or to the forms of the Trust Agreement, the Financing Agreement, the Lockbox Agreement or the Fee Mortgages as may be required by a Rating Agency in order to attain or maintain specific ratings on the Series 2016A Obligations;

(l) to make such changes in or to the forms of the Trust Agreement, the Financing Agreement, the Lockbox Agreement or the Fee Mortgages as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects; and

(m) to determine such other matters specified in or permitted by (i) the Trust Agreement, the Financing Agreement, the Lockbox Agreement, the Fee Mortgages, or the Leases or (ii) this Resolution, including preparation of any documentation therefor.

2. Each Authorized Officer is hereby authorized to execute and deliver by and on behalf of each of the Related Transportation Entities, as appropriate, the Trust Agreement, the Financing Agreement, the Lockbox Agreement and the Fee Mortgages with such changes, omissions, insertions and revisions as may be approved by the officer executing such agreements and mortgages, said execution being conclusive evidence of the approval and concurrence of each Board in the determinations made by such Authorized Officer. Determinations set forth in the related Supplemental Trust Agreement shall have the same effect as if set forth in this Resolution. Any such Authorized Officer may exercise any authority delegated under this Resolution from time to time following, or in connection with the, issuance of any Series 2016A Obligations, as appropriate for any purposes, including, the execution and delivery of such additional agreements and related closing certificates as the Authorized Officer determines is necessary to effectuate the transactions authorized hereby, and in order to exercise rights or remedies under the Leases, the Payment Guaranties, the Completion Guaranties, the Trust Agreement, the Financing Agreement, the Lockbox Agreement or the Fee Mortgages, in

order to obtain a substitute or additional Credit Facility, or to appoint new or additional agents or other parties deemed appropriate under any of such documents or agreements, including the appointment of a Real Estate Asset Management Consultant under the Trust Agreement and the appointment of a firm or firms to provide for the calculation and revision of the amounts payable by the Tenants under the Leases and the Fee Purchase Payments and similar amounts, including the revision from time to time of Schedule 1 to the Trust Agreement.

Section 2.05 Sale of Series 2016A Obligations. Each Authorized Officer is hereby authorized to sell and award the Series 2016A Obligations to the purchasers who shall be on the list of underwriters then approved by the Authority and shall be referred to in the Purchase Agreement or Agreements, which Purchase Agreement or Agreements shall be substantially in the form presented to the Board at this meeting, with such revisions to reflect the terms and provisions of the Series 2016A Obligations as may be approved by the officer executing the Purchase Agreement (each, a “Purchase Agreement”). Each Authorized Officer is hereby authorized to agree to the selection of the representative of the underwriters as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Authority with such changes, omissions, insertions and revisions as may be approved by the officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the “Preliminary Official Statement”) in connection with each public offering or any direct or private placement of the Series 2016A Obligations, in the form approved by the Director, Finance of the Authority and made available to the Board of the Authority at least one business day prior to its publication, in connection with the sale of Obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. Such Preliminary Official Statement shall reflect the security and structural provisions set forth in the Trust Agreement and Financing Agreement described in this Resolution. The Authority authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement or Official Statement, if deemed necessary or appropriate, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final Official Statement in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as such officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Series 2016A Obligations, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Related Transportation Entities, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form appended to the Purchase Agreement, with such changes, omissions,

insertions and revisions as such officer shall deem advisable (the “Continuing Disclosure Agreement”), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Authority from the purchasers of each issue of the Series 2016A Obligations under the terms of the related Purchase Agreement may be invested by the Authority pending application of the proceeds of such good faith check for the purposes provided in Section 2.02 of this Resolution at the time of the issuance and delivery of such Series 2016A Obligations.

Each Authorized Officer (including any Assistant Secretary of the Authority) is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents and instruments (including any investment agreements or arrangements, or any reimbursement agreements or documents or instruments relating to a Credit Facility deemed appropriate to a given form or mode of an Obligation) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement, the Continuing Disclosure Agreement, the terms of any Credit Facility or other such agreement or arrangement, and the issuance, sale and delivery of each issue of the Series 2016A Obligations and for implementing the terms of each issue of the Series 2016A Obligations and the transactions contemplated hereby or thereby.

When reference is made in this Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

Section 2.06 Appointment of Trustee and Paying Agent. Unless otherwise provided by Certificate of Determination, Wells Fargo Bank, National Association shall be the Trustee under the Trust Agreement, the Paying Agent for the Series 2016A Obligations and custodian under the Lockbox Agreement.

ARTICLE III

DISPOSITION OF SERIES 2016A OBLIGATION PROCEEDS

Section 3.01 Disposition of Series 2016A Obligation Proceeds. Any proceeds of the sale of the Series 2016A Obligations, other than accrued interest and capitalized interest, if any, and an amount equal to the Interest Reserve Requirement in the Interest Reserve Fund, shall be deposited, simultaneously with the issuance and delivery of the Series 2016A Obligations, at one time or from time to time in one or more Series or subseries, in the Obligations Proceeds Account which is deemed to be established for each Series in the Obligations Proceeds Fund to be applied, or shall otherwise be applied pursuant to the related Certificate of Determination to:

- (a) the payment of all or any part of the Capital Costs; and
- (b) the balance of such proceeds, exclusive of accrued interest, shall be deposited in the Costs of Issuance Account in the Cost of Issuance Fund and applied to the payment of Costs of Issuance or otherwise applied to the payment of Costs of Issuance.

Unless otherwise provided in the Trust Agreement, the accrued interest and any capitalized interest (whether funded from the proceeds of the Series 2016A Obligations or from

other available moneys of the Authority), if any, received on the sale of the Series 2016A Obligations shall be deposited in the Interest Account in the Rent Payment Fund and the Capitalized Interest Fund, respectively, and an amount equal to the Interest Reserve Requirement shall be deposited in the Interest Reserve Fund.

LOCKBOX AGREEMENT

between

METROPOLITAN TRANSPORTATION AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Custodian

dated as of July 1, 2016

LOCKBOX AGREEMENT

This LOCKBOX AGREEMENT is dated as of July 1, 2016 (as such agreement may be from time to time modified in accordance with the terms hereof, this “Agreement”), between METROPOLITAN TRANSPORTATION AUTHORITY, a body corporate and politic constituting a public benefit corporation under the laws of the State of New York (together with its successors and permitted assigns, the “Authority”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as the Custodian hereunder (the “Custodian”).

W I T N E S S E T H:

WHEREAS, the Authority has entered into certain agreements for the development of the Eastern Rail Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yard (the “West Side Yard”), pursuant to which the Authority has entered into 99-year ground leases, severable, with options to purchase fee interests in severed parcels (the “Leases”), a portion of such parcels being land parcels and the remaining portions being air-rights parcels; and

WHEREAS, the Related Transportation Entities (as hereinafter defined) have determined that they can monetize the revenues to be derived from the Leases by authorizing a trustee to execute and deliver to investors interests in such revenues and, in furtherance thereof, the Authority and the Wells Fargo Bank, National Association, as trustee (the “Trustee”) have entered into the Transportation Trust Agreement, dated as of July 1, 2016 (the “Trust Agreement”) pursuant to which the Trustee will initially execute and deliver to investors \$_____ aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Series 2016A Obligations” which, together with all other refunding obligations executed and delivered in accordance with the Trust Agreement, are collectively referred to herein as “Trust Obligations”) evidencing interests in the MTA Financing Agreement Amount (as defined in the hereinafter defined Financing Agreement) payable by the Authority pursuant to the Financing Agreement from the sources identified in paragraphs 2 through 6 of Section 3.1 (“Financing Agreement Payments”) of the Interagency Financing Agreement, dated as of July 1, 2016 (the “Financing Agreement”), by and among the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company and MTA Bus Company (the “Related Transportation Entities”) and the Trustee; and

WHEREAS, in order to provide for the efficient transfer to the Trustee of amounts payable under the Leases which constitute Financing Agreement Payments and the monthly accounting of such payments to determine sufficiency under the Financing Agreement, the Authority has entered into this Lockbox Agreement and directed all Tenants (as defined in the Leases) to make any payments of Monthly Base Rent (as defined in the Financing Agreement) and Fee Purchase Payments (as defined in the Financing Agreement) due to the Authority under such Leases directly to the Custodian;

All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Financing Agreement.

NOW THEREFORE, the Authority and the Custodian hereby agree as follows:

1. **Authority Directions to Tenants and Provision of Information to Custodian.** On or prior to the execution and delivery of the Series 2016A Obligations, the Authority will notify each Tenant of the information necessary for the Tenant to wire transfer in federal or other immediately available funds all payments of Monthly Base Rent and Fee Purchase Payments directly to the Custodian for deposit hereunder. Upon the execution and delivery of each Additional Severed Parcel Lease, the Authority shall notify the Tenant under the Additional Severed Parcel Lease of the information necessary to have the Tenant to wire transfer in federal or other immediately available funds all payments of Monthly Base Rent and Fee Purchase Payments directly to the Custodian for deposit hereunder. The Custodian hereby acknowledges receipt of copies of the executed Trust Agreement and the Financing Agreement.

On or prior to the execution and delivery of the Series 2016A Obligations and any Refunding Obligations, the Authority shall deliver to the Custodian a schedule substantially in the form of Schedule 1 attached to the Financing Agreement ("Schedule 1") showing (a) the Principal and Interest Components, (b) the application by month of amounts deposited into the Capitalized Interest Fund, and (c) by Lease, a monthly schedule showing the Monthly Base Rent due under each such Lease through and including at least the next two Interest Payment Dates (the "Monthly Lease Payment Schedule"). On or before each November 15, beginning November 15, 2017, and promptly following each event that results in (a) a redemption of a Principal Component, including upon the payment by any Tenant of a Fee Purchase Payment, or (b) a severing of all or a portion of a parcel from one Lease into an additional or substitute Lease, the Authority shall deliver to the Trustee a revised Schedule 1 containing the information required to be set forth therein. Each such schedule shall also set forth the amount of the (a) revised Interest Account Requirement, (b) Interest Reserve Requirement, and (c) monthly payments of Fee Purchase Payment for each Lease for the period covered by the Schedule 1 (the "Fee Purchase Payment Schedule").

In addition, in the event that the Authority elects to exercise its Cure Rights under the Transportation Trust Agreement, the Authority will transfer all payments in connection with the exercise of its Cure Rights, as provided in Section 3.1(4) of the Financing Agreement, to the Custodian for deposit hereunder.

Pursuant to the Financing Agreement, in the event the Tenants do not wire transfer the Monthly Base Rent or Fee Purchase Payments directly to the Custodian and instead forward such payments to the Authority, the Authority will cause all such payments to be promptly forwarded to the Custodian for deposit hereunder.

2. **Deposit Account.** The Custodian hereby establishes the Hudson Rail Yards Deposit Account (No. _____) (such account, together with all substitutions and replacements therefor, the "Deposit Account"). All Monthly Base Rent and Fee Purchase Payments wired directly to the Custodian or forwarded to the Custodian by the Authority, together with all payments made by the Authority following the exercise of its Cure Rights, shall be deposited

into the Deposit Account. The Authority and the Custodian are entering into this Agreement, as required by the Financing Agreement, to perfect the Trustee's security interest in the Deposit Account and to provide for the disposition of funds in the Deposit Account.

Upon receipt of any Monthly Base Rent payment, the Custodian shall compare the amount of the payment received against the corresponding scheduled amount for that Tenant and applicable Lease for that month on the Monthly Lease Payment Schedule and notify the Authority and the Trustee of the amount received if the amount of such Monthly Base Rent payment matches the amount for that Tenant and parcel for that month on such Monthly Lease Payment Schedule ("Regularly Scheduled Rent").

If the amount of Monthly Base Rent received by the Custodian is less than the amount scheduled or previously due under any Lease, the Custodian shall promptly notify the Authority and the Trustee which Tenant(s) under which Lease(s) is responsible for the deficiency and the amount of such deficiency. In the event the amount of Monthly Base Rent received by the Custodian is attributable to Annual Base Rent that was previously due and not yet paid by a Tenant in the current calendar month or any prior calendar month ("Delinquent Rent"), the Custodian shall further notify the Trustee and the Authority which Tenant(s) under which Lease(s) has paid such Delinquent Rent. The Custodian shall allocate any Monthly Base Rent payment received in chronological order to any Delinquent Rent (e.g. allocated to earliest unpaid amounts first).

If the amount of Monthly Base Rent received by the Custodian is more than the amount scheduled to be paid under any Lease, the Custodian shall further notify the Trustee and the Authority which Tenant(s) under which Lease(s) is responsible for the excess, the amount of such excess ("Prepaid Rent") and a schedule setting forth how much of such Prepaid Rent shall be segregated by the Trustee in the Rent Payment Fund for application to and in accordance with future Monthly Base Rent payments of the applicable Lease.

The Custodian shall promptly transfer (no later than the 15th day of each month) all such Monthly Base Rent received to the Trustee.

Upon receipt of any Fee Purchase Payment, the Custodian shall compare the amount of the payment received against the corresponding scheduled amount for that Tenant and parcel for that month on the Fee Purchase Payment Schedule and notify the Authority and the Trustee of the amount received. If the amount received is less than the amount scheduled, the Custodian shall promptly notify the Authority and the Trustee of the Tenant and the parcel and the amount of the deficiency. The Custodian shall promptly transfer (within 2 Business Days) all such Fee Purchase Payments received to the Trustee.

3. **Deposit Agreement.** The terms and conditions of this Agreement are in addition to any deposit account agreements and other related agreements that the Authority has with the Custodian, including without limitation all agreements concerning banking products and services, treasury management documentation, account booklets containing the terms and conditions of the Deposit Account, signature cards, fee schedules, disclosures, specification sheets and change of terms notices (collectively, the "Deposit Agreements"). The provisions of this Agreement shall supersede the provisions of the Deposit Agreements and the provisions of the Deposit Agreements are inapplicable to the Deposit Account.

4. **Security Interest.** The Authority has granted to the Trustee a security interest in the Deposit Account and all credits or proceeds thereto and all monies, checks and other instruments held or deposited therein (all of which shall be included in the definition of the "Deposit Account"). The Authority represents and warrants that there are no perfected liens or encumbrances with respect to the Deposit Account and hereby covenants that it shall not enter into any acknowledgment or agreement that gives any other person or entity except the Trustee any other security interest, lien or title in, the Deposit Account.

5. **Control.** In order to provide the Trustee with control over the Deposit Account, the Authority agrees that the Custodian may comply with any and all orders, notices, requests and other instructions originated by the Trustee directing disposition of the funds in the Deposit Account without any further consent from the Authority. The Authority agrees that instructions from the Trustee may include instructions to transfer funds to or for the benefit of the Trustee or any other person or entity, and instructions to close the Deposit Account. Concurrent with the original bank statement periodically provided to the Authority regarding receipt of Monthly Base Rent and Fee Purchase Payments, the Custodian will provide the Trustee with a duplicate of such statement. The Authority further authorizes the Custodian to provide to the Trustee any other information concerning the Deposit Account that the Custodian may agree to provide to the Trustee at the Trustee's written request.

6. **Access to Deposit Account.** The Deposit Account shall be under the sole dominion and control of the Custodian. Neither the Authority, nor any other person or entity, acting through or under the Authority, shall have any control over the use of, or any right to withdraw any amount from, the Deposit Account until such time as the Trust Obligations are no longer Outstanding in accordance with the terms of the Trust Agreement. The Custodian is hereby authorized and instructed to transfer all available funds (subject to the Custodian's funds availability policy) in the Deposit Account in accordance with the Trust Agreement to such accounts and at such times as the Trustee may direct in writing to the Custodian.

7. **Subordination by the Custodian.** The Authority and the Custodian acknowledge notice of and recognize the Trustee's continuing security interest in the Deposit Account and in all items deposited in the Deposit Account and in the proceeds thereof. The Custodian hereby subordinates any statutory or contractual right or claim of offset or lien resulting from any transaction which involves the Deposit Account.

8. **No Custodian Liability for Payment.** The Custodian shall not have any obligation or liability to the Owners of the Obligations with respect to the payment of Monthly Base Rent and Fee Purchase Payments when due, or with respect to the performance by the Authority of any other agreement made by the Authority or the Trustee in the Financing Agreement or the Trust Agreement, except to administer, for the benefit of the Owners, the Deposit Account established in this Lockbox Agreement in the manner herein provided.

9. **Custodian's Responsibility.** The duties of the Custodian are strictly limited to those set forth in this Agreement and the Custodian is not acting as a fiduciary for any party hereto. The Custodian shall be protected in relying on any form of written instruction or other notice purporting to be from the Trustee which the Custodian, in good faith, believes to be genuine and what it purports to be. The Custodian shall have no duty to inquire as to the

genuineness, validity, or enforceability of any such instruction or notice even if the Authority notifies the Custodian that the Trustee is not legally entitled to originate any such instruction or notice. The Deposit Account and all actions and undertakings by the Custodian shall be subject to all rules and regulations relating to the Deposit Account and to applicable law.

10. **Termination.** This Agreement shall not be terminable by the Authority so long as any obligations of the Authority to the Trustee are outstanding and unpaid. This Agreement may be terminated by the Custodian upon thirty (30) days prior written notice to all parties. This Agreement may be terminated by the Trustee in a writing sent to the Custodian in which the Trustee releases the Custodian from any further obligation to comply with instructions originated by the Trustee with respect to the Deposit Account. Any available funds remaining in the Deposit Account upon termination or deposited in the Deposit Account thereafter shall be transferred in accordance with the written direction of the Authority after deduction for any amounts otherwise reimbursable to the Custodian as provided hereunder. No such termination, whether at the request of the Custodian or the Trustee, shall become effective until a successor Custodian is appointed. Termination shall not affect the rights and obligations of any party hereto with respect to any period prior to such termination.

11. **Legal Process and Insolvency.** In the event the Custodian receives any form of legal process concerning the Deposit Account, including, without limitation, court orders, levies, garnishments, attachments, and writs of execution, or in the event the Custodian learns of any insolvency proceeding concerning the Authority, the Custodian will respond to such legal process or knowledge of insolvency in the normal course or as required by law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

13. **Notices.** All notices and other communications required under this Agreement shall be in writing (including by facsimile transmission and electronic or internet mail) at the addresses specified below and shall be delivered personally or electronically or sent by certified or registered mail, postage pre-paid, or by overnight courier or facsimile transmission and shall be deemed received in the case of personal delivery, when delivered, in the case of mailing, when receipted for, in the case of overnight delivery, on the next Business Day after delivery to the courier, and in the case of electronic and facsimile transmission, upon receipt of acknowledgment of transmission during regular business hours on a Business Day at the addressee's location, provided that notice shall be deemed to have been given only when such notice is actually received. Any party may change its address for notices hereunder by notice to the other party given in accordance with this Section 13.

Notices to any party shall be sent to it at the following addresses:

Authority:	Metropolitan Transportation Authority 2 Broadway, 20 th Floor New York, New York 10004 Attention: Patrick J, McCoy, Director, Finance Telephone: (212) 878-7183
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Facsimile: (212) 599-6971
Email: pmccoy@mtahq.org

With a copy to the General Counsel of the MTA at the same address

Custodian: Wells Fargo Bank, National Association
[Address]

Trustee: Wells Fargo Bank, National Association
[Address]

14. **Miscellaneous.** This Agreement shall bind and benefit the parties and their respective successors and assigns. This Agreement may be amended only with the prior written consent of all parties hereto. None of the terms of this Agreement may be waived except as the Custodian may consent thereto in writing. No delay on the part of the Custodian in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies specified herein are cumulative and are not exclusive of any rights or remedies which the Custodian would otherwise have.

15. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

IN WITNESS HEREOF, the parties have executed and attested this Lockbox Agreement by their authorized signatories as of the date and year first written above.

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Custodian

By: _____
Name:
Title:

MTA HUDSON RAIL YARDS TRUST AGREEMENT

by and between

METROPOLITAN TRANSPORTATION AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of July 1, 2016

Relating to

MTA HUDSON RAIL YARDS TRUST OBLIGATIONS

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MTA HUDSON RAIL YARDS TRUST AGREEMENT

THIS MTA HUDSON RAIL YARDS TRUST AGREEMENT, made and entered into as of July 1, 2016 (the “Trust Agreement”), by and between the **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York (the “Authority”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee (the “Trustee”):

W I T N E S S E T H:

In consideration of the premises and the mutual undertakings, provisions, covenants and agreements herein contained and for other valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Definitions. Capitalized terms defined in the Financing Agreement shall, for purposes of this Trust Agreement, have the meanings set forth in the Financing Agreement unless the context requires otherwise. Where the same capitalized terms are defined in both the Financing Agreement and this Trust Agreement, such capitalized terms are intended to have identical definitions. In addition, the terms defined below shall have the following meanings:

Amortized Value, when used with respect to Permitted Investments purchased at a premium above or a discount below par, means the value of such Permitted Investments computed by using an industry standard yield method selected by an Authorized Officer.

Annual Base Rent, with respect to each Lease, shall have the meaning set forth in such Lease, and, collectively, means the sum of all Annual Base Rent under the Leases.

Applicable Redemption Price means the Applicable Redemption Price for each Obligation maturity and redemption date set forth in Schedule 2.

Authority means the Metropolitan Transportation Authority, a body corporate and politic constituting a public benefit corporation created and existing under the laws of the State.

Authority Act means the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law of the Consolidated Laws of the State of New York, as amended.

Authorized Officer means the Chairman and Chief Executive Officer, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer, the Director, Finance, the Director of Budget and Financial Management, the Secretary or any Assistant Secretary, and any other person authorized by the Authority, as appropriate, to perform the act or sign the document in question.

Available Transportation Revenues means (i) amounts which are available to be transferred to accounts held by the Authority or any other Related Transportation Entity pursuant to Section 504(d) of the Transportation Revenue Bond Resolution, and (ii) any other legally available moneys of the Authority or any other Related Transportation Entity that the Authority or such Related Transportation Entity determines, in its sole discretion, to make available to the payment of its obligations hereunder. For purposes of clarification, Available Transportation Revenues referred to in clause (i) of this definition are revenues payable from the same pool of moneys available for the payment of the operating and maintenance expenses of the Related Transportation Entities.

Capital Costs means (i) the costs of the Authority or any other Related Transportation Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or any part of the Transportation District Project, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), and initial working capital required for the commencement of operation of any part of the Transportation District Project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness, made by the Authority or any other Related Transportation Entity to any Person participating in a Transportation District Project for the purpose of funding any costs described in this clause (i); (ii) the payment of bonds, notes or other obligations of the Related Transportation Entities previously incurred to finance Capital Costs; and (iii) amounts paid into any Fund or Account upon the issuance of any Obligations.

Capital Program Plan means a capital program plan approved in accordance with Section 1269-b of the Authority Act, or any successor provision thereto.

Closing Date means the date on which the proceeds of the sale of a series of the Obligations are received by the Trustee.

Costs of Issuance means the costs of the authorization, sale and issuance of a series of Obligations, including with respect to any party to a transaction, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, fees and charges of the Trustee and other fiduciaries and agents, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Obligations, premiums, fees and charges in order to obtain, renew, extend or terminate financial arrangements, costs and expenses of refunding such Obligations, and other costs, charges and fees, including those of the Authority and any other Related Transportation Entity, in connection with the foregoing.

Costs of Issuance Fund means the fund established under Section 4.02 of this Trust Agreement.

Cure Rights means the right, but not the obligation, of the Authority on or prior to a date that is one year after an Original Lease Default Date, provided that the Authority is current in its payment of Interest Reserve Advances under the Financing Agreement and is not otherwise in default in its obligations under the Financing Agreement, to elect to cure the Lease Payment Event of Default by (i) notifying the Trustee in writing in accordance with Section 505(a) hereof

that it will prosecute the Lease Payment Event of Default, (ii) depositing with the Trustee an amount equal to all Monthly Base Rent that is in default under the Lease, less any amount of Interest Reserve Advances previously made relating to such defaulted Lease, and (iii) continuing to pay all Monthly Base Rent in the amounts and on the dates set forth in the defaulted Lease.

Custodian has the meaning given such term in the Financing Agreement.

DTC has the meaning set forth in Section 3.20 hereof.

Early Mandatory Redemption has the meaning set forth in Section 3.16(b) hereof.

Early Mandatory Redemption Amount Minimum means, (i) for each Eligible Early Mandatory Redemption Date prior to the first Optional Redemption Date with respect to a particular maturity of Obligations, the lesser of [ten million dollars (\$10,000,000)] or the Principal Component related to a maturity of Obligations then outstanding that is subject to such Early Mandatory Redemption or (ii) for each Eligible Early Mandatory Redemption Date on or after the first Optional Redemption Date with respect to a particular maturity of Obligations, the lesser of [five million dollars (\$5,000,000)] or the Principal Component related to a maturity of Obligations then outstanding that is subject to such Early Mandatory Redemption.

Early Mandatory Redemption Priority means the redemption priority set forth in Schedule 2.

Eligible Early Mandatory Redemption Date means, as of any date, either the next [February 15, May 15, August 15 or November 15] that is no earlier than 20 days from such date of determination; provided, however, notwithstanding the foregoing, if the amount of the Principal Component of Obligations to be redeemed on a particular date is equal to or greater than [fifty million dollars (\$50,000,000)], the next Eligible Early Mandatory Redemption Date for such redemption shall be the 15th day of the next succeeding calendar month provided such redemption date is no earlier than 20 days from the date of determination.

Fee Conversion Option has the meaning set forth in the Leases.

Fee Mortgage(s) means, individually, each Fee Mortgage, dated as of July 1, 2016, from the Authority to the Trustee, relating to the Mortgaged Property, as the same may be amended or supplemented from time to time, and, collectively, all of the individual Fee Mortgages and each additional Fee Mortgage from the Authority to the Trustee, relating to the Mortgaged Property, resulting from the severing of the Leases. The term Fee Mortgage includes fee mortgages delivered in connection with Additional Severed Parcel Leases.

Fee Purchase Payments means the amount paid as an Option Price under a Lease by the Tenant and payable to the Custodian, at the direction of the Authority, in accordance with the Financing Agreement and the Lockbox Agreement.

Financing Agreement means that certain Interagency Financing Agreement, dated as of July 1, 2016, by and among the Authority, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus and the Trustee, as the same may be amended or supplemented from time to time.

Financing Agreement Payments means, collectively, the amounts payable by the Authority to the Trustee in accordance with paragraphs 3 through 7 of Section 3.1 of the Financing Agreement.

Interest Account Requirement means, as of any date, (i) the aggregate amount of the Interest Component accrued on all outstanding Principal Components calculated to the 15th day of the next succeeding calendar month, less (ii) such portion of the accrued Interest Component on any Principal Components that are Outstanding and may be redeemed on the next Eligible Redemption Date at the Applicable Redemption Price plus the accrued Interest Component to the next eligible Redemption Date from amounts on deposit [on such date of calculation] in the Fee Purchase Payment Revenue Account or the Principal Redemption Account.

Interest Payment Date means, with respect to the Interest Components, May 15 and November 15 of each year or such other dates as shall be specified in a Supplemental Trust Agreement.

Interest Component has the meaning set forth in Section 3.1(1) of the Financing Agreement.

Interest Reserve Advances means amounts paid to the Trustee by the Authority to restore the Interest Reserve Fund to the Interest Reserve Requirement pursuant to the terms of the Financing Agreement.

Interest Reserve Fund means the fund established under Section 4.06 of this Trust Agreement.

Interest Reserve Requirement means as of any date of calculation, with respect to all Outstanding Obligations, an amount equal to one-sixth of the greatest amount of regularly scheduled interest for the then current or any future calendar year.

Lease Payment Event of Default has the meaning set forth in the Financing Agreement.

Leases shall have the meaning given to such term in the Financing Agreement.

LIRR means The Long Island Rail Road Company, a subsidiary of the Authority, and any successor thereto.

Lockbox Agreement means the Lockbox Agreement, dated as of July 1, 2016, between the Authority and the Custodian, as the same may be amended or supplemented from time to time.

MaBSTOA means the Manhattan and Bronx Surface Transit Operating Authority, a subsidiary of the Transit Authority, and any successor thereto.

Maturity Date means, with respect to any particular Series 2016A Obligation, November 15 in each of the years set forth in Section 3.04(a), and, with respect to any particular Refunding Obligation, the date set forth in the Supplemental Resolution relating to the issuance of such Refunding Obligations.

Monthly Base Rent means, with respect to each Lease, the monthly payments of Annual Base Rent made in accordance with such Lease, and, collectively, means the sum of all Monthly Base Rent under the Leases.

Monthly Transfer Date means the Business Day immediately preceding the 20th day of each calendar month, commencing _____, 2016.

Mortgaged Property shall have the meaning given to such term in the Financing Agreement.

MNCRC means the Metro-North Commuter Railroad Company, a subsidiary of the Authority, and any successor thereto.

MTA Bus means the MTA Bus Company, a subsidiary of the Authority, and any successor thereto.

MTA Financing Agreement Amount has the meaning set forth in Section 3.1(1) of the Financing Agreement.

Obligations Proceeds Fund means the fund by that name established by Section 4.03 of this Trust Agreement.

Option Price has the meaning set forth in the Leases.

Optional Redemption Date has the meaning set forth in Section 3.16 hereof.

Original Lease Default Date has the meaning set forth in the Financing Agreement.

Outstanding when used with reference to the Obligations and as of any particular date, means all Obligations theretofore delivered under this Trust Agreement except: (a) any Obligation cancelled by the Trustee on or before such date, (b) any Obligation in lieu of or in substitution for which another Obligation shall have been delivered pursuant to this Trust Agreement and (c) Obligations which are deemed paid in accordance with Section 7.02 of this Trust Agreement.

Owner or any similar term, when used with respect to the Obligations, means: (i) the beneficial owner of any Outstanding Obligation as reflected by electronic book entries recorded in the records of DTC Participants or Indirect Participants; or (ii) if DTC no longer is acting as securities depository for the Obligations, the registered holder of any of the Outstanding Obligations as reflected on the Register.

Paying Agent means a Paying Agent with respect to the Obligations appointed pursuant to Section 3.14 and subject to the provisions of Article VI in the same manner as applicable to the Trustee.

Payment Guaranties has the meaning set forth in the Financing Agreement.

Permitted Investment means, to the extent permitted by applicable law, any of the following securities:

- (i) obligations of the State or the United States government;
- (ii) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the State or the United States government;
- (iii) obligations of deposit of banks or trust companies in the State, secured, if the Issuer shall so require, by obligations of the United States or of the State of a market value equal at all times to the amount of the deposit;
- (iv) banker's acceptances with a maturity of 90 days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest Rating Category of each of the Rating Agencies that then rates such banker's acceptances;
- (v) obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within 270 days, provided that such obligations are rated at the time of purchase in the highest Rating Category of each of the Rating Agencies that then rates such obligations;
- (vi) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in the highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations;
- (vii) (A) general obligation bonds and notes of any state other than the State, provided that such bonds and notes are rated at the time of purchase in the highest Rating Category of each of the Rating Agencies that then rates such bonds and notes, and (B) bonds and notes of any county, town, city, village, fire district or school district of the State, provided that such bonds and notes are rated at the time of purchase in either of the 2 highest Rating Categories of each of the Rating Agencies that then rates such bonds and notes;
- (viii) mutual funds registered with the United States Securities and Exchange Commission, whose investments are limited to obligations of the State described in clause (i) above, obligations the principal and interest of which are guaranteed by the State as described in clause (ii) above, and those securities described in clause (vii) above, and that are rated at the time of purchase in the highest Rating Category of each of the Rating Agencies that then rates such funds;
- (ix) repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (vi) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a bank or trust company organized under the laws of any

state of the United States of America or a national banking association, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed; and

(x) any other investment in which the Issuer is authorized from time to time to invest under applicable law with respect to which an Authorized Officer has, on or before the date thereof, delivered to the Trustee (A) a certificate designating the additional investment as an Authorized Investment and (B) Rating Confirmation.

In addition to the foregoing, in the case of any money held in reserve and sinking funds “Permitted Investments” shall include any other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the money thereof pursuant to Article four-a of the Retirement and Social Security Law of the State, each such reserve and sinking fund being treated as a separate fund for the purposes of Article four-a of the Retirement and Social Security Law of the State.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized securities depository.

Person means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

Principal and Interest Components has the meaning set forth in Section 3.1(1) of the Financing Agreement.

Principal Component has the meaning set forth in Section 3.1(1) of the Financing Agreement.

Principal Office, when used with respect to the Trustee, means the offices of the Trustee identified in Section 3.03 of this Trust Agreement or such other office at which the Trustee conducts its corporate trust business as hereafter designated by the Trustee.

Rating Agency means each nationally recognized statistical rating organization then maintaining a rating on the Obligations at the request of an Authorized Officer.

Rating Category means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation means evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken hereunder; provided however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on the Obligations.

Real Estate Asset Management Consultant means a real estate professional with expertise in the enforcement of remedies relating to obligations secured by a mortgage on real property.

Rebate Fund means the fund established under Section 4.07 of this Trust Agreement.

Rebate Requirement has the meaning set forth in 4.07 of this Trust Agreement.

Redemption Date has the meaning set forth in Schedule 2 of this Trust Agreement.

Refunding Obligations means MTA Hudson Rail Yards Trust Obligations executed and delivered for refunding purposes pursuant to a Supplemental Trust Agreement in accordance with Section 3.01(b) hereof and in accordance with the terms of the Financing Agreement, as amended to reflect the issuance of such Refunding Obligations.

Register means the books of the Trustee referred to in Section 3.11 of this Trust Agreement.

Related Transportation Entity means any of the Authority, MTA Bus, MaBSTOA, the Transit Authority, MNCRC, LIRR and any Additional Related Transportation Entity.

Rent Payment Fund means the fund established under Section 4.04 of this Trust Agreement.

Schedule 1 means the then most recent version of Schedule 1 to the Financing Agreement that sets forth, among other things, the Principal and Interest Components, the Monthly Base Rent under each Lease, the revised Interest Account Requirement, the Interest Reserve Requirement and the monthly payments of Fee Purchase Payments for each Lease calculated from time to time in accordance with such Lease and the Applicable Redemption Price.

Securities Depository means a recognized securities depository selected by the Authority to maintain a book-entry system in respect to the Obligations, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

Securities Depository Nominee means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Register maintained by the Trustee the Obligations to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

Series 2016A Obligations means the \$_____ MTA Hudson Rail Yards Trust Obligations initially delivered in accordance with this Trust Agreement and designated "Series 2016A".

Supplemental Trust Agreement means a supplement to this Trust Agreement as authorized by Section 7.01 hereof.

Tax Certificate means that certain tax certificate relating to arbitrage and the provisions of Sections 141-150 of the Internal Revenue Code of 1986 or other similar document with respect to each series of Obligations and the Financing Agreement and dated as of the Closing Date for such Obligations and the Financing Agreement.

Tenant(s) means the tenant(s) under the Leases.

Transit Authority means the New York City Transit Authority, a body corporate and politic constituting a public benefit corporation created and existing under the laws of the State, and any successor thereto.

Transportation District means the Metropolitan Commuter Transportation District created by Section 1262 of the Authority Act.

Transportation District Project means any project, program or facility that the Authority or any other Related Transportation Entity (in either case, by itself or with any other Person) is authorized from time to time by law to plan, design, acquire, establish, construct, effectuate, operate, maintain, renovate, improve, extend, rehabilitate or repair within, or for the benefit of, the Transportation District.

Transportation Revenue Bond Resolution means the General Resolution Authorizing Transportation Revenue Obligations adopted by the Authority on March 26, 2002, as amended and supplemented from time to time.

Trust Agreement Event of Default means the occurrence of any of the events referred in Section 5.04(a) of this Trust Agreement.

Trust Obligations or Obligations means the MTA Hudson Rail Yards Trust Obligations, executed and delivered by the Trustee in one or more series under this Trust Agreement, evidencing the interests of the owners thereof in the MTA Financing Agreement Amount payable by the Authority pursuant to the Financing Agreement, including Refunding Obligations.

Trust Estate means (a) all the proceeds of the Obligations, all Funds (other than the Rebate Fund) established by this Trust Agreement, including the investment income, if any, thereof, subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Trust Agreement; (b) Financing Agreement Payments paid by the Authority under the Financing Agreement, including Monthly Base Rent, Fee Purchase Payments, Cure Rights payments, amounts recovered by the Authority in the exercise of remedies following a Lease Payment Event of Default, and certain other payments made to the Authority and intended to reimburse the Authority for Monthly Base Rent payments, including payments made by a guarantor under a Payment Guaranty; (c) Interest Reserve Advances under the Financing Agreement; (d) all right, title and interest of the Trustee in and to amounts recovered by the Trustee in the exercise of remedies under this Trust Agreement following a Trust Agreement Event of Default or a Lease Payment Event of Default and in and to the Fee Mortgages, including any amounts collected in the enforcement of remedies thereunder; and (e) any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by the Authority or anyone else, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

Trust Fund means the fund established under Section 4.01 of this Trust Agreement.

Trust Funds means, collectively, the separate trust funds established pursuant to Article IV of this Trust Agreement.

Section 1.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

Except as otherwise specifically provided herein, all references in this Trust Agreement to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement, and the words “hereby,” “hereto,” “herein,” “hereof,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not any particular Article, Section or subdivision of this Trust Agreement.

Section 1.03 Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution and delivery of this Trust Agreement.

ARTICLE II

ASSIGNMENT; DECLARATION OF TRUST; RECITALS AND REPRESENTATIONS

Section 2.01 Assignment. The Authority hereby unconditionally and irrevocably assigns and transfers to the Trustee its rights in the Trust Estate and, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Obligations, each evidencing an interest of the Owners in the MTA Financing Agreement Amount payable by the Authority pursuant to the Financing Agreement.

Section 2.02 Declaration of Trust by Trustee. The Trustee hereby declares that it holds and will hold the Trust Estate upon the trusts hereinafter set forth and for the use and benefit of the Owners, as more particularly set forth in Section 2.03 hereof.

Section 2.03 Payments from Trust Estate Only; Distribution of Trust Estate. (a) Except as otherwise expressly provided herein, all amounts payable by the Trustee with respect to the Obligations pursuant to this Trust Agreement shall be paid only from the income of and proceeds from the Trust Estate and only to the extent that the Trustee shall have actually received (and been allowed to retain) sufficient income or proceeds from the Trust Estate to make such payments in accordance with the provisions of Article IV hereof. Owners shall look solely to the income of and the proceeds from the Trust Estate to the extent available for distribution to such Owners as herein provided and the Trustee is not personally liable to any Owner for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except liability under this Trust Agreement as a result of negligence or willful misconduct of the Trustee.

(b) So long as the Financing Agreement shall be in effect, all Financing Agreement Payments of Monthly Base Rent, Fee Purchase Payments and other payments of any kind constituting a part of the Trust Estate payable to the Trustee pursuant to the Financing

Agreement and the Lockbox Agreement shall be paid directly to, or transferred by the Custodian or the Authority to, the Trustee for distribution, in accordance with Articles III and IV of this Trust Agreement, to or for the Owners, as appropriate.

Section 2.04 Financing Agreement. The Authority has agreed in the Financing Agreement (i) to pay the MTA Financing Agreement Amount solely to the extent the Authority or the Custodian, as the case may be, has received from the Tenants under the Leases the Monthly Base Rent and Fee Purchase Payments and any other payments of any kind constituting a part of the Trust Estate, including amounts paid by the guarantors under the Payment Guaranties, (ii) to direct the Tenants to make payments of Monthly Base Rent and Fee Purchase Payments to the Custodian, (iii) to transfer the other Financing Agreement Payments to the Trustee and (iv) to make Interest Reserve Advances.

Section 2.05 Fee Mortgages. The Authority has executed and delivered to the Trustee the Fee Mortgages as security for the payment of the Financing Agreement Payments.

Section 2.06 Deposit of Moneys. In order to assure that the funds will be available to pay Capital Costs, the Trustee shall receive, hold, invest and disburse the moneys deposited with or otherwise paid to it pursuant to this Trust Agreement in accordance with the terms of and for the purposes set forth in this Trust Agreement. The Trustee shall also execute and deliver the Obligations.

Section 2.07 Powers and Trust Granted Hereunder. The Trustee hereby accepts the powers and trust granted hereunder, subject to the provisions of Article VI below.

Section 2.08 Satisfaction of Conditions Precedent. All acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law.

ARTICLE III

OBLIGATIONS; TERMS AND PROVISIONS

Section 3.01 Preparation of Obligations. (a) The Trustee shall, upon written authorization and request from an Authorized Officer in the form attached hereto as Exhibit A, execute and deliver the Series 2016A Obligations in the aggregate principal amount of [_____] Dollars (\$000,000,000) evidencing interests in the MTA Financing Agreement Amount payable by the Authority pursuant to the Financing Agreement as described in Section 3.04 hereof.

(b) Refunding Obligations, other than the Series 2016A Obligations, may be issued under this Trust Agreement pursuant to and in accordance with the terms of a Supplemental Trust Agreement, but (1) only for the purpose of refunding, in whole or in part, the Outstanding Obligations, and (2) only if there shall be delivered to the Trustee in connection with each issuance of such Refunding Obligations (i) in the case of a partial refunding of Outstanding Obligations, a certificate of an Authorized Officer setting forth (A) a schedule of the remaining Monthly Base Rent to be received, which schedule takes into consideration any Fee Purchase

Payments received, (B) a schedule of the remaining payments of the principal of and interest on the then Outstanding Obligations, based on the schedule of Monthly Base Rent payments described in the preceding clause (A) hereof, including the weighted average maturity for each stated maturity of Outstanding Obligations, and (C) a schedule of the payments of principal of and interest on the Refunding Obligations and the unrefunded Obligations based on the Monthly Base Rent payments described in the preceding clause (A) hereof demonstrating that (x) each maturity of Obligations will be paid in full from payments of Monthly Base Rent no less than [twenty-four (24)] months prior to its stated maturity date and (y) the weighted average maturity of the unrefunded Obligations is within [six (6)] months (either earlier or later) than the weighted average maturity calculated in accordance with clause (B) hereof, (ii) an opinion of Authority bond counsel to the effect that the issuance of such Refunding Obligations will not adversely affect the exclusion from gross income of the interest portion of interest on any Obligations for Federal income tax purposes, and (iii) an amendment to the Financing Agreement reflecting the issuance of such Refunding Obligations.

Section 3.02 Form; Denominations; Medium of Payment. Unless otherwise provided by a Supplemental Trust Agreement, the Obligations shall be in denominations of \$5,000 each or any integral multiple thereof, and shall be represented by fully registered Obligations, without coupons, subject to the provisions of a book-entry system (as hereinafter described) (which Obligations shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein or in such other form as is provided in a Supplemental Trust Agreement); provided, however, that if such book-entry system is discontinued, physical Obligations shall be delivered to the Owners in accordance with Section 3.20 hereof. The Obligations shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3.03 Date of Obligations; Designation; Record Dates; Payment of Principal and Interest. Obligations initially issued pursuant to this Trust Agreement shall be dated the date of issuance of the Financing Agreement and the Interest Component shall accrue from such date. Such Obligations shall be designated as “MTA Hudson Rail Yards Trust Obligations Evidencing Interests in the MTA Financing Agreement Amount payable by the Metropolitan Transportation Authority pursuant to the Financing Agreement” and shall bear a series designation. Refunding Obligations shall be dated, and the Interest Component shall accrue thereon, as provided in a Supplemental Trust Agreement and the Financing Agreement.

[Unless otherwise provided by a Supplemental Trust Agreement, the Interest Component shall be calculated on the basis of a 30-day month and 360-day year and shall be payable from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event the Interest Component with respect thereto shall be payable from such Interest Payment Date, or unless no Interest Component has been paid or duly provided for with respect to such Obligation, in which event the Interest Component shall be paid from the related Closing Date, or unless such Obligation is registered after the first day of a month of an Interest Payment Date, whether or not such day is a Business Day, in which event the Interest Component shall be payable from such Interest Payment Date; provided, however, that if at the date of registration of any Obligation the Interest Component with respect thereto is in default, the Interest Component with respect thereto shall be paid from the last date to which the Interest Component has been paid or made available for payment.]

Unless otherwise provided by a Supplemental Trust Agreement, payments of the Interest Component with respect to any Obligation shall be made on the appropriate Interest Payment Date to the person appearing on the Register as the registered holder thereof as of the close of business on the first day of the month of such Interest Payment Date, whether or not such first day is a Business Day, such interest to be paid by check or draft mailed to such registered holder at such registered holder's address as it appears on the Register or at such other address as such registered holder may have filed with the Trustee for that purpose; provided, however, that the Trustee may establish a special record date in connection with the payment of interest in default. The Principal Component with respect to the Obligations will be payable at the offices of the Trustee upon presentation and surrender of the Obligations.

Section 3.04 Payment of Principal and Interest Components with Respect to the Series 2016A Obligations. (a) The Series 2016A Obligations shall mature on the dates, in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) The amounts reflected in the above table under the column captioned "Principal Amount", as redeemed in accordance with the terms of this Trust Agreement, are the "Principal Components" referred to herein and in the Financing Agreement.

(c) The Series 2016A Obligations shall be subject to optional and mandatory redemption as provided in Section 3.16 hereof.

(d) Interest with respect to the Series 2016A Obligations shall be paid semiannually on May 15 and November 15 of each year, commencing November 15, 2016, to and including the date of maturity thereof at the rate or rates set forth in paragraph (a) above. The interest payments at the rates set forth in the abovetable under the column captioned "Interest Rate" are the "Interest Components" referred to herein and in the Financing Agreement.

Section 3.05 Obligation Provisions. The Trust Obligations of any series may contain such provisions and specifications not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable as may be determined by an Authorized Officer and so communicated to the Trustee prior to delivery of the Obligations.

Section 3.06 Execution. The Obligations shall be in substantially the form attached hereto as Exhibit B executed in the name of, and by, the Trustee, as trustee under this Trust Agreement, by the manual signature of an authorized signatory of the Trustee.

Section 3.07 Exchange of Obligations. The Obligations may, at the option of the registered holder thereof, as reflected on the Register of the Trustee, be exchanged for Obligations representing Trust Obligations of the same series and maturity of other authorized denominations upon surrender thereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by such registered holder or such registered holder's attorney duly authorized in writing.

Section 3.08 Transfer and Registry. All the Obligations executed and delivered pursuant to this Trust Agreement shall be transferable subject to the provisions for registration and transfer contained in this Article and in such Obligations.

Section 3.09 Transfer of Obligations. (a) Each Obligation shall be transferable only upon the Register, which shall be kept for that purpose at the Principal Office of the Trustee, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered holder thereof, as reflected on the Register, or such registered holder's duly authorized attorney. Upon the registration of the transfer and the surrender of any such Obligation, the Trustee shall provide, in the name of the transferee, a new Obligation or Obligations, representing a Trust Obligation or Obligations in the same aggregate principal amount, series and maturity as the Obligation or Obligations represented by the surrendered Obligation or Obligations.

(b) The Trustee shall deem and treat the person in whose name the Obligation shall be registered upon the Register as the absolute owner of such Obligation, whether such Obligation shall be overdue or not, for the purpose of receiving payments of, or on account of, the Principal and Interest Components with respect to such Obligation and for all other purposes, and all such payments so made to any such registered holder or upon such registered holder's order shall be valid and effective to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

Section 3.10 Regulations with Respect to Exchange and Transfer. In all cases in which the privilege of exchanging or transferring Obligations is exercised, the Trustee shall execute and deliver Obligations in accordance with the provisions of this Article. All Obligations surrendered in any such exchange or transfer shall forthwith be cancelled and destroyed by the Trustee pursuant to its retention policy then in effect. Upon every exchange or transfer of an Obligation, whether temporary or definitive, following initial delivery of the Obligations pursuant to Section 3.01 hereof or a Supplemental Trust Agreement, the Trustee may impose its customary fee for such exchange or transfer, together with any tax or other governmental charge required to be paid with respect to such exchange or transfer and, except (i) with respect to the delivery of definitive Obligations in exchange for temporary Obligations, (ii) in the case of an Obligation issued upon the first exchange or transfer of an Obligation or Obligations of any series surrendered for such purpose within 60 days after the first execution and delivery of any of the Obligations of any series, or (iii) as otherwise provided in this Trust Agreement, may charge a sum sufficient to pay the cost of preparing each new Obligation issued upon such exchange or transfer. Such amounts shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of obtaining such exchange or transfer. Unless otherwise provided by Supplemental Trust Agreement, the Trustee

shall not be obliged to register any exchange or transfer of any Obligations during the fifteen (15) days preceding any Interest Payment Date for such Obligations.

Section 3.11 Register. The Trustee shall keep or cause to be kept at its Principal Office a Register containing the name and address of each registered holder of the Obligations and, if an Obligation is transferred pursuant to the terms of this Trust Agreement, of the successor registered holder of such Obligation. The Register shall at all times be open to inspection by an Authorized Officer or a designee thereof; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Register, Obligations as hereinbefore provided.

Section 3.12 Temporary Obligations. Pending preparation of the definitive Trust Obligations, any Obligations delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Obligations when ready for delivery. The temporary Obligations may be printed, lithographed or typewritten and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Obligation shall be executed by the Trustee and be delivered by the Trustee upon the same conditions and in substantially the same manner as definitive Obligations. If the Trustee delivers temporary Obligations, it shall execute and furnish definitive Obligations without delay if required by the purchasers of the Obligations, and thereupon the temporary Obligations shall be surrendered for cancellation at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Obligations an Obligation or Obligations representing an equal aggregate principal amount of Trust Obligations of the same series as such temporary Obligations. Until so exchanged, the temporary Obligations shall be entitled to the same benefits under this Trust Agreement as definitive Obligations delivered pursuant hereto.

Section 3.13 Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the registered holder of such Obligation, as reflected on the Register, shall execute and deliver a new Obligation of like tenor, series and maturity and numbered as the Trustee shall determine in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Every mutilated Obligation so surrendered to the Trustee shall be cancelled by it and either destroyed pursuant to the Trustee's retention policy then in effect or delivered upon the order of an Authorized Officer. If any Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee and to such Authorized Officer shall be given, the Trustee, at the expense of the registered holder, as reflected on the Register, shall execute and deliver a new Obligation of like tenor, series and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section 3.13. Any Obligation represented by any certificate issued under the provisions of this Section 3.13 in lieu of any certificate alleged to be lost, destroyed or stolen shall be equally entitled to the benefits of this Trust Agreement with all other Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any duplicate Obligation as representing Outstanding Obligations for the purpose of determining the principal amount of Obligations which may be executed and delivered

hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and duplicate Obligation shall be treated as one and the same.

Section 3.14 Appointment of Paying Agent; Place of Payment. The Trustee is hereby appointed Paying Agent for the Obligations. Principal and interest with respect to Obligations shall be payable as set forth in Section 3.03 or as provided in a Supplemental Trust Agreement.

Section 3.15 Evidence of Signatures of Owners and Ownership of Obligations. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Owners of the Obligations may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided) if the fact and date of the execution by any Owner or such Owner's attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the person signing such instrument acknowledged before him or her the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of such person's authority.

Section 3.16 Redemption.

(a) The Authority may redeem Obligations at its option in accordance with their terms and the terms the Financing Agreement and its terms and the terms of this Trust Agreement, including any Supplemental Trust Agreement, and shall redeem Obligations as provided herein. When Obligations are called for redemption, the Applicable Redemption Price and accrued interest thereon shall become due on the redemption date.

(b) *Optional Redemption.* The Series 2016A Obligations may be redeemed prior to their maturity, at the option of the Authority, on or after November 15, 20__, in whole or in part on any date at a redemption price of ____ per centum (____%) of the principal amount of the Series 2016A Obligations to be redeemed, plus accrued interest, if any, to the date of redemption in connection with a redemption of the Principal Component of the MTA Financing Agreement Amount.

(c) *Early Mandatory Redemption.* The Series 2016A Obligations shall be subject to mandatory redemption prior to their maturity in whole or in part in connection with a redemption of the Principal Component of the MTA Financing Agreement Amount from monies deposited in the Principal Redemption Account pursuant to Articles IV and V of this Trust Agreement. Such Early Mandatory Redemption shall occur on the next Eligible Redemption Date at the Applicable Redemption Price, plus accrued interest, if any, to the date of redemption. Such

Early Mandatory Redemption shall be subject to the Early Mandatory Redemption Priority and the Early Mandatory Redemption Amount Minimum.

(d) Subject to the other provisions of this Section 3.16, if the Obligations are not registered in book-entry-only form, any redemption of less than all of the Obligations will be allocated among the registered owners of such Obligations as nearly as practicable in proportion to the principal amounts of the Obligations owned by each registered owner, subject to the authorized denominations applicable to the Obligations. This will be calculated based on the formula: (principal amount owned by owner) x (principal to be redeemed) / (principal amount outstanding). The particular Obligations to be redeemed will be determined by the Trustee, using such method as it deems fair and appropriate. If the Obligations are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the Obligations, partial redemptions will be done in accordance with DTC procedures [for pro rata pass-through distributions of principal].

Section 3.17 Notice of Redemption. (a) Notice of Optional Redemption. For Obligations being redeemed pursuant to Optional Redemption, the Trustee will give notice to the Owners of the Obligations, subject to the further provisions of this paragraph, which notice will specify the redemption date and the place or places where amounts due upon such redemption will be payable. The notice will further state that on the redemption date the redemption price thereof, including interest accrued to the redemption date, will be payable upon presentation of the Obligation to the Trustee, and that from and after the redemption date interest on the Obligation called for redemption will cease to accrue. The Trustee will mail a copy of the notice, postage prepaid, not less than twenty (20) days nor more than sixty (60) days before the redemption date, to the Owner of each Obligation which is to be prepaid, at the address appearing on the Register. So long as all of the Obligations remain immobilized in the custody of DTC, any such notice of redemption of the Obligations will be delivered only to DTC. DTC is responsible for notifying DTC Participants of such redemption, and DTC Participants and Indirect Participants are responsible for notifying beneficial owners of such redemption. The Trustee is not responsible for sending notices to DTC Participants or Indirect Participants, or to beneficial owners. Any defect in the giving of notice to a particular Owner will not affect the validity of the redemption of the Obligations.

(b) Notice of Early Mandatory Redemption. For Obligations subject to Early Mandatory Redemption, the Trustee will give notice to the Owners of the Obligations, which notice will specify the redemption date and the place or places where amounts due upon such redemption will be payable. The notice will further state that on the redemption date the redemption price thereof, including interest accrued to the redemption date, will be payable upon presentation of the Obligation to the Trustee, and that from and after the redemption date interest on the Obligation called for redemption will cease to accrue. In the case of an Early Mandatory Redemption pursuant to Section 3.16(c), the Trustee will mail a copy of the notice, postage prepaid, not less than twenty (20) days nor more than [ninety (90)] days before the redemption date, to the Owner of each Obligation which is to be prepaid, at the address appearing on the Register. So long as all of the Obligations remain immobilized in the custody of DTC, any such notice of redemption of the Obligations will be delivered only to DTC. DTC is responsible for notifying DTC Participants of such redemption, and DTC Participants and Indirect Participants are responsible for notifying beneficial owners of such redemption. The Trustee is not

responsible for sending notices to DTC Participants or Indirect Participants, or to beneficial owners. Any defect in the giving of notice to a particular Owner will not affect the validity of the redemption of the Obligations.

(c) Notice of redemption of any Series of Obligations shall also be sent by the Trustee to such additional Persons as may be specified in the Supplemental Trust Agreement authorizing such Obligations.

Section 3.18 Effect of Redemption. Notice having been given as aforesaid, and the moneys sufficient for redemption having been set aside in the Principal Redemption Account within the Rent Payment Fund (in the amount set forth in the notice given pursuant to Section 3.17 hereof) in connection with a redemption of the Principal Component of the MTA Financing Agreement Amount, the Obligations shall become due and payable on the date fixed for redemption, and, upon presentation and surrender thereof at the office or offices specified in such notice the Obligations shall be paid together with any unpaid and accrued interest to the date fixed for redemption.

Notice of redemption of Obligations shall be given by the Trustee, at the expense of the Authority.

The Trustee shall cancel and destroy all Obligations prepaid upon surrender thereof pursuant to the Trustee's retention policy then in effect and give evidence of destruction to an Authorized Officer upon written request, and no Obligation shall be delivered in place thereof except as provided for with respect to the partial redemption of any Obligation.

Section 3.19 Non-Presentation. If an Obligation shall not be presented for payment at the maturity thereof and if moneys for payment of Principal and Interest Components with respect to such Obligation are held by the Trustee and available for payment thereof, then, from and after the date such Obligation matures or becomes due and payable, interest shall cease to accrue or be payable with respect to such Obligation.

The Trustee shall annually notify an Authorized Officer of the Obligations which have not been presented for payment. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Obligations which remain unclaimed for three years (or such other shorter period as may from time to time be prescribed by the laws of the State of New York) after the date when such Obligations have become due and payable at their stated maturity dates, if such moneys were held by the Trustee at such date, or for three years (or such other period as may from time to time be prescribed by the laws of the State of New York, provided that if no period is so prescribed, such period shall be six years) after the date of deposit of such moneys if deposited with the Trustee after said date when such Obligations became due and payable, shall automatically revert from the Trustee to the State of New York once the Trustee has complied with the publication and reporting requirements as prescribed in accordance with the Abandoned Property Laws of the State of New York as amended.

Section 3.20 Book-Entry. Subject to the provisions of a Supplemental Trust Agreement, the Authorized Officer and the Trustee are hereby authorized to take all actions

required for the Obligations to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), 55 Water Street, New York, New York, for investment and trading as uncertificated securities and to execute and deliver the Letter of Representation, between DTC and the Authority, with such changes, omissions, insertions and revisions as such persons shall deem advisable, such execution being conclusive evidence of such approval. DTC is hereby appointed as the initial Securities Depository for the Obligations, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered holder of the Obligations. The Trustee may treat any Securities Depository Nominee in whose name any Obligation is registered as the Owner of such Obligation for all purposes under this Trust Agreement. Notwithstanding any other provision hereof, for so long as the Securities Depository Nominee is the registered holder of the Obligations, procedures with respect to the transfer of ownership of, and payment of Principal and Interest Components on, such Obligations so held shall be in accordance with operational arrangements among the Trustee, the Authority and the Securities Depository.

So long as the Obligations are registered in the name of the Securities Depository Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Obligations. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository, any Securities Depository Nominee or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Obligations, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository Nominee, of any notice with respect to the Obligations, or (iii) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository Nominee, of any amount with respect to the principal of or interest on, the Obligations.

The Authority, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to the Obligations. Notice of such termination shall be given by an Authorized Officer to the Trustee prior to or simultaneously with such termination.

Consistent with book-entry provisions, one typewritten certificate shall be prepared for each maturity (or portion of a maturity as determined in accordance with Securities Depository procedures) of each series of the Obligations and registered in the name of the Securities Depository Nominee. There shall be no physical distribution of Obligations to beneficial owners of such Obligations. In the event that certain of the Obligations do not qualify to be held by the Securities Depository or that either the Authority determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Obligations and there is no successor Securities Depository, the physical Obligations shall be delivered to the Owners in such form and in accordance with the procedures determined by agreement of the Authority and the Trustee.

At the written direction of an Authorized Officer, “CUSIP” identification numbers will be imprinted on the Obligations, but such numbers shall not constitute a part of the contract evidenced by the Obligations and any error or omission with respect thereto shall not constitute

cause for refusal of any purchaser to accept delivery of and pay for the Obligations. As a convenience to the Owners of the Obligations, the Authority and the Trustee may use such CUSIP numbers in any notices to the Owners of the Obligations. Failure on the part of the Authority or the Trustee to use such CUSIP numbers in any notice to the Owners of the Obligations or any defect in such CUSIP numbers shall not constitute a Trust Agreement Event of Default.

For so long as the Securities Depository Nominee is the registered holder of the Obligations, payment of semiannual interest on any Obligation shall be made by wire transfer of New York Clearing House or equivalent next day funds to the account of the Securities Depository Nominee on the Interest Payment Date for the Obligations. In the event the book-entry only system is discontinued with respect to the Obligations of any series, interest on such Obligations shall be paid as provided in this Trust Agreement or in a Supplemental Trust Agreement.

ARTICLE IV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

Section 4.01 Trust Fund.

(a) There is hereby established with the Trustee a special fund to be designated "MTA Hudson Rail Yards Trust Fund," referred to herein as the "Trust Fund." The Trustee shall keep the Trust Fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Article. Within the Trust Fund there are hereby established the Costs of Issuance Fund, the Obligations Proceeds Fund, the Capitalized Interest Fund, the Rent Payment Fund and the Interest Reserve Fund, each as more particularly described herein.

The Trustee shall hold in trust for the benefit of the Owners and apply proceeds of the sale of the Obligations, all moneys and securities from time to time deposited with the Trustee under or pursuant to this Trust Agreement, all funds and accounts established under or pursuant to this Trust Agreement, and the income on or the proceeds of any of the foregoing, all for the benefit of the Owners subject to the terms of this Trust Agreement. The Trustee is hereby authorized at any and all times to receive any and all such property and instruments evidencing the Trustee's interest in such property, and any other real or personal property of every name and nature from time to time hereafter, by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, or in which an interest is granted, or instruments evidencing the Trustee's interest in such property, as and for additional security hereunder. The Trustee covenants to hold and apply any and all such property and instruments, including such property in which or instruments by which a security interest is hereafter granted, for the benefit of the Owners in accordance with the terms of this Trust Agreement and the Fee Mortgages. The Authority will from time to time execute and deliver all such supplements and amendments to this Trust Agreement and all such financing statements, continuation statements, instruments of further assurance, assignment notices and other instruments and will take such other action as is, or as Trustee or counsel to the Authority deems, necessary to make more effective the Trustee's interests in all or any portion of the Trust Estate, to maintain or preserve the Fee Mortgages and

the security interest or interests created for the benefit of the Owners by this Trust Agreement, the Financing Agreement, the Lockbox Agreement and the Fee Mortgages and carry out more effectively the purposes of this Trust Agreement, the Financing Agreement, the Lockbox Agreement and the Fee Mortgages, to preserve and defend title to the Trust Estate and the rights of the Trustee, of the Owners against the claims of all persons and parties. The amounts paid out by check or draft to Owners shall continue to be subject to the pledge made and mortgage and security interests granted hereby and by the Fee Mortgages and shall be held until such checks or drafts are presented for payment to the Trustee and any other Paying Agents subject to such interests and shall be applied to the payments evidenced by such checks or drafts, in accordance with the provisions herein.

(b) Within one Business Day upon receipt by the Trustee:

(A) All Financing Agreement Payments identified by the Custodian or the Authority as either Regularly Scheduled Rent or Delinquent Rent shall be deposited by the Trustee into the Rent Revenue Account in the Rent Payment Fund. Provided, however, if (i) MTA previously made Interest Reserve Advances that otherwise would not have been required if such amount of Delinquent Rent was received when due, and (ii) such Tenant is no longer in default under its lease obligations, the Trustee shall reimburse MTA for its previous Interest Reserve Advances attributed to such Delinquent Rent prior to transferring such amounts into the Rent Revenue Account.

(B) All Financing Agreement Payments identified by the Custodian or the Authority as Prepaid Rent shall be deposited by the Trustee into the Prepaid Rent Account in the Rent Payment Fund. Any such amounts deposited into the Prepaid Rent Account shall be subsequently transferred from the Prepaid Rent Account to the Rent Revenue Account on the first day of each calendar month in amounts representing the Annual Base Rent due which are attributable to such prepaid amounts deposited in the Prepaid Rent Account.

(C) All other Financing Agreement Payments (Fee Purchase Payments, Non-Rent Guaranty Payments, and other amounts not representing Annual Base Rent) shall be deposited by the Trustee into the Fee Purchase Payments Revenue Account in the Rent Payment Fund.

Section 4.02 Costs of Issuance Fund. (a) Within the Trust Fund there is hereby established with the Trustee a special fund designated the "Costs of Issuance Fund." The Trustee agrees to receive and deposit in the Costs of Issuance Fund \$_____ on the Closing Date with respect to the Series 2016A Obligations. The Trustee shall deposit therein other moneys as required in connection with the execution of any series of Refunding Obligations or as directed by an Authority Representative and in connection therewith shall, upon the direction of an Authorized Officer, create and maintain separate Accounts and records with respect to each series of Obligations. The Trustee shall keep the Costs of Issuance Fund separate and apart from all other funds and moneys held by it. The Trustee shall administer such fund as provided in this Article IV.

(b) Moneys in the Costs of Issuance Fund shall be applied by the Trustee to the payment of Costs of Issuance relating to the execution and delivery of the Obligations, the Financing Agreement and this Trust Agreement, and the sale of the Obligations, as directed in writing by an Authorized Officer.

(c) Earnings from investment of moneys in the Costs of Issuance Fund not needed to pay Costs of Issuance shall be transferred to the Rebate Fund to the extent directed in writing by an Authorized Officer and, in the absence of such a direction, to the Interest Account in the Rent Payment Fund. To the extent at any time an Authorized Officer notifies the Trustee that the moneys in such Fund are not needed for the purposes of paying the Costs of Issuance, such moneys shall be transferred to the Rebate Fund to the extent directed in writing by an Authorized Officer and, in the absence of such a direction, to the Interest Account in the Rent Payment Fund and applied to the payment of interest on the next Interest Payment Date or, to the extent not needed to pay interest with respect to the Obligations on the next Interest Payment Date, to the Principal Redemption Account in the Rent Payment Fund.

Section 4.03 Obligations Proceeds Fund. (a) Within the Trust Fund there is hereby established with the Trustee a special fund designated the “Obligations Proceeds Fund.” If so requested by the Authority in writing, or as provided in a Supplemental Trust Agreement, the Trustee shall establish separate Accounts within the Obligations Proceeds Fund corresponding to transit and commuter projects or Related Transportation Entities or any combination thereof. Moneys on deposit in the Obligations Proceeds Fund shall be used solely for the purpose of paying Capital Costs (other than those paid from the Costs of Issuance Fund), except as otherwise provided in this Section 4.03.

The Trustee agrees to receive and deposit \$_____ from the proceeds of the Series 2016A Obligations in the Obligations Proceeds Fund on the Closing Date with respect to the Series 2016A Obligations. The Trustee shall deposit in such Fund other moneys as required in connection with the execution of any series of Refunding Obligations. The Trustee shall keep the Obligations Proceeds Fund separate and apart from all other funds and moneys held by it. The Trustee shall administer the Obligations Proceeds Fund as provided in this Article.

(b) All disbursements from each Account of the Obligations Proceeds Fund shall be made by the Trustee upon receipt of a written request from an Authorized Officer. The Authority shall maintain records relating to the amounts in the Obligations Proceeds Fund that are expended for Capital Costs of each of the Related Transportation Entities in order to determine, from time to time, the respective percentages that each such Related Transportation Entity is responsible for with respect to the payment of Interest Reserve Advances, as provided in Section 4.1(3) of the Financing Agreement.

(c) The Trustee shall honor all requests for disbursement delivered to it prior to the occurrence of a Trust Agreement Event of Default under Section 5.04 of this Trust Agreement. So long as the Trustee relies in good faith upon the written requests provided for above, it shall have no liability on account of disbursements from the Obligations Proceeds Fund.

(d) Earnings from investment of moneys in any Account in the Obligations Proceeds Fund not needed for paying Capital Costs shall be transferred to the Rebate Fund to the extent

directed in writing by an Authorized Officer and, in the absence of such a direction, to the Interest Account in the Rent Payment Fund. To the extent at any time an Authorized Officer notifies the Trustee that the moneys in such Fund are no longer required for Capital Costs, such moneys shall be transferred to the Rebate Fund to the extent directed in writing by an Authorized Officer and, in the absence of such a direction, deposited to the Principal Redemption Account in such manner as to be applied in accordance therewith.

Section 4.04 Rent Payment Fund. (a) Within the Trust Fund there is hereby established with the Trustee a special fund designated the “Rent Payment Fund.” Within such Fund there are hereby created the Rent Revenue Account, Prepaid Rent Account, Fee Purchase Payments Revenue Account, Interest Account and Principal Redemption Account. The Trustee shall keep the Rent Payment Fund separate and apart from all other funds and moneys held by it and shall administer the Rent Payment Fund as provided in this Article IV. The Rent Payment Fund shall be maintained by the Trustee until the later of the date on which all Principal and Interest Components are paid in full or until there are no Obligations Outstanding.

(b) Rent Revenue Account.

(i) There is hereby created and established in the Rent Payment Fund an account therein called the “Rent Revenue Account.” In accordance with Section 4.01(b)(A), all Financing Agreement Payments identified by the Custodian or the Authority as either Regularly Scheduled Rent or Delinquent Rent shall be deposited by the Trustee into the Rent Revenue Account in the Rent Payment Fund within one Business Day upon receipt by the Trustee. In accordance with Section 4.01(b)(B), the Trustee shall, on the first day of each calendar month, transfer from the Prepaid Rent Account to the Rent Revenue Account an amount representing the Annual Base Rent due which is attributable to such prepaid amounts deposited in the Prepaid Rent Account. Such amounts will be transferred to the Interest Account in accordance with Section 4.04(f)(ii)(B) hereof.

(c) Prepaid Rent Account.

(i) There is hereby created and established in the Rent Payment Fund an account therein called the “Prepaid Rent Account.” In accordance with Section 4.01(b)(B), the Trustee shall deposit all Financing Agreement Payments identified by the Custodian or the Authority as Prepaid Rent into the Prepaid Rent Account in the Rent Payment Fund within one Business Day upon receipt by the Trustee. Any such amounts deposited into the Prepaid Rent Account shall be subsequently transferred from the Prepaid Rent Account to the Rent Revenue Account on the first day of each calendar month in amounts representing the Annual Base Rent due which are attributable to such prepaid amounts deposited in the Prepaid Rent Account.

(d) Fee Purchase Payments Revenue Account.

(i) There is hereby created and established in the Rent Payment Fund an account therein called the “Fee Purchase Payments Revenue Account.” In accordance with Section 4.01(b)(C), the Trustee shall, on the first day of each calendar month, transfer all other Financing Agreement Payments (Fee Purchase Payments, Non-Rent Guaranty Payments, and other amounts not representing Annual Base Rent) into the Fee Purchase Payments Revenue

Account in the Rent Payment Fund, which shall be transferred to the Trustee for deposit into the Principal Redemption Account to be used to redeem Obligations in accordance with Section 5.06(a)(ii) hereof.

(e) Interest Account.

(i) There is hereby created and established in the Rent Payment Fund an account therein called the "Interest Account." On or prior to the Closing Date for the Series 2016A Obligations, the Authority shall deliver to the Trustee a schedule meeting the requirements of Section 3.1(8) of the Financing Agreement, which shall be attached hereto as Schedule 1, and the Authority shall continue to revise such Schedule 1 as provided in such Section 3.1(8), and the Trustee may conclusively rely on such Schedule 1 as revised from time to time.

(ii) The Trustee shall, on each Monthly Transfer Date, make such deposits or transfers to the Interest Account in the following order:

- (A) transfer to the Interest Account from the Capitalized Interest Account the amount set forth in Schedule 1 equal to that Monthly Transfer Date's Capitalized Interest Fund Transfer Amount,
- (B) transfer to the Interest Account from the Rent Revenue Account the lesser of (i) the balance in the Rent Revenue Account and (ii) the amount required to fund the Interest Account to the then calculated Interest Account Requirement,
- (C) after making all transfers and calculations pursuant to paragraph (f) of this Section 4.04 with respect to the Principal Redemption Account, transfer to the Interest Account from the Interest Reserve Fund the amount required to fund the Interest Account to the then calculated Interest Account Requirement.

(iii) The Trustee shall, on each Interest Payment Date, pay out of the Interest Account the amounts required for the payment of the Interest Component due and payable on such Interest Payment Date with respect to the Obligations. Notwithstanding the foregoing, amounts in the Interest Account may be applied to the payment of interest on Obligations redeemed in accordance with Section 3.16(b) hereof.

(iv) In the event that on the last Business Day of the month immediately preceding an Interest Payment Date due to the unavailability of moneys in the Interest Reserve Fund, the amount on deposit in the Interest Account of the Rent Payment Fund is less than the amount required to pay the full amount of the Interest Component due and payable on such Interest Payment Date after the transfer made pursuant to Section 4.06(b) below, the Trustee shall forthwith transfer from available moneys in the Principal Redemption Account in the Rent Payment Fund to the Interest Account within the Rent Payment Fund an amount sufficient to make up such deficiency or all of the moneys in the Principal Redemption Account in the Rent Payment Fund if less than the amount

required; provided, however, the Trustee shall not transfer any amounts needed to pay the redemption price of Obligations for which a notice of redemption shall have been given pursuant to Section 3.16.

(v) Unless needed to satisfy the Rebate Requirement, earnings from investment of the amounts in the Interest Account shall be held in the Interest Account and applied in accordance herewith.

(f) Principal Redemption Account.

(i) There is hereby created and established in the Rent Payment Fund an account called the “Principal Redemption Account.”

(ii) The Trustee shall, on each Monthly Transfer Date make such deposits or transfers to the Principal Redemption Account in the following order:

(A) transfer to the Principal Redemption Account all amounts in the Fee Purchase Payment Revenue Account;

(B) after transferring amounts in the Rent Revenue Account to the Interest Account pursuant to Section 4.04(e)(ii)(B), transfer to the Principal Redemption Account all remaining amounts in the Rent Revenue Account which where not needed to fund the Interest Account to the then current Interest Account Balance Requirement.

(iii) Concurrently with making the transfers pursuant to paragraph (ii) above, the Trustee shall re-calculate the principal amount of Obligations that can be redeemed on the next Eligible Redemption Date from amounts transferred or deposited in the Principal Redemption Account and then re-calculate the Interest Account Balance Requirement taking into account such upcoming redemptions. Any amounts in the Interest Account in excess of the re-calculated Interest Account Balance Requirement shall be transferred to the Principal Redemption Account.

(iv) Upon making all required transfers to the Principal Redemption Account on or prior to each Monthly Transfer Date, the Trustee shall immediately determine if any Obligations will be subject to Early Mandatory Redemption on the next Eligible Redemption Date, taking into account amounts transferred to the Principal Redemption Account and the Early Mandatory Redemption provisions set forth in Section 3.16. If any Obligations are subject to Early Mandatory Redemption, the Trustee will notify the Authority of such upcoming redemption and take all actions required to effectuate such redemption, including calculating the principal amounts to be redeemed, the Redemption Price(s) and sending all required redemption notices no later than two Business Days following the Monthly Transfer Date.

(v) Unless needed to satisfy the Rebate Requirement, earnings from investment of the amounts held in the Principal Redemption Account shall be held in the Principal Redemption Account and applied in accordance herewith.

(g) Earnings from investment of moneys in the Rent Revenue Account, Prepaid Rent Account, or the Fee Purchase Payments Revenue Account in the Rent Payment Fund shall be transferred to the Rebate Fund to the extent directed in writing by an Authorized Officer and, in the absence of such a direction, to the Interest Account in the Rent Payment Fund.

Section 4.05 Capitalized Interest Fund. (a) Within the Trust Fund there is hereby established with the Trustee a special fund designated the “Capitalized Interest Fund.” The Trustee agrees to receive and deposit from the proceeds of the Series 2016A Obligations \$_____ in the Capitalized Interest Fund on the Closing Date with respect to the Series 2016A Obligations. The Trustee shall deposit in such Capitalized Interest Fund other moneys as required pursuant to written directions of an Authorized Officer in connection with the execution of any series of Refunding Obligations. The Trustee shall keep the Capitalized Interest Fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Article. Such fund shall be maintained by the Trustee until there are no Obligations Outstanding.

(b) The initial amounts on deposit in the Capitalized Interest Fund and any amounts deposited therein from the proceeds of any subsequent Series of Obligations shall be used to pay the interest portion of the Principal and Interest Components on the Obligations in accordance with Schedule 1 hereto. The Trustee is hereby authorized and directed to transfer from the Capitalized Interest Fund to the Interest Account in the Rent Payment Fund on or before each Interest Payment Date, an amount equal to the amount set forth in Schedule 1.

(c) Unless needed to satisfy the Rebate Requirement, earnings from investment of the amounts held in the Capitalized Interest Fund shall be held in the Capitalized Interest Fund and applied in accordance herewith.

Section 4.06 Interest Reserve Fund. (a) Within the Trust Fund there is hereby established with the Trustee a special fund designated the “Interest Reserve Fund.” The Trustee agrees to receive and deposit from the proceeds of the Series 2016A Obligations an amount equal to \$____, which is an amount equal to the Interest Reserve Requirement, in the Interest Reserve Fund on the Closing Date with respect to the Series 2016A Obligations. The Trustee shall deposit in such Interest Reserve Fund other moneys as required pursuant to written directions of an Authorized Officer in connection with the execution of any series of Refunding Obligations. The Trustee shall deposit all Interest Reserve Advances to the credit of the Interest Reserve Fund upon receipt.

The Trustee shall keep the Interest Reserve Fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Article. Such fund shall be maintained by the Trustee until the Principal and Interest Components are paid in full and there are no Obligations Outstanding.

(b) If, on any Monthly Transfer Date, after taking into account all other deposits to the Interest Account, the amount on deposit in the Interest Account is less than the Interest Account Requirement, the Trustee shall forthwith transfer from the Interest Reserve Fund to the Interest Account pursuant to Section 4.04(f)(ii)(C) an amount sufficient to make up such deficiency or all of the moneys in the Interest Reserve Fund if less than the amount required. In

the event of any such transfer from the Interest Reserve Fund, the Trustee shall provide written notice to the Authority of the amount and date of such transfer. The Trustee shall deposit into the Interest Reserve Fund any Interest Reserve Advances made by the Authority pursuant to Section 4.1(1) of the Financing Agreement to restore the Interest Reserve Fund to the Interest Reserve Requirement. Upon any such transfer, the Trustee shall provide notice to the Authority in the form set forth in Exhibit C.

(c) Moneys in the Interest Reserve Fund shall be used solely to make up deficiencies in the Interest Account in the Rent Payment Fund. Except in connection with the execution and delivery of Refunding Obligations wherein a reduction in the Interest Reserve Requirement shall be governed by the Supplemental Trust Agreement relating thereto, if there is any amount in the Interest Reserve Fund in excess of the Interest Reserve Requirement, such amount shall be transferred to the Principal Redemption Account in the Rent Payment Fund and applied in accordance with the provisions thereof.

(d) Unless needed to satisfy the Rebate Requirement, earnings from investment of moneys in the Interest Reserve Fund shall be credited to the Interest Reserve Fund to the extent the amount on deposit in the Interest Reserve Fund is less than the Interest Reserve Requirement, and then to the Interest Account in the Rent Payment Fund.

Section 4.07 Rebate Fund. (a) The Rebate Fund shall be maintained by the Trustee as a fund separate from any other fund established and maintained hereunder. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be required by the Authority in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America. The Authority or the Owner of any Obligations shall not have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.07 and the Tax Certificate (which is incorporated herein by reference). Amounts in the Rebate Fund are not pledged to Owners.

(b) The Trustee shall be deemed conclusively to have complied with this Section 4.07 and the Tax Certificate if it follows the directions of an Authorized Officer, including supplying all necessary written information in the manner provided in the Tax Certificate, and shall have no liability or responsibility for compliance (except as specifically set forth herein or in the Tax Certificate) or to enforce compliance by the Authority with the terms of the Tax Certificate.

(c) Upon the written direction of the Authority, the Trustee shall deposit in the Rebate Fund amounts received from the Authority, so that the balance on deposit therein shall be equal to the Rebate Requirement. The Authority may authorize the Trustee to transfer moneys from other Funds and Accounts hereunder in the following order of priority to the extent not needed in such Fund and Account for the purposes of such Fund or Account: earnings and other moneys in the Costs of Issuance Fund; earnings and other moneys in the Obligations Proceeds Fund; earnings in the Interest Account; earnings in the Principal Redemption Account; earnings in the Capitalized Interest Fund; and earnings and other moneys in the Interest Reserve Fund. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Certificate. The Trustee shall have no obligation to calculate the Rebate

Requirement or to rebate any amounts required to be rebated pursuant to this Section 4.07, other than from moneys held in the Funds and Accounts created under this Trust Agreement as provided herein or from Available Transportation Revenues provided to it by the Authority.

(d) The Trustee shall invest all amounts held in the Rebate Fund as provided in written directions of the Authority. In issuing such directions, the Authority shall comply with the restrictions and instructions set forth in the Tax Certificate. Moneys from the Rebate Fund may only be applied as provided in this Section 4.07.

(e) Upon receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer, the Trustee shall pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Rebate Fund, as so directed. Notwithstanding any other provisions of this Trust Agreement, the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of this Section 4.07 and the Tax Certificate shall survive the defeasance or payment in full of the Obligations.

Section 4.08 Deposit and Investment of Moneys in Funds. (a) The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and the Tax Certificate, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of (i) the Authority, (ii) the Trustee (other than as specifically set forth in Section 5.05 or 6.03 below after a Trust Agreement Event of Default or a Lease Payment Event of Default) or (iii) any Owner of the Obligations.

(b) All moneys held by the Trustee in any of the Funds or Accounts established pursuant to this Article IV shall be invested in Permitted Investments as directed in writing (which may be standing investment direction) by an Authorized Officer. Any moneys held by the Trustee in the Capitalized Interest Fund, Interest Reserve Fund and the Rent Payment Fund and so invested shall mature in sufficient time to make the required payments on the applicable Interest Payment Dates.

(c) The Trustee shall make such investment in any of the Funds or Accounts established pursuant to or in accordance with this Article IV in accordance with written instructions received from an Authorized Officer. Unless otherwise directed by an Authorized Officer, interest earned by the investment of moneys in the Interest Reserve Fund shall be retained in such Account to the extent needed to satisfy the Interest Reserve Requirement and, if not so needed, shall be applied as provided in Section 4.06 hereof.

(d) Unless otherwise provided herein, interest earned by the investment of moneys in any Fund or Account shall be retained in such Fund or Account to the extent needed therein, and if not so needed, shall be transferred to the Interest Account in the Rent Payment Fund.

(e) The Trustee, at the direction of an Authorized Officer, shall sell any Permitted Investments held in any Fund or Account to the extent required for payments from such Fund or Account. The proceeds of such sales, and of all payments at maturity or redemption of such

investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Permitted Investment to the extent such amount exceeds any accrued interest paid on the purchase of such Permitted Investment shall be treated as interest earned on such Permitted Investment for purposes of this Section 4.08.

(f) Nothing in the Trust Agreement shall prevent any Permitted Investment acquired as investments of or security for any Fund or Account held under the Trust Agreement from being held in book-entry form.

(g) All moneys held by the Trustee under the provisions of this Trust Agreement shall constitute trust funds and the Trustee may deposit such moneys with itself or one or more other depositories in trust for said parties. All moneys deposited under the provisions of this Trust Agreement with the Trustee or any depository shall be held in trust and applied only in accordance with the provisions of this Trust Agreement. Each depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$50,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Trust Agreement.

(h) In making any investment in any Permitted Investments with moneys in any Fund or Account established under this Trust Agreement, the Trustee, upon the direction of an Authorized Officer, may combine such money with moneys in any other Fund or Account held by it, but solely for purposes of making such investment in such Permitted Investments.

(i) The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any investment made or disposed of in the manner provided in this Section 4.08.

(j) Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each period in which a trust account statement is rendered. No statement need be rendered for any Fund or Account if no activity occurred in such Fund or Account during such period.

ARTICLE V

COVENANTS, DEFAULT AND LIMITATION OF LIABILITY

Section 5.01 Performance of Financing Agreement, Fee Mortgages and Leases.

The Authority covenants and agrees, on behalf of itself and the other Related Transportation Entities, with the Owners of the Obligations to perform all obligations and duties imposed on them, as applicable, hereunder and under the Financing Agreement, the Lockbox Agreement, the Fee Mortgages and the Leases.

Section 5.02 Enforcement of Leases, Construction Guaranties and Payment Guaranties. The Authority covenants and agrees that it (1) shall diligently pursue any and all actions to enforce its rights to collect (or to direct the payment to the Custodian of) the Financing

Agreement Payments under the Leases, the Construction Guaranties and the Payment Guaranties; (2) shall not take any action and will use its best efforts not to permit any action to be taken by others under the Leases, the Construction Guaranties and the Payment Guaranties that would have a material adverse effect on the interest of Owners of the Obligations, including, without limitation, any actions that would release any Person from any of such Person's covenants or obligations or impair the validity or effectiveness of such Leases, the Construction Guaranties or the Payment Guaranties or any amendment, hypothecation, subordination, termination or discharge of such Leases, Construction Guaranties or Payment Guaranties; and (3) shall not take any action and will use its best efforts not to permit any action to be taken by others that would reduce the amount and timing of Monthly Base Rent payments and Fee Purchase Payments to be made under the Leases and the Payment Guaranties. The Authority hereby agrees to notify the Trustee promptly after becoming aware of any Lease Payment Event of Default and to notify the Trustee of any other events or circumstances necessary for the Trustee to enforce any of the rights and remedies of the Owners under the Leases and/or the Fee Mortgages. To the extent the Authority receives notice from the Custodian of any shortfall, the Authority shall promptly contact the applicable defaulting Tenant to request immediate payment of such deficiency and pursue available remedies under the defaulted Lease.

Section 5.03 Notice of Non-Payment. Upon the occurrence of a Lease Payment Event of Default, the Authority shall, not later than five (5) days following the Original Lease Default Date give telephonic notice, promptly confirmed in writing, of the delinquency and of the amount thereof to the Trustee. In the event of delinquency in the payment of Interest Reserve Advances or any other amount payable by the Authority to the Trustee pursuant to terms of the Financing Agreement, the Trustee shall, not later than five (5) days following the date upon which such delinquent Interest Reserve Advances or any other amount payable by the Authority to the Trustee pursuant to the Financing Agreement was due, give telephonic notice, promptly confirmed in writing, of the delinquency and of the amount thereof to the Authority.

Section 5.04 Events of Default Relating to the Trust Obligations and Exercise of Remedies by the Trustee.

(a) The following shall be Events of Default hereunder:

(i) The failure in the payment of any Principal and Interest Component related to any Obligations when the same shall become due and payable, whether at the stated Maturity Date thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise; and

(ii) There shall occur a failure by the Authority or any of the other Related Transportation Entities (but only with respect to the other Related Transportation Entities with respect to the payment of Interest Reserve Advances) to observe, or a refusal to comply with, the terms of this Trust Agreement, the Financing Agreement or the Obligations, provided, however, except in the case of the failure of the Authority or the other Related Transportation Entities to make timely payments of Interest Reserve Advances as provided in Section 4.1(1) of the Financing Agreement, which shall be an immediate Trust Agreement Event of Default hereunder, that such failure or refusal shall

have continued for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Authority by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration, and provided further, that if the failure stated in the notice cannot be remedied within the applicable period but can be remedied, the Trustee shall not unreasonably withhold its consent to an extension of such time if corrective action has been instituted by the Authority within such period and is being diligently pursued.

(b) Upon the occurrence of any Trust Agreement Event of Default hereunder, then the Trustee, upon being indemnified as provided in Article VI below, shall (1) bring action upon the Obligations or under this Trust Agreement or the Financing Agreement against the Authority and the other Related Transportation Entities (in the case of a default with respect to Interest Reserve Advances) to require compliance with the terms of this Trust Agreement and the Financing Agreement, (2) by action or suit, require the Authority to account for Financing Agreement Payments as if it were the trustee of an express trust for the Owners of the Obligations, and (3) by action or suit, enjoin any acts or things which may be unlawful, or in violation of the rights of the Owners of the Obligations. Amounts recovered from the Authority or the other Related Transportation Entities representing defaulted Interest Reserve Advances shall be transferred first to the Interest Account until the amount therein is equal to the Interest Account Requirement, second to the Interest Reserve Fund until the amount therein is equal to the Interest Reserve Fund Requirement, and third to the Principal Redemption Account to redeem Obligations in accordance with Section 3.16(d) hereof.

(c) No remedy conferred on the Trustee under Section 5.04(b) is intended to be exclusive of any other remedy hereunder but each and every remedy given to the Trustee shall be in addition to any other remedy given to the Trustee under the Leases, the Fee Mortgages, the Financing Agreement and hereunder.

(d) No delay or omission to exercise any right or power accruing upon any default or Trust Agreement Event of Default shall impair any such right or power or shall be construed to be a waiver of such default or Trust Agreement Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.05 Exercise of Remedies by the Authority or the Trustee Upon the Occurrence of a Lease Payment Event of Default.

(a) Upon the occurrence of any Lease Payment Event of Default, the Authority may, as long as it remains current in its obligation to make Interest Reserve Advances, take any action under the defaulted Lease as may be necessary or convenient to remedy the Lease Payment Event of Default. The Authority shall, within a reasonable period of time following the Original Lease Default Date, but in no event later than twelve (12) months following such date, notify the Trustee in writing either that (i) it is exercising its Cure Rights with respect to the Lease Payment Event of Default, or (ii) it has decided not to exercise its Cure Rights with respect to the Lease Payment Event of Default. If at any time after the Authority exercises its Cure Rights it determines not to continue, the Authority shall promptly notify the Trustee of such determination. The Authority may not sell or otherwise dispose of the parcel that is the subject

of the defaulted Lease at a price that is less than the sum of the defaulted Monthly Base Rent plus the applicable Fee Purchase Payment.

(b) In the event that (i) the Authority has notified the Trustee as provided in Section 5.05(a) hereof that the Authority is not exercising its Cure Rights, (ii) the Authority has not notified the Trustee within twelve (12) months from the Original Lease Default Date that the Authority is exercising its Cure Rights, or (iii) the Authority does not continue to exercise its Cure Rights, the Trustee shall exercise rights and remedies under the applicable Lease and Fee Mortgage, including by causing a Real Estate Asset Management Consultant to be retained as provided in Section 5.05(c) hereof.

(c) Upon the occurrence of any event described in Section 5.05(b) hereof, the Trustee may cause a Real Estate Asset Management Consultant to be retained for the purpose of servicing and administering the defaulting Leases for which it is responsible and exercising remedies under the defaulted Leases and Fee Mortgages with the same care, skill, prudence and diligence with which the Real Estate Asset Management Consultant performs its general mortgage servicing and property management activities on behalf of third parties or on behalf of itself, whichever is higher, and giving due consideration to the customary and usual standards of practice of prudent institutional commercial mortgage lenders servicing their own loans and with a view to the timely collection of all scheduled payments of Monthly Base Rent and, if a Lease continues in default and if, in the good faith and reasonable judgment of the Real Estate Asset Management Consultant, no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on the defaulting Lease for the benefit of the Owners. The Trustee shall not be obligated to pay or advance the fees and expenses of the Real Estate Consultant out of its own funds. The Trustee will, subject to receipt of indemnification satisfactory to the Trustee, follow the directions of the Real Asset Management Consultant. The fees and expenses of the Real Estate Asset Management Consultant and the Trustee may be recovered from amounts recovered under the Fee Mortgage and the defaulted Lease.

(d) No remedy conferred on the Authority or the Trustee under this Section 5.05 is intended to be exclusive of any other remedy hereunder but each and every remedy given to the Authority and the Trustee shall be in addition to any other remedy given to the Authority and the Trustee under the Leases, the Payment Guaranties, the Fee Mortgages, the Financing Agreement and hereunder.

(e) No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.06 Application of Moneys.

(a) All moneys received by the Authority, the Trustee and the Real Estate Asset Management Consultant pursuant to any right given or action taken under the provisions of Section 5.05 shall, after payment of any outstanding fees and expenses of the Trustee and the Real Estate Asset Management Consultant, be applied as follows:

(i) If the Authority elects to pursue remedies in accordance with Section 5.05(a) hereof and the Lease remains in effect following the exercise of such remedies, an amount recovered by the Authority equal to the amount of Monthly Base Rent that was in default from the Original Lease Default Date to the date of application of the recovery moneys shall be transferred to the Trustee. The Trustee shall deposit from such moneys first to the Interest Account an amount equal to the difference between (A) the amount that should have been deposited to the Interest Account from the defaulted Monthly Base Rent and (B) the amount of Interest Reserve Advances made by the Authority with respect to such defaulted interest, and second to the Principal Redemption Account an amount equal to the amount that would have been available to redeem Principal Components if the Tenant had not been in default during such period. Provided the amounts then on deposit in the Interest Account and the Principal Redemption Account are funded to their then required requirements, in the event the Authority made Interest Reserve Advances during such period of default, any remaining moneys recovered shall be used to reimburse the Authority for such Interest Reserve Advances. Any excess shall be transferred to the Trustee for deposit into the Principal Redemption Account to be used to redeem Obligations in accordance with Section 3.16(d) hereof.

(ii) If the Authority elects to pursue remedies in accordance with Section 5.05(a) hereof and the parcel that is the subject of the Lease is sold or otherwise disposed of for a price that is at least equal to the sum of the defaulted Monthly Base Rent plus the applicable Fee Purchase Payment, such amount shall be transferred to the Trustee. From the amounts recovered as defaulted Monthly Base Rent, the Trustee shall deposit first to the Interest Account an amount equal to the difference between (A) the amount that should have been deposited to the Interest Account from the defaulted Monthly Base Rent and (B) the amount of Interest Reserve Advances made by the Authority with respect to such defaulted interest, and second to the Principal Redemption Account an amount equal to the amount that would have been available to redeem Principal Components if the Tenant had not been in default during such period. In the event the Authority made Interest Reserve Advances during such period of default, any remaining moneys recovered as defaulted Monthly Base Rent, but not including any Fee Purchase Payments, shall be used to reimburse the Authority for such Interest Reserve Advances. Any excess shall be transferred to the Trustee for deposit into the Principal Redemption Account to be used to redeem Obligations in accordance with Section 3.16(d) hereof. All Fee Purchase Payments received shall be transferred to the Trustee for deposit into the Principal Redemption Account to be used to redeem Obligations in accordance with Section 3.16 hereof.

(iii) Upon the exercise of any remedies by the Trustee in accordance with Section 5.05(b) and (c) hereof, the moneys recovered by the Trustee shall be applied first to the payment of costs and expenses of the Trustee and the Real Estate Asset Management Consultant in prosecuting such remedies to the extent not recovered under the defaulted Lease or otherwise, second, to reimburse the Authority for any Interest Reserve Advances made by the Authority during any default period, and third, transferred to the Trustee for deposit into the Interest Account and the Principal Redemption Account to be used to redeem Obligations in accordance with Section 3.16 hereof.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section 5.06, such moneys shall be applied at such times and from time to time as the Authority or the Trustee, as the case may be, shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the proper purpose shall constitute proper application by the Authority or the Trustee, as the case may be, and the Authority or the Trustee, as the case may be, shall incur no liability whatsoever to the Authority (in the case of the Trustee) or to the Owner of any Obligation (in the case of the Authority and the Trustee) or to any other person for any delay in applying any such moneys so long as the Authority or the Trustee, as the case may be, acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions hereof as may be applicable at the time of application by the Authority or the Trustee, as the case may be. Whenever the Authority or the Trustee, as the case may be, shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest with respect to the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Authority or the Trustee, as the case may be, shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of such date, and shall not be required to make payment to the Owner of any unpaid Trust Obligation until such Trust Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 5.07 Initiation of Remedies. All rights of action hereunder may be enforced by the Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants the Owners of any Obligation, and any recovery of judgment shall be for the ratable benefit of the Owners of the Obligations then Outstanding.

Section 5.08 Rights and Remedies of Owners. No Owner of any Obligation shall have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement or the Fee Mortgages, for the execution of any trust hereof or any other remedy hereunder or under the Fee Mortgages. Nothing in this Trust Agreement shall, however, affect or impair the right of any Owner to enforce the payment of the principal and interest with respect to any Obligation at and after the maturity thereof, or the obligation of the Trustee to pay the principal and interest with respect to each of the Obligations executed and delivered hereunder to the respective Owners thereof at the time and place, and from the source and in the manner, provided in this Trust Agreement.

Section 5.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Trust Agreement and/or the Fee Mortgages and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority and the Trustee shall be restored to their former positions and rights hereunder and thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 5.10 Waivers of Events of Default. The Trustee may in its discretion waive any Trust Agreement Event of Default referred to in Section 5.04(a)(ii) hereof other than a

failure to make Interest Reserve Advances and its consequence and shall do so upon the written request of the Owners of a majority in aggregate principal amount of all the Obligations then Outstanding.

Section 5.11 No Obligation with Respect to Performance By Trustee. The Authority shall not have any obligation or liability to any person with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 5.12 No Trustee Liability to Owners for Payment. Notwithstanding any other provision of this Trust Agreement, the Trustee shall not have any obligation or liability to the Owners of the Obligations with respect to the payment of Financing Agreement Payments when due, or with respect to the performance by the Authority of any other agreement made by it in the Financing Agreement or this Trust Agreement, except to administer, for the benefit of the Owners, the various Funds and Accounts established in this Trust Agreement in the manner herein provided.

Section 5.13 No Responsibility for Sufficiency. The Trustee shall not be responsible for the sufficiency or validity (except as to the Trustee's obligations) of the Financing Agreement, the Fee Mortgages, the Leases or the value of or title to or license or other property right in the Mortgaged Property.

Section 5.14 Tax Covenant. The Authority covenants and agrees that it will maintain the exclusion from gross income of the interest portion of the Principal and Interest Components received or accrued by Owners of Obligations pursuant to Section 103(a) of the 1986 Code, as defined below. In furtherance thereof, the Authority will comply with the Tax Certificate (including any supplements thereto or amendments thereof). The Authority further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts, if any, necessary to satisfy the rebate requirements of Section 148(f) of the 1986 Code.

As used in this covenant, 1986 Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Notwithstanding any other provision of this Trust Agreement to the contrary, upon the Authority's failure to observe, or refusal to comply with, the above covenant, the Owners of the Obligations, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners of the Obligations or the Trustee under Section 5.04(b) hereof.

Notwithstanding the foregoing, at the written direction of an Authorized Officer, the Trustee may issue all or any portion of the Obligations in one or more series as taxable Obligations.

ARTICLE VI

THE TRUSTEE

Section 6.01 Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee hereby agrees to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Financing Agreement and the Fee Mortgages

for credit to the various Funds and Accounts established by this Trust Agreement; to execute, deliver and deal with the Obligations; to apply and disburse amounts received from the Authority pursuant to the Financing Agreement or otherwise to the Owners; and to perform certain other functions, all as provided in, and subject to the terms and conditions of, this Trust Agreement and the Fee Mortgages.

Section 6.02 Trustee; Duties, Removal and Resignation. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations of the Trustee provided in this Trust Agreement, but only upon the terms and conditions set forth in this Trust Agreement.

The Authority may, or the Owners of a majority in aggregate principal amount of all Obligations Outstanding may, with the written consent of the Authority, remove the Trustee initially a party to this Trust Agreement, and any successor thereto, upon not less than 30 days' prior written notice to the Trustee and to the Owners by mailing, first class postage prepaid, a copy of such notice to the Owners, and may appoint a successor trustee, but any such successor shall (a) be a bank or trust company organized under the laws of New York State or, if organized under the laws of another state, authorized to do business in the State of New York, or a national banking association; (b) have a substantial corporate trust operation; and (c) meet all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time and further, must meet a minimum Common Equity Tier 1 Capital of at least \$10 billion. All successor trustees must agree to and accept the terms and conditions of this Trust Agreement.

The Trustee may at any time resign by giving not less than 60 days' prior written notice to the Authority and to the Owners of Obligations by mailing, first class postage prepaid, a copy of such notice to the Owners. Upon receiving such notice of resignation, the Authority shall have the right to appoint promptly a successor trustee by an instrument in writing, and the Authority shall use its best efforts to appoint a qualified successor trustee promptly. Resignation or removal of the Trustee and appointment of a successor trustee shall become effective only upon acceptance of appointment by the successor trustee. If a successor trustee shall not have been appointed within the date designated on such notice of resignation or removal, the resigning Trustee or the Authority may apply to any court of competent jurisdiction to appoint a successor Trustee meeting the qualifications specified in this Section 6.02 to act until such time, if any, as a successor shall have been appointed above as provided. Any successor trustee so appointed by such court shall immediately and without further act be superseded by any successor trustee appointed as above provided within one year from the date of the appointment by such court. Each successor trustee appointed upon the resignation of the Trustee or another successor trustee shall satisfy the qualifications required for a successor trustee appointed on the removal of the Trustee or a successor trustee. Each successor trustee shall be authorized to exercise the trust powers granted to the Trustee herein.

Section 6.03 Compensation of the Trustee. The Trustee's fees, costs and expenses, including but not limited to the reasonable expenses, charges, counsel fees, costs and other disbursements, including those of its attorneys, agents, and employees, incurred in connection with the performance of its powers and duties as trustee and paying agent hereunder shall be as

agreed to between the Trustee and the Authority, and shall, to the extent not paid from the Costs of Issuance Fund or as otherwise set forth herein, be paid by the Authority from Available Transportation Revenues. During the time that a Trust Agreement Event of Default or a Lease Payment Event of Default has occurred and is continuing, the Trustee shall have, in addition to any other rights hereunder, a first lien and claim, prior to the rights of any Owners or any other parties, for the payment of its compensation and indemnity and the reimbursement of its expenses and any advances made by it, upon the Trust Estate (using first moneys on deposit in the Interest Reserve Fund, which withdrawal shall be reimbursed by the Authority to the same extent and in the same time frame as any other use of moneys in the Interest Reserve Fund) and the Trustee may withdraw the same from the Trust Estate when the same become due and payable.

Section 6.04 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall, provided that such company is eligible under Section 6.02 hereof, be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 6.05 Protection of the Trustee. The Trustee shall be protected and shall incur no liability to anyone in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or issued pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Any actions taken by the Trustee thereunder shall be at the expense of the Authority. The Trustee shall not be bound to recognize any person as an Owner of any Trust Obligation or to take any action at such person's request unless the Obligation shall be deposited with the Trustee or satisfactory evidence of the ownership of such Obligation shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be deemed to have notice of any Trust Agreement Event of Default hereunder or any Lease Payment Event of Default except a default in the payment of principal or interest with respect to the Obligations, unless the Trustee shall have actual knowledge thereof or be specifically notified thereof in writing.

The Trustee shall not be bound by any notice or demand, or any waiver, modification, termination or rescission of this Trust Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Trustee signed by the proper party or parties and, if the duties or rights of the Trustee are affected, unless it shall give its prior written consent thereto.

Except for amendments to this Trust Agreement and except for written instructions given to the Trustee by an Authorized Officer relating to the Trust Estate under this Trust Agreement, the Trustee shall not be obligated to recognize any agreement between any or all of the persons referred to herein, notwithstanding that references thereto may be made herein and whether or not it has knowledge.

The Trustee shall have the right to assume in the absence of written notice to the contrary from the proper person or persons that a fact or an event by reason of which an action would or might be taken by the Trustee does not exist or has not occurred, without incurring liability to the other parties hereto or to anyone else for any action taken or omitted, or any action suffered by it to be taken or omitted, in good faith and in the exercise of its own best judgment, in reliance upon such assumption.

If a Trust Agreement Event of Default or a Lease Payment Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Except during the continuance of a Trust Agreement Event of Default or a Lease Payment Event of Default, the Trustee need perform only those duties that are specifically set forth in this Trust Agreement and no others, and no implied duties shall be read into this Trust Agreement against the Trustee.

Whenever in the administration of its duties under this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless otherwise prescribed) shall be deemed to be conclusively proved and established by the certificate of an Authorized Officer, and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Obligations, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Authority, and may act as depository, trustee, or agent for any committee or body of Owners of Obligations or other obligations of the Authority as freely as if it were not Trustee hereunder.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall not be liable for the conduct of the same if appointed with due care.

The Trustee shall not be answerable or accountable except for the performance of its duties and obligations as are specifically set forth in this Trust Agreement and except for its own negligence or willful misconduct. The Trustee has no obligation or liability to the Owners for the payment of the Obligations, except to administer, for the benefit of the Owners, the various

Funds and Accounts established in this Trust Agreement in the manner herein provided. The Trustee has no obligation to pay any portion of the interest or principal payments with respect to the Obligations from any source other than the Trust Estate, including the Financing Agreement Payments received and retained by the Trustee and the Funds and Accounts (other than the Rebate Fund) established in this Trust Agreement. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Obligations. The Trustee shall not be responsible or liable for the preparation, filing, correctness or accuracy of any Uniform Commercial Code financing statements or for the existence, validity or perfection of any lien or security interest.

No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, willful misconduct or failure to act, except that this provision shall not be construed to affect the scope of the Trustee's duties and obligations provided for herein or the Trustee's right to rely on the truth of statements and the correctness of opinions as heretofore provided. In no event shall the Trustee be liable to any party: (a) for any losses on investments made in accordance with Section 4.08(b) of this Trust Agreement; or (b) for special, indirect, punitive or consequential losses or damages of any kind whatsoever (including, without limitation, loss of profits or business), arising under or in connection with this Trust Agreement, even if the Trustee has been advised of the possibility of such losses or damages and regardless of the form of action. Any liability relating to or resulting from the Authority's failure to make Financing Agreement Payments in accordance with the Financing Agreement shall be at the expense of the Authority.

The Trustee shall not be responsible for the sufficiency or accuracy of the form of, or the execution, validity, value or genuineness of, any document or property received, held or delivered by it hereunder, or of any signature or endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall the Trustee be responsible or liable to the other parties hereto or to anyone else in any respect on account of the identity, authority or rights of the person or persons executing or delivering or purporting to execute or deliver any document or property or this Trust Agreement. The Trustee shall have no responsibility with respect to the use or application of any funds or other property paid or delivered by the Trustee pursuant to the provisions hereof. The Trustee shall not be liable to the other parties hereto or to anyone else for any loss which may be incurred by reason of any investment of any moneys which it holds hereunder.

Except as set forth in Section 6.08 hereof and with respect to the Trustee's liability as provided by the foregoing paragraphs of this Section 6.05, the Authority shall and hereby agrees to indemnify, defend and save the Trustee harmless from and against any and all liabilities which it may incur in the exercise and performance of its powers and duties hereunder; provided, however, that this indemnification shall be limited to the extent and in the amount permitted by law. The Authority's obligations so to indemnify the Trustee shall survive the final payment of the Obligations and any resignation or removal of the Trustee. No indemnification will be made by the Authority under this Trust Agreement for liabilities arising from the Trustee's negligence or willful misconduct.

The provisions of this Article VI shall also apply to the Trustee in its capacity as Paying Agent for the Obligations.

Section 6.06 No Liens, Charges or Encumbrances. The Trustee hereby covenants not to create any lien, charge or encumbrance upon any of the amounts to be received from the Trust Estate, except as specifically set forth herein.

Section 6.07 Trustee to Act as Set Forth Herein. The Trustee has the power to receive, to hold in accordance with the terms hereof and to disburse the money to be paid pursuant to this Trust Agreement. The Trustee has no power to vary, alter or substitute the Financing Agreement, the Fee Mortgages or the corpus of any trust created hereby at any time, except as specifically authorized herein.

Section 6.08 Limitation of Liability. In addition to and not in limitation of the foregoing, it is understood and agreed that (i) this Trust Agreement is executed and delivered by the Trustee, not in its individual capacity, but solely as a trustee under this Trust Agreement in the exercise of the power and authority conferred and vested in it as a trustee, (ii) the representations, undertakings and agreements made herein by the Trustee are not personal representations, undertakings and agreements of the Trustee, but are binding only on the Trustee, as trustee, and (iii) actions to be taken by the Trustee pursuant to its obligations hereunder may be taken by the Trustee in its discretion except if the Trustee shall have received specific written instruction from an Authorized Officer not to take a particular action. The Authority waives any and all claims against the Trustee (except for the Trustee's negligence or willful misconduct) and its directors, officers and employees pursuant to this Section 6.08.

ARTICLE VII

AMENDMENT; ADMINISTRATIVE PROVISIONS

Section 7.01 Amendment. The Authority and the Trustee, by execution and delivery of a Supplemental Trust Agreement, may, without the consent of, or notice to, any of the Owners, amend this Trust Agreement for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement;
- (b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or any of them;
- (c) To subject to the lien and pledge of this Trust Agreement additional revenues or security;
- (d) To authorize and provide for the execution and delivery of Refunding Obligations and the terms of such Refunding Obligations, including as necessary in the determination of an Authorized Officer to provide for issuance of Refunding Obligations, and with such other changes, including provision for reserve fund requirements, subject to the conditions set forth in Section 3.01(b) herein;

(e) To add to the covenants and agreements of the Trustee contained in this Trust Agreement other covenants and agreements thereafter to be observed for the protection of the Owners;

(f) To add to the Trust Agreement any provisions relating to the application of interest earnings in any Fund and Account under the Trust Agreement required by law to preserve the exclusion from gross income for Federal income tax purposes of interest received on the Obligations then Outstanding or to be issued or the exemption of interest received on such Obligations from State income taxation;

(g) To modify, amend or supplement the Trust Agreement in any manner not already provided for in or pursuant to the Supplemental Trust Agreement authorizing the related series of Obligations in order to provide for a Reserve Fund Credit Facility, municipal bond insurance policy or other similar arrangement with respect to any series of Obligations, under the Trust Agreement, so long as an Authorized Officer determines that such Supplemental Trust Agreement does not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations;

(h) To insert such provisions clarifying matters or questions arising under this Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with this Trust Agreement as theretofore in effect; or

(i) To make any other modification or amendment of this Trust Agreement which the Trustee shall in its sole discretion determine will not have a material adverse effect on the interest of Owners of the Obligations, which determination may be based upon an opinion of counsel.

Exclusive of the aforementioned types of amendments and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other amendment, as shall be deemed necessary and desirable by the Authority or the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any amendment thereto, provided, however, that nothing in this Section 7.01 shall permit, or be construed as permitting: (i) an extension of the maturity of the principal or the interest with respect to any Obligation executed and delivered hereunder, or a reduction in the principal with respect to any Obligation or the rate of interest with respect thereto, without the consent of each Owner so affected; or (ii) a privilege or priority of any Obligation over any other Obligation, or a reduction in the aggregate principal with respect to the Obligations required for consent to such amendment, without the consent of the Owners of all of the Obligations then Outstanding.

The Financing Agreement, the Leases and the Fee Mortgages may be modified or amended by the parties thereto without the consent of, or notice to, any of the Owners or the Trustee, for any of the purposes for which this Trust Agreement may be so amended pursuant to paragraph (a) through (i) of this Section 7.01. Subject to the following two sentences, without

the consent of the Owners of the Obligations, the Trustee may consent to any other amendment to the Financing Agreement, the Leases or the Fee Mortgages which in its judgment does not have a material adverse effect on the interests of the Owners of the Obligations; provided, that the Trustee shall not be obligated to enter into any amendments that adversely impact its rights, duties or protections. The Trustee shall not consent to any amendment or modification of the Financing Agreement, the Leases or the Fee Mortgages which would change the amount of Financing Agreement Payments required to be paid under the Financing Agreement or the Interest Payment Dates, other than in connection with the delivery of Refunding Obligations, unless the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding shall approve the Trustee's consent to such amendment; provided, however, that no amendment to the Financing Agreement, the Leases or the Fee Mortgages shall be consented to if the amendment would result: (i) in a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon unless the Owners of all of the Obligations affected so consent; or (ii) in a privilege or priority of any Obligation over any other Obligation, or a reduction in the aggregate principal amount of the Obligations required for consent to such amendment, unless the Owners of all of the Obligations then Outstanding so consent. Neither this Trust Agreement nor the Financing Agreement or the Fee Mortgages shall be modified, amended, altered or changed in any manner that would cause, with respect to Obligations that are intended to be tax-exempt, the inclusion of the interest portion of the Principal and Interest Components received or accrued by Owners in the gross income of the Owners for Federal income tax purposes.

If, at any time, the Trustee shall propose an amendment for any of the purposes of this Section 7.01 requiring the approval of the Owners, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, notify the Owners of all Outstanding Obligations of the proposed amendment. Notice of such proposed amendment shall be given not less than thirty (30) days prior to the effective date of the amendment by mailing, first class postage prepaid, a copy thereof, to the Owners. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. If the requisite number of Owners of Outstanding Obligations shall have consented to and approved the execution and delivery of the Supplemental Trust Agreement effecting such amendment as herein provided, no Owner of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Trust Agreement, this Trust Agreement, the Financing Agreement or the Fee Mortgages, as the case may be, shall be and each is deemed to be modified and amended in accordance with the terms of such Supplemental Trust Agreement. The Trustee may, in its discretion, determine whether or not in accordance with the foregoing powers of amendment any particular Obligation would be affected by any modification or amendment of this Trust Agreement, the Financing Agreement, the Leases or the Fee Mortgages and any such determination shall be binding and conclusive on the Authority and all the Owners. The Trustee may receive an opinion of counsel, as conclusive evidence as to whether particular Obligations would be so affected by any such modification or amendment of this Trust Agreement, the Financing Agreement, the Leases or the Fee Mortgage. Notwithstanding anything in this Section 7.01 or this Trust Agreement or the Financing

Agreement or the Fee Mortgages to the contrary, the consent of the Owners of any series of Refunding Obligations to be executed and delivered hereunder shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment effected thereby and such proposed modification or amendment is disclosed in the official statement or other offering document pursuant to which such series of Refunding Obligations is offered and sold to the public.

Section 7.02 Defeasance. If and when the whole amount of the Principal and Interest Components due and payable with respect to all Outstanding Obligations or any series or maturity within a series of Obligations shall be paid, or provision shall have been made for the payment of the same, by the deposit in the Principal Redemption Account of the Rent Payment Fund or an escrow fund or account of cash or securities issued or guaranteed by the United States Government in an amount sufficient (together with interest earnings thereon), in the opinion of a verification agent, to provide for the redemption of all such Principal and Interest Components on the first optional redemption date, all amounts required to be paid to the United States Government pursuant to Section 148(f) of the 1986 Code with respect to such Obligations shall have been paid or provided for and all administrative expenses shall have been paid or provided for with respect to such Obligations, then, and in that case, all obligations of the Trustee with respect to such Obligations and of the Authority with respect to the Financing Agreement shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid to such Owners of Obligations all sums due with respect thereto from amounts provided therefor, and the obligation of the Authority to make payments to the United States Government pursuant to Section 5.14 hereof. Any and all such cash and securities so deposited shall be held by the Trustee and shall be subject to an irrevocable trust to be applied to the payment of the Principal and Interest Components with respect to the Obligations. Except in the event of a refunding of all Outstanding Obligations, if all Outstanding Obligations are paid or provided for in accordance with this Section 7.02, the Trustee shall assign and transfer to the Authority all property (in excess of the amounts required for the foregoing) then held by the Trustee (including the Financing Agreement, the Fee Mortgages and all payments thereunder and all balances in any Fund or Account created under this Trust Agreement) and shall execute such documents as may be reasonably required by an Authorized Officer. In the event of a refunding of all Obligations, all such property then held by the Trustee shall be assigned and transferred, as directed in writing by an Authorized Officer, to the Trustee for the refunding Trust Obligations. Notwithstanding any other provisions of this Trust Agreement to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes of the interest portion of the Principal and Interest Components, the tax covenants contained in Section 5.14 hereof shall survive the payment of the Series 2016A Obligations, including any payment or defeasance thereof pursuant to this Section 7.02.

Section 7.03 Records. Prior to the payment in full of the Principal and Interest Components with respect to the Obligations and for a period of six (6) years thereafter, the Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which records shall be available for inspection by the Authority and the Owners, or the agent of any of them, at any time during regular business hours upon compliance with the reasonable requirements of the Trustee.

Section 7.04 Moneys Held for Particular Obligations. The amounts held by the Trustee for the payment of the Principal and Interest Components due on any date with respect to particular Obligations shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Obligations entitled thereto.

Section 7.05 Notices. All written notices to be given under this Trust Agreement shall be given by first class mail postage prepaid to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time.

If to the Trustee: Wells Fargo Bank, National Association
[TBD]

If to the Authority: Metropolitan Transportation Authority
2 Broadway
New York, New York 10004
Attention: Director, Finance

with a copy to the General Counsel of the Authority at the same address.

Any such notice shall be deemed to have been received five (5) calendar days subsequent to mailing.

Section 7.06 New York Law. This Trust Agreement shall be construed in accordance with and shall be governed by the laws of the State of New York.

Section 7.07 Severability. Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

Section 7.08 Binding Effect; Successors. This Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, and shall further inure to the benefit of the Owners. Whenever in this Trust Agreement any party is named or referred to, such reference shall be deemed to include such party's successors or assigns, and all covenants and agreements contained in this Trust Agreement by or on behalf of any party shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

Section 7.09 Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

Section 7.10 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 7.11 No Recourse on the Obligations. No recourse shall be had for the payment of the principal of or interest on the Obligations or for any claim based thereon or on the Trust Agreement against any member or officer of the Authority.

Section 7.12 Not Debt of State, City or the Authority. Neither the Obligations nor the Financing Agreement constitute or create a debt of the State of New York, The City of New York, the Authority or any of the Related Transportation Entities and none of the State, the City, the Authority or any of the Related Transportation Entities shall be liable thereon.

Section 7.13 Miscellaneous Provisions. Except as expressly permitted in this Trust Agreement, the Trustee may not assign, transfer, convey or otherwise dispose of any of its rights or responsibilities under this Trust Agreement without the prior written consent of the Authority or the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding.

IN WITNESS HEREOF, the parties have executed and attested this Trust Agreement by their authorized signatories as of the date and year first written above.

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK)

SS.:

On the ____ day of July, in the year 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK) SS.:

On the ____ day of July, in the year 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A

**REQUEST FOR PREPARATION, EXECUTION AND
DELIVERY OF
MTA HUDSON RAIL YARDS TRUST OBLIGATIONS, SERIES 2016A**

Metropolitan Transportation Authority (the “Authority”) hereby authorizes and requests Wells Fargo Bank, National Association, as trustee (the “Trustee”) under the MTA Hudson Rail Yards Trust Agreement, dated as of July 1, 2016, by and between the Authority and the Trustee, to prepare, execute and deliver to The Depository Trust Company the following MTA Hudson Rail Yards Trust Obligations, Series 2016A, registered in the name of Cede & Co., pursuant to such Trust Agreement:

TRUST OBLIGATIONS, SERIES 2016A

<u>Numbers</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
----------------	----------------------	-------------------------	----------------------

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Authorized Officer

Received:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____

Name:

Title:

Date: July __, 2016

EXHIBIT B

FORM OF TRUST OBLIGATION

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Trust Agreement referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Trust Agreement to the contrary, a portion of the principal amount of this Series 2016A Trust Obligation may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Series 2016A Trust Obligation may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Trust Agreement.

2016A-1 R-1

\$000,000,000

MTA HUDSON RAIL YARDS TRUST OBLIGATIONS, SERIES 2016A

**Evidencing Interests in the MTA Financing Agreement Amount
Payable by the
METROPOLITAN TRANSPORTATION AUTHORITY
Pursuant to the Financing Agreement**

INTEREST

RATE

MATURITY DATE

DATED DATE

CUSIP

November 15, ____

July __, 2016

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

DOLLARS

THIS IS TO CERTIFY THAT the registered owner named above of this Hudson Rail Yard Trust Obligation, Series 2016A (herein called this "Series 2016A Trust Obligation") is the owner of the interest hereinafter stated in the Principal and Interest Components of Financing Agreement Payments made by the Metropolitan Transportation Authority (the "Authority") pursuant to the Interagency Financing Agreement, dated as of July 1, 2016 (the "Financing Agreement"), by and among the Authority, New York City Transit Authority, Manhattan and

Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company and MTA Bus Company and Wells Fargo Bank, National Association, as Trustee (the “Trustee”).

The registered owner of this Series 2016A Trust Obligation is entitled to receive, subject to the terms of the Financing Agreement and that certain MTA Hudson Rail Yards Trust Agreement, dated as of July 1, 2016 (the “Trust Agreement”), by and between the Authority and the Trustee on the Maturity Date set forth above (the “Maturity Date”), the principal sum stated above, representing the principal portion of the Principal and Interest Components (as defined in the Trust Agreement) payable under the Financing Agreement coming due on the Maturity Date, and to receive from the date hereof the registered owner’s share of the interest portion of the Principal and Interest Components coming due on November 15, 2016 and semiannually on May 15 and November 15 of each year thereafter (each, an “Interest Payment Date”), to, but not including, the Maturity Date at the rate set forth above. Interest on the Series 2016A Trust Obligations shall be calculated on the basis of a 30-day month and 360-day year. Payments of interest with respect to this Series 2016A Trust Obligation shall be made on the appropriate Interest Payment Date to the person appearing on the Register as the registered holder thereof as of the close of business on the first day of the month of such Interest Payment Date, whether or not such first day is a Business Day, such interest to be paid by check or draft mailed to such registered holder at such registered holder’s address as it appears on the Register or at such other address as such registered holder may have filed with the Trustee for that purpose; provided, however, that the Trustee may establish a special record date in connection with the payment of interest in default. Principal with respect to this Series 2016A Trust Obligations will be payable at the offices of the Trustee upon presentation and surrender of this Series 2016A Trust Obligation. There may be issued under the Trust Agreement certain refunding obligations (which refunding obligations, together with the Series 2016A Trust Obligations, are collectively referred to herein as the “Trust Obligations”).

All capitalized terms used herein and not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

The Trust Obligations are special obligations payable solely from the Trust Estate established under the Trust Agreement. The Trust Estate consists principally of (a) all the proceeds of the Obligations, all Funds (other than the Rebate Fund) established by the Trust Agreement, including the investment income, if any, thereof, subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Trust Agreement; (b) Financing Agreement Payments paid by the Authority under the Financing Agreement, including Monthly Base Rent, Fee Purchase Payments, Cure Rights payments, amounts recovered by the Authority in the exercise of remedies following a Lease Payment Event of Default, and certain other payments made to the Authority and intended to reimburse the Authority for Monthly Base Rent payments, including payments made by a guarantor under a Payment Guaranty; (c) Interest Reserve Advances under the Financing Agreement; (d) all right, title and interest of the Trustee in and to amounts recovered by the Trustee in the exercise of remedies under the Trust Agreement following a Trust Agreement Event of Default or a Lease Payment Event of Default and in and to the Fee Mortgages, including any amounts collected in the enforcement of remedies thereunder; and (e) any and all other property, revenues or funds from time to time hereafter by delivery or by

writing of any kind specially granted, assigned or pledged as and for additional security under the Trust Agreement, by the Authority or anyone else, in favor of the Trustee.

The Trust Obligations are not obligations of The City of New York (the “City”) or the State of New York (the “State”). Except with respect to Interest Reserve Advances, which are payable from Available Transportation Revenues, neither MTA nor any of the other Related Transportation Entities is obligated to make any other payment of amounts with respect to the Principal and Interest Components of the Trust Obligations from any other revenues or moneys other than the Trust Estate.

The Series 2016A Trust Obligations are subject to optional and early mandatory redemption as provided in the Trust Agreement.

If Trust Obligations are optionally redeemed pursuant to the Trust Agreement, the Trustee will give notice to the Owners of the Trust Obligations, which notice will specify the redemption date and the place or places where amounts due upon such redemption will be payable. The notice will further state that on the redemption date the redemption price thereof, including interest accrued to the redemption date, will be payable upon presentation of the Trust Obligation to the Trustee, and that from and after the redemption date interest on the Trust Obligation called for redemption will cease to accrue. The Trustee will mail a copy of the notice, postage prepaid, not less than twenty (20) days nor more than sixty (60) days before the redemption date, to the Owner of each Trust Obligation which is to be prepaid, at the address appearing on the Register. So long as all of the Trust Obligations remain immobilized in the custody of DTC, any such notice of redemption of the Trust Obligations will be delivered only to DTC.

If Trust Obligations are to be prepaid pursuant to early mandatory redemption pursuant to the preceding two paragraphs, the Trustee will give notice to the Owners of the Trust Obligations, which notice will specify the redemption date and the place or places where amounts due upon such redemption will be payable. The notice will further state that on the redemption date the redemption price thereof, including interest accrued to the redemption date, will be payable upon presentation of the Trust Obligation to the Trustee, and that from and after the redemption date interest on the Trust Obligation called for redemption will cease to accrue. In the case of an early mandatory redemption, the Trustee will mail a copy of the notice, postage prepaid, not less than twenty (20) days nor more than twenty-five (25) days before the redemption date, to the Owner of each Trust Obligation which is to be prepaid, at the address appearing on the Register. So long as all of the Trust Obligations remain immobilized in the custody of DTC, any such notice of redemption of the Trust Obligations will be delivered only to DTC.

In the event Trust Obligations of a Series are issued with more than one maturity, in all instances of redemption, the earliest then Outstanding maturity shall always be redeemed first.

If the Trust Obligations are not registered in book-entry-only form, any redemption of less than all of the Trust Obligations will be allocated among the registered owners of such Trust Obligations as nearly as practicable in proportion to the principal amounts of the Trust Obligations owned by each registered owner, subject to the authorized denominations applicable

to the Trust Obligations. This will be calculated based on the formula: (principal amount owned by owner) x (principal to be redeemed) / (principal amount outstanding). The particular Trust Obligations to be redeemed will be determined by the Trustee, using such method as it deems fair and appropriate. If the Trust Obligations are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the Trust Obligations, partial redemptions will be done in accordance with DTC procedures [for pro rata pass-through distributions of principal].

If notice of prepayment shall have been given as aforesaid, then the moneys sufficient for redemption having been set aside in the Principal Redemption Account within the Rent Payment Fund (in the amount set forth in the notice of redemption), the Trust Obligations shall become due and payable on the date fixed for redemption, and, upon presentation and surrender thereof at the office or offices specified in such notice the Trust Obligations shall be paid together with any unpaid and accrued interest to the date fixed for redemption.

The Trust Agreement permits certain amendments or supplements to the Trust Agreement not prejudicial to the Owners to be made without the consent of or notice to the Owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Trust Obligations then Outstanding and other amendments or supplements thereto to be made only with the consent of all Owners.

The Series 2016A Trust Obligations shall be in denominations of \$5,000 each or any integral multiple thereof, and shall be represented by fully registered Series 2016A Trust Obligations, without coupons, subject to the provisions of a book-entry system; provided, however, that if such book-entry system is discontinued, physical Series 2016A Trust Obligations shall be delivered to the Owners in accordance with the Trust Agreement.

The Trust Obligations shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. All the Trust Obligations executed and delivered pursuant to the Trust Agreement shall be transferable subject to the provisions for registration and transfer contained therein.

IN WITNESS WHEREOF, WELLS FARGO BANK, NATIONAL ASSOCIATION has caused this Series 2016A Trust Obligation to be signed in its name and on its behalf by the manual or facsimile signature of its authorized officer as of the Dated Date.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

[PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF
TRANSFeree]

the within Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints
____ attorney to transfer the within
Obligation on the books kept for registration thereof, with full power of substitution in the
premises.

Date:

In the Presence of:

NOTICE: The signature must be guaranteed by
an officer of a commercial bank, trust company
or by a member of The New York Stock
Exchange or other national securities exchange.
Notarized or witnessed signatures are not
acceptable.

NOTICE: The signature of this
assignment must correspond with
the name as it appears upon the face
of the within Obligation in every
particular, without alteration or
enlargement or any change
whatever.

EXHIBIT C

NOTICE OF WITHDRAWAL FROM INTEREST RESERVE FUND

[To come]

SCHEDULE 1
CAPITALIZED INTEREST SCHEDULE

Interest Payment Date	Interest Component	Capitalized Interest Amount
----------------------------------	-------------------------------	--

SCHEDULE 2
REDEMPTION SCHEDULE

INTERAGENCY FINANCING AGREEMENT

by and among

METROPOLITAN TRANSPORTATION AUTHORITY,
NEW YORK CITY TRANSIT AUTHORITY,
MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY,
THE LONG ISLAND RAIL ROAD COMPANY,
METRO-NORTH COMMUTER RAILROAD COMPANY

and

MTA BUS COMPANY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

Dated as of July 1, 2016

Relating to

MTA HUDSON RAIL YARDS TRUST OBLIGATIONS

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INTERAGENCY FINANCING AGREEMENT

INTERAGENCY FINANCING AGREEMENT, dated as of July 1, 2016 (as amended or supplemented from time to time, the “Financing Agreement”), by and among METROPOLITAN TRANSPORTATION AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State of New York (the “Authority”), NEW YORK CITY TRANSIT AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State of New York (the “Transit Authority”), MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY, a public benefit corporation of the State of New York which is a subsidiary corporation of the Transit Authority (“MaBSTOA”), THE LONG ISLAND RAIL ROAD COMPANY, a public benefit corporation of the State of New York which is a subsidiary corporation of the Authority (the “LIRR”), METRO-NORTH COMMUTER RAILROAD COMPANY, a public benefit corporation of the State of New York which is a subsidiary corporation of the Authority (the “MNCRC”), and MTA BUS COMPANY, a public benefit corporation of the State of New York which is a subsidiary corporation of the Authority (the “MTA Bus”) (individually, a “Related Transportation Entity” and, collectively, the “Related Transportation Entities”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee (the “Trustee”) under the MTA Hudson Rail Yards Trust Agreement, dated as of July 1, 2016 (the “Trust Agreement”), by and between the Authority and the Trustee.

WITNESSETH:

WHEREAS, Section 1265(3) of the Authority Act (as hereinafter defined) authorizes the Authority “...to finance or refinance all or any part of the costs to the [A]uthority or to any other person or entity, public or private, of the planning, design, acquisition, construction, improvement, reconstruction or rehabilitation of any transportation facility”;

WHEREAS, Section 1265(7) of the Authority Act authorizes the Authority “[t]o acquire, hold and dispose of real or personal property in the exercise of its powers”;

WHEREAS, Section 1265(14) of the Authority Act authorizes the Authority “[t]o do all things necessary, convenient or desirable to carry out its purposes and for the exercise of the powers granted in [the Authority Act]”;

WHEREAS, Section 1266(5) of the Authority Act provides that “[t]he [A]uthority may acquire, hold, own, lease, establish, construct, effectuate, operate, maintain, renovate, improve, extend or repair any transportation facilities through, and cause any one or more of its powers, duties, functions or activities to be exercised or performed by, one or more wholly owned subsidiary corporations of the [A]uthority, or by New York [C]ity [T]ransit [A]uthority or any of its subsidiary corporations in the case of transit facilities and may transfer to or from any such corporations any moneys, real property or other property for any of the purposes of this title upon such terms and conditions as shall be agreed to and subject to such payment or repayment obligations as are required by law or by any agreement to which any of the affected entities is subject”;

WHEREAS, Section 1266(6-a) of the Authority Act provides that “[s]ubject to the rights of the holders of any outstanding bonds, notes or other obligations of the [A]uthority, New York

[C]ity [T]ransit [A]uthority and Triborough [B]ridge and [T]unnel [A]uthority, and to facilitate the efficient financial management of the [A]uthority, its subsidiary corporations, New York [C]ity [T]ransit [A]uthority and its subsidiary corporations, and Triborough [B]ridge and [T]unnel [A]uthority (the “affiliated entities”), the [A]uthority may, and may permit and direct any affiliated entity to, transfer revenues, subsidies and other moneys or securities to one or more funds or accounts of another affiliated entity for use by such other affiliated entity, provided at the time of such transfer it is reasonably anticipated that the moneys and securities so transferred will be reimbursed, repaid or otherwise provided for by the end of the next succeeding calendar year if reimbursement or repayment is required by law or by any agreement to which any of the affected affiliated entities is subject”;

WHEREAS, the Authority has entered into certain agreements for the development of the Eastern Rail Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yard (the “West Side Yard”), pursuant to which the Authority has entered into 99-year ground leases, severable, with options to purchase fee interests in severed parcels (the “Leases,” as more fully described herein), a portion of such parcels being land parcels and the remaining portions being air-rights parcels;

WHEREAS, a portion of the revenues to be derived from the Leases has been identified as a source of funding for capital projects of the Related Transportation Entities in approved Capital Program Plans (as hereinafter defined);

WHEREAS, the Related Transportation Entities have determined that it would be more efficient and effective in the financing of their capital projects if they were able to monetize the revenues to be derived from the Leases;

WHEREAS, the Related Transportation Entities have determined that they can monetize a portion of the revenues to be derived from the Leases and, in furtherance thereof, the Authority and the Trustee have entered into the Transportation Trust Agreement, pursuant to which the Trustee will execute and deliver to investors the Trust Obligations (as hereinafter defined) evidencing interests in the MTA Financing Agreement Amount (as hereinafter defined) payable to the Trustee pursuant to this Financing Agreement;

WHEREAS, the Leases provide for certain periods of abatement of Annual Base Rent (as defined in the Leases), the funding of capitalized interest and the establishment of an Interest Reserve Fund to pay interest on the Trust Obligations during the abatement period and in the event that, for whatever reason, the Monthly Base Rent (as hereinafter defined) to be derived from the Leases may be insufficient to pay the interest portion of such Trust Obligations when due, the Related Transportation Entities have agreed to make certain Interest Reserve Advances (as hereinafter defined);

WHEREAS, in order to provide for the efficient transfer of payments to the Trustee and the monthly accounting of such payments to determine sufficiency hereunder, the Authority has entered into a Lockbox Agreement, dated as of July 1, 2016 (the “Lockbox Agreement”), with Wells Fargo Bank, National Association, as custodian thereunder (the “Custodian”), pursuant to which the Authority will direct all Tenants to make payments under the Leases directly to the Custodian;

WHEREAS, in connection with the construction of certain buildings and facilities, affiliates of the Tenants have delivered certain construction completion guaranties, none of which guaranties guaranty the payment of Monthly Base Rent by the Tenants under their respective Leases, including the following (collectively referred to herein as the “Completion Guaranties”): (1) the Retail Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated December 11, 2015, by The Related Companies, L.P. (“Related”) and OP USA Debt Holdings Limited Partnership (“OPUSA”), jointly and severally, to and for the benefit of the Authority and LIRR; (2) the Roof, Facilities and Relocations Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated March 17, 2014, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR; (3) the Tower A Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated December 11, 2015, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR; (4) the Tower C Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2013, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR; and (5) the Tower D Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated November 23, 2015, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR;

WHEREAS, pending the commencement of construction of certain buildings and facilities, affiliates of the Tenants have delivered the following payment guaranties that guaranty, subject to limitations described therein, the payment of, among other things, Monthly Base Rent by certain Tenants and/or a payment in lieu of proceeding with such construction, all as more fully described in such guaranties (collectively, the “Payment Guaranties”): (1) the Default Payments Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2013, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority, (2) the Default Payments Guaranty (Western Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2014, by Related and OPUSA, for the benefit of the Authority, as amended or supplemented from time to time, together with any additional or substitute default payments guaranty executed and delivered in connection with a severed parcel, or other guaranty whereby the guarantors thereunder guaranty the payment of all or a portion of the Monthly Base Rent thereunder.

NOW THEREFORE, be it agreed by the parties hereto as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions.

Except where the context otherwise requires words in the singular number shall include the plural number and vice versa and words importing persons shall include firms, associations and corporations.

Except as otherwise specifically provided herein, terms used in this Financing Agreement which are defined in Section 1.01 of the Trust Agreement shall have the same meanings herein as set forth therein.

The following terms shall have the following meanings:

Additional Related Transportation Entity means any subsidiary or affiliate of a Related Transportation Entity now or hereafter established which is designated as a Related Transportation Entity in a certificate delivered by an Authorized Officer to the Trustee and which has become a party to this Financing Agreement.

Additional Rent, with respect to each Lease, shall have the meaning set forth in such Lease, and, collectively, means the sum of all Additional Rent under the Leases.

Additional Severed Parcel Lease means a lease executed and delivered by a Tenant under a parcel or portion thereof severed from any Lease in accordance with the terms thereof.

Annual Base Rent, with respect to each Lease, shall have the meaning set forth in such Lease, and, collectively, means the sum of all Annual Base Rent under the Leases.

Authority has the meaning set forth in the introductory paragraph hereof.

Authority Act means the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law of the Consolidated Laws of the State of New York, as amended.

Authorized Officer means the Chairman and Chief Executive Officer, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer, the Director, Finance, the Director of Budget and Financial Management, the Secretary or any Assistant Secretary, and any other person authorized by the Authority, as appropriate, to perform the act or sign the document in question.

Available Transportation Revenues means (i) amounts which are available to be transferred to accounts held by the Authority or any other Related Transportation Entity pursuant to Section 504(d) of the Transportation Revenue Bond Resolution, and (ii) any other legally available moneys of the Authority or any other Related Transportation Entity that the Authority or such Related Transportation Entity determines, in its sole discretion, to make available to the payment of its obligations hereunder. For purposes of clarification, Available Transportation Revenues referred to in clause (i) of this definition are revenues payable from the same pool of moneys available for the payment of the operating and maintenance expenses of the Related Transportation Entities.

Base Rental means (i) all Monthly Base Rent, (ii) any payments due to the Authority under any Payment Guaranty that is intended to compensate the Authority for Monthly Base Rent that was due and owing but not otherwise paid to the Authority under the provisions of a Lease, (iii) amounts recovered from any defaulting Tenant following a Lease Payment Event of Default that is meant to reimburse the Authority for defaulted Monthly Base Rent as provided in Section 5.06 of the Trust Agreement, and (iv) amounts paid by the Authority in an amount equal

to Monthly Base Rent following its election to cure a Lease Payment Event of Default as provided in Section 5.05 of the Trust Agreement. Base Rental does not include Additional Rent.

Capital Costs means (i) the costs of the Authority or any other Related Transportation Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or any part of the Transportation District Project, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), and initial working capital required for the commencement of operation of any part of the Transportation District Project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness, made by the Authority or any other Related Transportation Entity to any Person participating in a Transportation District Project for the purpose of funding any costs described in this clause (i); (ii) the payment of bonds, notes or other obligations of the Related Transportation Entities previously incurred to finance Capital Costs; and (iii) amounts paid into any Fund or Account upon the issuance of any Obligations.

Capital Program Plan means a capital program plan approved in accordance with Section 1269-b of the Authority Act, or any successor provision thereto.

Closing Date means the date of execution of this Financing Agreement and on which date the proceeds of the sale of a series of the Obligations are received by the Trustee.

Commuter System means the commuter rail services in the Transportation District operated by LIRR and MNCRC.

Completion Guaranties has the meaning set forth in the recitals hereto.

Covered Transit Project means a Transit Project, or part thereof, undertaken by the Authority at the request of the Transit Authority, the costs (including the financing thereof) of which Transit Project, or part thereof, the Transit Authority is contractually obligated to repay to the Authority pursuant to this Financing Agreement, as evidenced by Section 6.1 hereof.

Custodian has the meaning set forth in the recitals hereto, and its successors and assigns.

ERY Balance Lease means the Agreement of Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2013, by and between the Authority and ERY Tenant LLC (f/k/a RG ERY LLC), relating to the Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 702, Lots 4, 110 and 9110), as amended by the First Amendment to Lease, dated as of December 30, 2013, by and between the Authority and ERY Tenant LLC (f/k/a RG ERY LLC), as amended by the Second Amendment to Lease, dated as of March 17, 2014, by and between the Authority and ERY Tenant LLC (f/k/a RG ERY LLC), as amended by the Third Amendment to Lease, dated as of November 23, 2015, by and between the Authority and ERY Tenant LLC (f/k/a RG ERY LLC), as amended by the Fourth Amendment to Lease, dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC (f/k/a RG ERY LLC), as amended or supplemented from time to time.

Fee Conversion Option has the meaning set forth in the Leases.

Fee Mortgage(s) means, individually, each Fee Mortgage, dated as of July 1, 2016, from the Authority to the Trustee, relating to the Mortgaged Property, as the same may be amended or supplemented from time to time, and, collectively, all of the individual Fee Mortgages and each additional Fee Mortgage from the Authority to the Trustee, relating to the Mortgaged Property, resulting from the severing of the Leases. The term “Fee Mortgage” includes fee mortgages delivered in connection with Additional Severed Parcel Leases.

Fee Purchase Payments means the amount paid as a Fee Purchase Payment under a Lease by the Tenant and payable to the Custodian, in accordance with this Financing Agreement and the Lockbox Agreement.

Financing Agreement has the meaning set forth in the introductory paragraph hereof.

Financing Agreement Payments means, collectively, the amounts payable by the Authority to the Trustee in accordance with paragraphs 2 through 6 of Section 3.1 of this Financing Agreement. The term “Financing Agreement Payments” does not include Interest Reserve Advances.

Financing Documents means this Financing Agreement, the Leases, the Payment Guaranties, the Fee Mortgages and the Trust Agreement. When used in this Financing Agreement, the term “Financing Documents” with respect to any entity shall mean the Financing Documents to which such entity is a party.

Interest Component has the meaning set forth in Section 3.1(1) hereof.

Interest Reserve Deficiency Amount means the amount equal to the difference between the Interest Reserve Requirement and the amount on deposit in the Interest Reserve Fund as of the date of calculation.

Interest Reserve Advance Notice means the notice delivered by the Trustee to the Authority pursuant to Section 4.06(b) of the Trust Agreement notifying the Authority of the Interest Reserve Deficiency Amount.

Interest Reserve Advances means amounts paid to the Trustee by the Authority pursuant to Article IV of this Financing Agreement from Available Transportation Revenues to restore the Interest Reserve Fund to the Interest Reserve Requirement.

Interest Reserve Fund means the fund established under Section 4.06 of the Trust Agreement.

Interest Reserve Requirement means as of any date of calculation, with respect to all Outstanding Obligations, an amount equal to one-sixth of the greatest amount of regularly scheduled interest for the then current or any future calendar year.

Lease Payment Event of Default means an “Event of Default” as defined under a Lease that is caused by the Tenant’s failure to pay Monthly Base Rent.

Leases means, collectively, the Tower A Lease, the Tower C Lease, the Tower D Lease, the Retail Lease, the Retail Pavilion Lease, the ERY Balance Lease, the WRY Balance Lease and all Additional Severed Parcel Leases. In the event that a Tenant under any of such Leases exercises its Fee Conversion Option with respect to all or any portion of the property that is the subject of such Lease, upon the satisfaction of the conditions precedent relating to the Fee Conversion Option set forth in the applicable Lease and the payment of the Fee Purchase Payment to the Authority and the subsequent payment thereof to the Trustee, the definition of Leases hereunder shall thereafter refer to the Leases remaining after the removal of the parcel or portion thereof that is the subject of the Fee Conversion Option. For the avoidance of doubt, partial parcels may be purchased under a Fee Conversion Option while partial parcels remain under a Lease. The term “Leases” does not include either the MaBSTOA Lease or the Transit Authority Lease.

LIRR has the meaning set forth in the introductory paragraph hereof, and any successor thereto.

Lockbox Agreement has the meaning set forth in the recitals hereto.

MaBSTOA has the meaning set forth in the introductory paragraph hereof, and any successor thereto.

MaBSTOA Lease means the lease between the City and MaBSTOA described in the TA Act pursuant to which MaBSTOA operates that part of the Transit System under its jurisdiction, as supplemented, amended or renewed to the date hereof and as the same may be supplemented, amended or renewed in accordance with the provisions thereof and hereof. For purposes of clarification, the MaBSTOA Lease is not a “Lease” under the terms of this Financing Agreement or the Trust Agreement.

Monthly Base Rent means, with respect to each Lease, the monthly payments of Annual Base Rent made in accordance with such Lease, and, collectively, means the sum of all Monthly Base Rent under the Leases.

Mortgaged Property means, individually, the property that is the subject matter of a Fee Mortgage and, collectively, all of the property subject to the Fee Mortgages. It is understood that the Mortgaged Property may change from time to time under each Fee Mortgage based upon, among other things, the severing of the Leases into Additional Severed Parcel Leases (and the resulting severing of fee mortgage collateral into separate severed mortgages covering the Additional Severed Parcel Leases) and the exercise by Tenants of their Fee Conversion Options.

MNCRC has the meaning set forth in the introductory paragraph hereof, and any successor thereto.

MTA Bus has the meaning set forth in the introductory paragraph hereof, and any successor thereto.

MTA Financing Agreement Amount has the meaning set forth in Section 3.1(1) hereof.

Obligations Proceeds Fund means the fund by that name established by Section 4.03 of the Trust Agreement.

OPUSA has the meaning set forth in the recitals hereto.

Original Lease Default Date means the first day on which a Lease Payment Event of Default occurs with respect to a particular Lease.

Payment Guaranties has the meaning set forth in the recitals hereto.

Person means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

Principal and Interest Components has the meaning set forth in Section 3.1(1) hereof.

Principal Component has the meaning set forth in Section 3.1(1) hereof.

Rebate Fund means the fund established under Section 4.07 of the Trust Agreement.

Rebate Requirement has the meaning set forth in Section 4.07 of the Trust Agreement.

Related has the meaning set forth in the recitals hereto.

Related Transportation Entity has the meaning set forth in the introductory paragraph hereof and any Additional Related Transportation Entity.

Rent Payment Fund means the fund established under Section 4.04 of the Trust Agreement.

Retail Lease means the Amended and Restated Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lot 1301 (formerly part of Lot 125), as amended or supplemented from time to time.

Retail Pavilion Lease means the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard – Retail Pavilion Parcel), dated as of December 11, 2015, by and between the Authority and ERY Retail Podium LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, p/o Lot 175, as amended or supplemented from time to time.

Series 2016A Obligations means the \$000,000,000 MTA Hudson Rail Yards Trust Obligations initially delivered in accordance with the Trust Agreement and designated “Series 2016A”.

State means the State of New York.

Supplemental Trust Agreement means a supplement to the Trust Agreement as authorized by Section 7.01 thereof.

Systems means the Commuter System and the Transit System.

TA Act means the New York City Transit Authority Act, Title 9 of Article 5 of the Public Authorities Law of the Consolidated Laws of the State of New York, as amended.

Tax Certificate means, with respect to each series of Obligations related to this Financing Agreement, that certain tax certificate relating to arbitrage and the provisions of Sections 141-150 of the Internal Revenue Code of 1986 or other similar document, dated the Closing Date for such series of Obligations.

Tenant(s) means the tenant(s) under the Leases.

Tower A Lease means the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lots 1302, 1303 and 1304 (formerly part of Lot 125), as amended or supplemented from time to time.

Tower C Lease means the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2013, by and between the Authority and Legacy Yards Tenant LLC, relating to a portion of Facility Airspace Parcel Terra Firma, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 702, Lot 10), as amended or supplemented from time to time.

Tower D Lease means the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of November 23, 2015, by and between the Authority and ERY South Residential Tower LLC, relating to a portion of Facility Airspace Parcel Terra Firma, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lots 1002, 1003 and 1004 (formerly part of Lot 4), as amended or supplemented from time to time.

Transit Authority has the meaning set forth in the introductory paragraph hereof, and any successor thereto.

Transit Authority Lease means the lease between the City and the Transit Authority described in the TA Act pursuant to which the Transit Authority operates that part of the Transit System under its jurisdiction, as supplemented, amended or renewed to the date hereof and as the same may be supplemented, amended or renewed in accordance with the provisions thereof and hereof. For purposes of clarification, the Transit Authority Lease is not a “Lease” under the terms of this Financing Agreement or the Trust Agreement.

Transit Project means a “transit project” as defined in paragraph 1 of Section 1266-c of the TA Act, as amended, modified, supplemented or succeeded.

Transit System means the subway, rail and public bus service in the Transportation District operated by the Transit Authority, MaBSTOA and MTA Bus; provided, however, that solely for purposes of Article VI hereof, the term “Transit System” shall mean the subway and public bus service in the Transportation District operated by the Transit Authority and MaBSTOA.

Transportation District means the Metropolitan Commuter Transportation District created by Section 1262 of the Authority Act.

Transportation District Project means any project, program or facility that the Authority or any other Related Transportation Entity (in either case, by itself or with any other Person) is authorized from time to time by law to plan, design, acquire, establish, construct, effectuate, operate, maintain, renovate, improve, extend, rehabilitate or repair within, or for the benefit of, the Transportation District.

Transportation Revenue Bond Resolution means the General Resolution Authorizing Transportation Revenue Obligations adopted by the Authority on March 26, 2002, as amended and supplemented from time to time.

Trust Obligations or Obligations means the MTA Hudson Rail Yards Trust Obligations executed and delivered by the Trustee in one or more series under the Trust Agreement, evidencing the interests of the owners thereof in the Principal and Interest Components of the MTA Financing Agreement Amount payable by the Authority pursuant to the Financing Agreement, including any Refunding Obligations delivered pursuant to Section 3.01(b) thereof.

West Side Yard has the meaning set forth in the recitals hereto.

WRY Balance Lease means the Agreement of Lease (Western Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2014, by and between the Authority and WRY Tenant LLC (f/k/a RG WRY LLC), relating to a portion of Facility Airspace Parcel Terra Firma and Airspace Above a Limiting Plane, Western Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 676, Lot 3 (to be Lots 1 and 5), as amended by that certain First Amendment to Lease, dated as of July 9, 2014, between the Authority and WRY Tenant LLC (f/k/a RG WRY LLC), as amended or supplemented from time to time.

ARTICLE II

STATEMENT OF CONSIDERATION AND CONSTRUCTION OF AGREEMENT

SECTION 2.1 Consideration.

In accordance with the provisions of the Authority Act and the TA Act, it is hereby agreed that the Related Transportation Entities are providing for the monetization of the revenues

to be received by the Authority under the Leases for the benefit of the Related Transportation Entities by authorizing the Trustee to execute and deliver Trust Obligations, a portion of the proceeds of which will be applied for the payment of all or any part of Capital Costs. In consideration of the Trustee's execution and delivery of such Trust Obligations, each Related Transportation Entity hereby executes and delivers this Financing Agreement.

SECTION 2.2 Construction of Agreement.

This Financing Agreement shall be construed by the Authority in accordance with the provisions of the Financing Documents and the provisions of the Authority Act and the TA Act, and nothing contained herein shall be construed as granting to a Related Transportation Entity any rights or powers not enjoyed by such Related Transportation Entity prior to the date hereof or as denying to the Authority any rights or powers with respect to a Related Transportation Entity enjoyed by the Authority prior to the date hereof; provided, however, that, nothing contained in this Section 2.2 shall limit the rights of the Trustee under Article VI hereof.

SECTION 2.3 Compliance with Transportation Revenue Bond Resolution.

The Authority hereby determines that the parcels that are the subject matter of the Leases constitute "Air Rights" under the Transportation Revenue Bond Resolution to the extent that such parcels are air rights parcels or parcels that are not essential to the maintenance and continued operation of the Systems to the extent that such parcels are terra firma parcels and such parcels do not materially interfere with the ability of the Authority or the other Related Transportation Entities to comply with the rate covenant set forth in Section 610 of the Transportation Revenue Bond Resolution.

ARTICLE III

MTA FINANCING AGREEMENT AMOUNT

SECTION 3.1 Obligation to Pay MTA Financing Agreement Amount.

1. For the purposes provided herein, the Authority hereby agrees to pay to, or for the benefit of, the Trustee, \$____ on or prior to November 15, 20__ and \$____ on or prior to November 15, 20__ (collectively, the "Principal Components"), as redeemed from time to time, and interest thereon at the rate of ____% for the Principal Component scheduled to mature on November 15, 20__ and at the rate of ____% for the Principal Component scheduled to mature on November 15, 20__ (collectively, the "Interest Components", the Principal Components and the Interest Components being collectively referred to as the "MTA Financing Agreement Amount").

2. The Authority shall pay the MTA Financing Agreement Amount with moneys provided by the Financing Agreement Payments and Interest Reserve Advances as herein provided. In connection therewith, the Authority and the Custodian have entered into the Lockbox Agreement. On or prior to the Closing Date for the Series 2016A Obligations, the Authority shall have notified each Tenant of the information necessary to have the Tenant wire

transfer all payments of Monthly Base Rent and Fee Purchase Payments directly to the Custodian for deposit under the Lockbox Agreement and shall have directed each Tenant to do so. Upon the execution and delivery of each Additional Severed Parcel Lease, the Authority shall notify the Tenant under the Additional Severed Parcel Lease of the information necessary to have the Tenant wire transfer all payments of Monthly Base Rent and Fee Purchase Payments directly to the Custodian for deposit under the Lockbox Agreement and shall have directed the Tenant to do so. In addition, in the event that the Authority elects to exercise its Cure Rights under the Trust Agreement, the Authority will transfer all payments in connection with the exercise of its Cure Rights, as provided in Section 3.1(4) hereof, to the Custodian for deposit under the Lockbox Agreement.

3. Upon the receipt from any Tenant of Monthly Base Rent, following the Custodian's comparison of the amount received against the then current Schedule 1 and taking any action then required by the Lockbox Agreement if the amount received is less than or greater than the amount of Monthly Base Rent then due, the Custodian shall promptly transfer such moneys to the Trustee and shall notify the Authority of the amount of such payment received, the identity of each Tenant related to the Monthly Base Rent so transferred and whether such Monthly Base Rent is composed of Delinquent Rent, Regularly Scheduled Rent or Prepaid Rent (each as defined in the Lockbox Agreement)..

4. Upon the receipt from any Tenant, or upon the recovery of moneys applied in accordance with Section 5.06(a)(ii) of the Trust Agreement, of an amount equal to the Fee Purchase Payment, the Custodian (if the Custodian receives the money) shall promptly notify the Authority of such payment and the Custodian or the Authority (if the Authority recovers the money to be applied under Section 5.06(a)(ii) of the Trust Agreement) shall transfer such moneys to the Trustee in an amount equal to such Fee Purchase Payment for deposit into the Fee Purchase Payment Account in the Rent Payment Fund for subsequent transfer to the Principal Redemption Account.

5. If the Authority decides under the provisions of the Trust Agreement to cure a Lease Payment Event of Default by exercising its Cure Rights, the Authority shall thereafter transfer to, and/or deposit such moneys with, the Custodian in amounts equal to the Monthly Base Rent thereafter to be paid at the times and in the amounts required by the applicable Lease that is in default. In addition, the Authority shall, within ten (10) Business Days after making the decision to cure the Lease Payment Event of Default, transfer to, and/or deposit moneys with, the Custodian in an amount equal to the amount of Monthly Base Rent then in default under the applicable Lease, less any amount of Interest Reserve Advances previously made relating to such defaulted Lease.

6. If, under the provisions of the Trust Agreement, the Authority elects to pursue remedies in accordance with Section 5.05(a) thereof, and the Lease remains in effect following the exercise of such remedies, any amounts recovered in the enforcement thereof shall be applied as provided in Section 5.06(a)(i) of the Trust Agreement. If, under the provisions of the Trust Agreement, the Authority elects to pursue remedies in accordance with Section 5.05(a) thereof, and the parcel that is the subject of the Lease is sold or otherwise disposed of, any amounts recovered in the enforcement thereof shall be applied as provided in Section 5.06(a)(ii) of the Trust Agreement.

7. If the Authority shall, in any other manner, receive moneys from a Tenant that are meant to be a payment of Monthly Base Rent or Fee Purchase Payment, or in the event the Authority recovers moneys from a guarantor under any of the Payment Guaranties, the Authority shall promptly transfer to, and/or deposit such moneys with, the Custodian in an amount equal to the moneys so received for application in accordance with the Trust Agreement. In the event the moneys received by the Authority reflect the payment of an amount by a guarantor under a Payment Guaranty in lieu of proceeding with construction of a portion of the development, the Authority shall direct the Trustee to deposit such moneys directly into the Principal Redemption Account for the redemption of Trust Obligations in accordance with Section 3.16(d) of the Trust Agreement..

8. The amounts payable by the Authority to the Custodian in accordance with paragraphs 3 through 7 of this Section 3.1 are the "Financing Agreement Payments" referred to herein and in the Trust Agreement.

9. Upon the execution and delivery of the Series 2016A Obligations and any Refunding Obligations, the Authority shall deliver to the Trustee a schedule substantially in the form of Schedule 1 attached hereto showing (a) the Principal and Interest Components of the MTA Financing Agreement Amount and the corresponding payments with respect to the Series 2016A Obligations, (b) the application by month of amounts deposited into the Capitalized Interest Fund, (c) by Lease, a monthly schedule showing the Monthly Base Rent due under each such Lease through and including at least the next two Interest Payment Dates and (d) the Applicable Redemption Price(s) set forth in Schedule 2 to this Financing Agreement. On or before each November 15, beginning November 15, 2017, and promptly following each event that results in (a) [a redemption of a Principal Component], including upon the payment by any Tenant of a Fee Purchase Payment, or (b) a severing of all or a portion of a parcel from one Lease into an additional or substitute Lease, the Authority shall deliver to the Trustee a revised Schedule 1 containing the information required to be set forth therein. Each such schedule shall also set forth the amount of the (a) revised Interest Account Requirement, (b) Interest Reserve Requirement, and (c) monthly payments of Fee Purchase Payment for each Lease for the period covered by the Schedule 1. If at any time there are amounts on deposit in the Capitalized Interest Account when the Authority is required to deliver a revised schedule, such revised schedule shall also reflect the portion of each monthly deposit into the Interest Account that is scheduled to be paid from the MTA Financing Agreement Amount and the portion that is scheduled to be paid from the Capitalized Interest Account.

10. The Authority shall maintain, or cause the Custodian or the Trustee to maintain, records relating to the receipt of payments of Monthly Base Rent and Fee Purchase Payments and make such records available at the written request of the Trustee.

11. [Language to come re: a reduction of the Principal Component of the MTA Financing Agreement Amount upon a redemption of the Obligations under the Trust Agreement.]

SECTION 3.2 Nature of Obligation to Pay MTA Financing Agreement Amounts.

1. Except as provided herein in the case of Interest Reserve Advances which are payable from Available Transportation Revenues, neither the Authority nor any of the other Related Transportation Entities is obligated to make any other payment of amounts with respect to the Principal and Interest Components of the MTA Financing Agreement Amount and the corresponding payments on the Trust Obligations from any other revenues or moneys.

2. Except as provided in Section 3.1 hereof, the obligation to pay the MTA Financing Agreement Amount is not a general or special obligation of any of the Related Transportation Entities. The MTA Financing Agreement Amount and the corresponding payments on the Trust Obligations are payable solely from Financing Agreement Payments and Interest Reserve Advances and are not payable from the general fund or other funds and revenues of the State, the City or the other funds and revenues of the Related Transportation Entities.

ARTICLE IV

INTEREST RESERVE ADVANCES

SECTION 4.1 Obligation to Make Interest Reserve Advances.

1. Once a calendar month, on the Monthly Transfer Date (as defined in the Trust Agreement), to the extent that there exists or will exist, after making all required transfers on such Monthly Transfer Date, an Interest Reserve Deficiency Amount, the Trustee shall give an Interest Reserve Advance Notice to the Authority setting forth the Interest Reserve Deficiency Amount, the defaulting Tenant(s) and the Original Lease Default Date(s) for each Lease then in default. Subject to the next sentence, the Authority shall, within twenty-five (25) days after receiving the Interest Reserve Advance Notice, pay to or upon the order of the Trustee the amount set forth in the Interest Reserve Advance Notice. The Authority shall not be obligated to make Interest Reserve Advances with respect to any Lease (a) for a period longer than seven (7) years after the Original Lease Default Date relating to such Lease, (b) beginning on the date after the Trustee or the Real Estate Asset Management Consultant has, in accordance with Section 5.05 of the Trust Agreement, relet, sold or otherwise disposed of the premises that are the subject matter of the Lease, or (c) with respect to the Interest Component on any Principal Component that begins to accrue after a Maturity Date, whether or not principal and interest has been paid in full. For purposes of clarification, the seven (7) year period shall commence upon the occurrence of a Lease Payment Event of Default and shall continue until all of the Lease Payment Events of Default under the same Lease are cured; during the continuance of such initial Lease Payment Event of Default, subsequent Lease Payment Events of Default under the same Lease do not extend the existing seven (7) year period nor begin a new seven (7) year period. After all of the Lease Payment Events of Default have been cured, a new seven (7) year period may begin under that same Lease upon the occurrence and during the continuance of a subsequent Lease Payment Event of Default. The Trustee may amend the Interest Reserve Advance Notice from time to time to reflect any revision to the Interest Reserve Deficiency Amount.

2. The Authority shall maintain, or cause the Trustee to maintain, records relating to the amounts in the Obligations Proceeds Fund that are expended for Capital Costs attributable to each of the Related Transportation Entities in order to determine, from time to time, the respective percentages that each such Related Transportation Entity is responsible for with respect to the payment of Interest Reserve Advances.

3. Following the payment of any Interest Reserve Advance, the Authority shall calculate the portion of such payment allocable from each such Related Transportation Entity and shall internally charge each such Related Transportation Entity for its allocable share. The Authority shall account for all such payments in accordance with the provisions of the MTA Act and the TA Act, including, without limitation, Section 1270-d of the Authority Act.

4. The Related Transportation Entities may recover Interest Reserve Advances from defaulting Tenants as provided in the Trust Agreement.

5. Each of the Related Transportation Entities (other than the Authority) hereby authorizes the Authority to include in the Trust Agreement covenants and agreements of the other Related Transportation Entities that enable the Trustee to enforce the agreement of the other Related Transportation Entities to pay its pro rata share of each Interest Reserve Advance directly against the Related Transportation Entity in the event the Authority is delinquent in its obligation to make such Interest Reserve Advance.

SECTION 4.2 Nature of Obligation to Make Interest Reserve Advances.

The obligation of the Authority to pay the Interest Reserve Deficiency Amounts on behalf of the Related Transportation Entities shall be absolute and unconditional, but such amounts are payable solely from Available Transportation Revenues, and such payments shall be payable without any rights of setoff, recoupment or counterclaim it might have against the Trustee, any of the Tenants or any other Person. If the Authority shall have paid all Interest Reserve Deficiency Amounts required hereby and continues to pay the same when due, the Authority shall not be precluded from bringing any action it may otherwise have against the Trustee, the Tenants, the guarantors under the Payment Guaranties or any other Person arising out of the failure of any of them to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation of any of them arising out of or in connection with this Financing Agreement, the Trust Agreement, the Leases or the other Financing Documents.

The Authority will not terminate this Financing Agreement or be excused from performing its obligations hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute a failure of consideration or frustration of purpose, without regard to any default by the Trustee or any of the Tenants, or the failure of the Trustee or any of the Tenants to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation of either of them arising out of or in connection with this Financing Agreement.

ARTICLE V

COVENANTS

SECTION 5.1 Compliance with Financing Documents.

Each Related Transportation Entity shall take all actions or refrain from taking all such actions, as the case may be, as shall ensure its compliance and compliance of the Authority with the terms and provisions of the Financing Documents or any other agreement entered into by the Authority in connection with the undertaking or financing of Capital Costs and which shall by its terms, directly or indirectly, apply to any Related Transportation Entity.

SECTION 5.2 Cooperation by a Related Transportation Entity.

1. Each Related Transportation Entity shall give the Authority its full cooperation in respect of all matters relating to, and shall use its best efforts to, effect the financing by the Authority of Capital Costs and all other undertakings of the Authority pursuant to the Financing Documents and this Financing Agreement.

2. A Related Transportation Entity shall, whenever requested by the Authority, provide and certify, or cause to be provided and certified, in form reasonably satisfactory to the Authority, such information concerning itself, all or any part of the Systems or the costs of all or any part of the Systems under its jurisdiction and the operations and finances of such Related Transportation Entity, and such other matters as the Authority reasonably considers necessary to enable the Authority to complete and publish an official statement, placement memorandum or other similar document relating to the sale of Trust Obligations, or to enable the Authority to make any reports required by law or governmental regulations, or which are the subject of any agreement or understanding entered into by the Authority in connection with any Trust Obligations or the implementation of the Capital Program Plan or any other Capital Costs for the Systems.

SECTION 5.3 Further Assurances.

To the extent permitted by law, each Related Transportation Entity from time to time shall make, do, execute, adopt, acknowledge and deliver and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests assigned under the Financing Documents and the Leases or intended to be so assigned, or which the Authority may become bound to pledge or assign.

SECTION 5.4 Bankruptcy and Insolvency.

A Related Transportation Entity shall not make a general assignment for the benefit of creditors, or institute any other proceeding seeking to adjudicate any of them a bankrupt or insolvent, or claim or take the benefit or advantage of any stay or extension law or any other law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seek reorganization, arrangement, adjustment or composition of any of them or the debts of any of them under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or otherwise seek

the appointment of a receiver, trustee, custodian or other similar official for any of them or for any substantial part of the property of the Systems under their jurisdiction; and none of them shall take any action to authorize or effect any of the actions set forth above in this Section 5.4. The foregoing provisions of this Section 5.4 are not intended to and shall not be construed as limiting in any way any procedural rights which a Related Transportation Entity may have in any suit, action, mandamus or other proceeding in equity or at law brought against any or all of them.

SECTION 5.5 Accounts and Reports.

1. Each Related Transportation Entity shall keep, or cause to be kept, proper books of record and account (separate from all other records and accounts) and shall prepare such reports and financial statements, as shall be directed by the Authority or required by the Financing Documents relating to Trust Obligations, and shall make such books, reports and financial statements available at the times and under the circumstances set forth in such Financing Documents.

2. Each Related Transportation Entity shall timely file all reports required by the Authority Act, the TA Act or otherwise required by the Authority.

SECTION 5.6 Segregation of Certain Funds.

A Related Transportation Entity shall at all times comply with all terms and conditions of governmental financing programs mandating the segregation of Federal or other governmental funds from other funds of such Related Transportation Entity, as the case may be, and requiring the application of Federal or other governmental funds for designated purposes.

SECTION 5.7 Termination of Financing Agreement.

Neither the Authority nor any other Related Transportation Entity shall terminate this Financing Agreement for any cause, including, without limitation, frustration of purpose, any damage to or destruction of all or any part of the Systems under its jurisdiction, the taking by eminent domain of title to, any interest in, or the right of temporary use of all or any part of the Systems under its jurisdiction, or the failure of the Authority to perform or observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Financing Agreement. Notwithstanding the foregoing, when all Principal and Interest Components and Trust Obligations have been paid within the meaning of the Financing Documents, the covenants and agreements and other obligations contained in this Financing Agreement on the part of the parties hereto shall be discharged and satisfied and this Financing Agreement shall terminate.

SECTION 5.8 Fiscal Year.

Each Related Transportation Entity shall maintain the same fiscal year as the Authority.

SECTION 5.9 Agreement of the State.

In accordance with Section 1271 of the Authority Act and, in the case of the Transit Authority and MABSTOA, subdivision 8 of Section 1207-m of the TA Act, each Related

Transportation Entity does hereby include the pledge and agreement of the State with each Related Transportation Entity, the Trustee and the Owners of the Trust Obligations that the State will not limit or alter the rights and powers vested in any of them to fulfill the terms of any agreement made by any of them with such Owners, or in any way impair their rights and remedies until such agreements and obligations, including the Financing Agreement, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of the Authority or such Owners, are fully met and discharged.

ARTICLE VI

ADDITIONAL PROVISIONS RELATING TO THE TRANSIT AUTHORITY AND MABSTOA

SECTION 6.1 Agreement as to Transit Projects.

1. In accordance with the provisions of Section 1266-c of the Authority Act and Section 1207-m of the TA Act, the Authority shall, upon the written request of the Transit Authority, undertake any Transit Project the costs of which shall be (i) funded by Federal, state or local aid or assistance or other moneys made available or payable to the Authority by others for such project or (ii) financed by the Authority by the issuance of Trust Obligations, the repayment for which is contractually provided for herein, as evidenced by subsection 2 of this Section 6.1, or any combination of funding referred to in clauses (i) and (ii) in this subsection 1 of Section 6.1, and shall use its best efforts to undertake any Transit Project the costs of which shall be (iii) paid or advanced by the Authority, the repayment to the Authority for which is contractually provided for herein, as evidenced by subsection 2 of this Section 6.1, or any combination of funding referred to in clauses (i), (ii) and (iii) in this subsection 1 of Section 6.1. In connection with any such undertaking, the Authority hereby agrees that upon the completion of any Transit Project, or part thereof, the Authority shall transfer, lease or sublease such Transit Project, or part thereof, to the Transit Authority or its designated subsidiary or other designee.

2. The Transit Authority and MaBSTOA jointly and severally agree to pay the aggregate costs of all Transit Projects and the financing thereof which are not paid to the Authority from any Federal, state or local aid or assistance and which are not payable from any other moneys made available or payable to the Authority by others for such Transit Projects. The Authority agrees that the Revenues deposited with the Trustee by the Transit Authority and MaBSTOA pursuant to this Section 6.1 shall, pursuant to the Financing Documents and to the extent so applied, be credited against, and constitute payment of, the obligation of the Transit Authority and MaBSTOA to pay the payments specified in this Section 6.1.

SECTION 6.2 Compliance with the Transit Authority Lease and MaBSTOA Lease.

So long as any Principal and Interest Components shall remain Outstanding:

1. The Transit Authority shall comply at all times with the obligations of the Transit Authority contained in the Transit Authority Lease, shall not allow the Transit Authority

Lease to terminate or expire, and shall use its best efforts to require the City to comply with all of the obligations of the City contained in the Transit Authority Lease.

2. MaBSTOA shall comply at all times with the obligations on the part of MaBSTOA contained in the MaBSTOA Lease, shall not allow the MaBSTOA Lease to terminate or expire, and shall use its best efforts to require the City to comply with all of the obligations of the City contained in the MaBSTOA Lease.

SECTION 6.3 City Transfer of Title.

If any Covered Transit Project shall consist of or include the reconstruction, rehabilitation or improvement of any property which is Leased Property, as such term is defined in the Transit Authority Lease, or which is leased by the City to MaBSTOA under the MaBSTOA Lease, the Transit Authority and MaBSTOA will, upon the request of the Authority and its representation that such transfer will facilitate such Covered Transit Project or the financing thereof, request that the City, and use their best efforts to cause the City to, transfer legal title to such property to the Transit Authority, MaBSTOA or the Authority, as the Authority shall specify; provided, however, that in the event that the Authority shall request the Transit Authority or MaBSTOA to transfer legal title to such property to the Authority, the Authority shall have agreed to the matters required in Section 6.9 of the Transit Authority Lease or Section 5.7 of the MaBSTOA Lease, as the case may be.

SECTION 6.4 Grant of Authority Regarding the Leases.

1. The Transit Authority hereby grants to the Authority the right to enforce subdivision (b) of Section 14.3 and Section 19.2 of the Transit Authority Lease.

2. MaBSTOA hereby grants to the Authority the right to enforce Section 10.2 and Section 16.1 of the MaBSTOA Lease.

SECTION 6.5 Conveyance of Acquired or Improved Property.

If proceeds from the sale of Trust Obligations are used to acquire or improve any real or personal property which is part of the Systems and which is not owned by the City (including property which the City is obligated to convey as contemplated by Section 6.3 hereof), neither the Transit Authority nor MaBSTOA shall convey such property, other than to the Authority or to Triborough Bridge and Tunnel Authority for purposes of their making capital improvements to the Systems, except in return for what it reasonably deems to be the fair market value thereof.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Default.

In the event any Related Transportation Entity shall fail to observe or refuse to comply with any covenants or agreements on its part to be observed or performed by it under this Financing Agreement and such failure or refusal shall not give rise to a default enumerated in

Section 504(a) of the Trust Agreement, the Authority may compel the observance or compliance with any such covenant or agreement. In the event any Related Transportation Entity shall fail to observe or refuse to comply with any covenants or agreements on its part to be observed or performed by it under this Financing Agreement and such failure or refusal shall give rise to a default enumerated in Section 5.04(a) of the Trust Agreement, then the Trustee may compel the observance or compliance with any such covenant or agreement.

SECTION 7.2 Remedies.

Whenever any event of default shall have occurred and be continuing, and written notice of the default, if required, shall have been given to any Related Transportation Entity by the Authority or by the Trustee, as the case may be, and the default shall not have been cured within any period provided therefor, the Authority or the Trustee, as the case may be, so long as any Principal and Interest Components and Trust Obligations are Outstanding, may take whatever action at law or in equity may appear reasonably necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of such Related Transportation Entity under this Financing Agreement; provided, however, that, unless the failure to perform and observe the obligation, agreement or covenant will result in a default under the Financing Documents, if the failure stated in the notice cannot be remedied within the applicable period but can be remedied, the Authority and the Trustee, as the case may be, will not unreasonably withhold their consent to an extension of such time if corrective action has been instituted by the Related Transportation Entity in default within such period and is being diligently pursued.

SECTION 7.3 Exclusivity of Remedies.

1. Subject to the provisions of Sections 7.1 and 7.2 hereof, the remedies conferred upon or reserved to the Authority or the Trustee in respect of any event of default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Financing Agreement or now or hereafter existing at law or in equity or by statute.

2. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

SECTION 7.4 No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Financing Agreement should be breached by any party and the thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 Consent to Assignment.

Each Related Transportation Entity hereby consents to the assignment by the Authority to the Owners of its Trust Obligations, and to the Trustee on their behalf, of all of the benefits and rights of the Authority provided by this Financing Agreement.

SECTION 8.2 No Conflict with Financing Documents.

The provisions of this Financing Agreement are in no way intended to, nor shall such provisions, change or in any manner alter the terms of the Financing Documents or the rights and obligations of the Authority thereunder, or the security, rights or remedies of the Trustee or the Owners of the Trust Obligations. In the event any provision of this Financing Agreement conflicts at any time, or in any manner, with the provisions of the Financing Documents or any Trust Obligations, the provisions of the Financing Documents or Trust Obligations shall be controlling and conflicting provisions of this Financing Agreement shall be completely disregarded.

SECTION 8.3 Enforcement by Trustee.

The Trustee shall, so long as any Trust Obligations are Outstanding, have the right to enforce this Financing Agreement in its own right without joining with, or requiring the consent of, the Authority.

SECTION 8.4 Successors and Assigns.

1. This Financing Agreement shall inure to the benefit of and shall be binding upon each Related Transportation Entity and their respective successors and assigns, subject, however, to the provisions of Section 8.9 hereof.

2. Nothing provided in this Financing Agreement shall be deemed to permit the City to assume the Financing Agreement or the Trust Obligations.

SECTION 8.5 Severability.

In the event any provision of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.6 Notices.

All notices or other communications provided for in this Financing Agreement shall be in writing and shall be delivered personally to, or sent by certified or registered mail to the respective offices of the Authority, the LIRR, the MNCRC, the Transit Authority, MaBSTOA, and the Trustee as follows:

If to the Authority:

Chairman and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

With a copy to:

General Counsel
Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

If to the LIRR:

President
The Long Island Rail Road Company
Jamaica Station
Jamaica, New York 11435

With a copy to:

General Counsel
The Long Island Rail Road Company
Jamaica Station
Jamaica, New York 11435

If to the MNCRC:

President
Metro-North Commuter Railroad Company
[347 Madison Avenue]
New York, New York 10017

with a copy to:

General Counsel
Metro-North Commuter Railroad Company
[347 Madison Avenue]
New York, New York 10017

If to the Transit Authority:

President
New York City Transit Authority
[130 Livingston Street]
Brooklyn, New York 11201

With a copy to:

General Counsel
New York City Transit Authority
[130 Livingston Street]
Brooklyn, New York 11201

If to MaBSTOA:

President
Manhattan and Bronx Surface Transit Operating Authority
[130 Livingston Street]
Brooklyn, New York 11201

With a copy to:

General Counsel
Manhattan and Bronx Surface Transit Operating Authority
[130 Livingston Street]
Brooklyn, New York 11201

If to the Trustee:

Wells Fargo Bank, National Association

Each Related Transportation Entity may from time to time designate in writing other representatives with respect to receipt of notices or other communications.

SECTION 8.7 Headings.

The article and section headings in this Financing Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Financing Agreement.

SECTION 8.8 Non-Waiver.

It is understood and agreed that nothing contained in this Financing Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Financing Agreement.

SECTION 8.9 Parties Interested Herein.

Nothing in this Financing Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person, corporation or other entity, other than each Related Transportation Entity, the Trustee and the Owners of Trust Obligations any right, remedy or claim under or by reason of this Financing Agreement or any covenant, condition or stipulation; and all the covenants, stipulations, promises and agreements in this Financing Agreement by and on behalf of each Related Transportation Entity contained herein shall be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of Trust Obligations.

SECTION 8.10 Governing Law.

This Financing Agreement shall be governed by, and construed in accordance with, the Constitution and laws of the State of New York.

SECTION 8.11 Financing Agreement Represents Complete Agreement; Amendments.

This Financing Agreement represents the entire agreement among the parties. To the extent required by the Trust Agreement, this Financing Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Owner of Outstanding Obligations, given in accordance with the provisions of the Trust Agreement. Notwithstanding the foregoing, this Financing Agreement may be amended to add an Additional Related Transportation Entity as a party to this Financing Agreement and to make any necessary modifications in connection therewith, all in accordance with the provisions of the Financing Documents.

SECTION 8.12 Counterparts.

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

SECTION 8.13 Effective Date.

This Financing Agreement shall take effect immediately upon the execution and delivery of the Series 2016A Obligations under the Trust Agreement.

[Remainder of page intentionally left blank, signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Financing Agreement to be executed and delivery by their duly authorized officers and their official seals, if necessary, to be hereunto affixed, all as of the day and year first above written.

METROPOLITAN TRANSPORTATION AUTHORITY

THE LONG ISLAND RAIL ROAD COMPANY

By:

METRO-NORTH COMMUTER RAILROAD COMPANY

By:

NEW YORK CITY TRANSIT AUTHORITY

By:

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY

By:

MTA BUS COMPANY

By:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:

Schedule 1

Form of Principal and Interest Components/Monthly Base Rent Payments by Lease

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES
AND FIXTURE FILING**

by and from

METROPOLITAN TRANSPORTATION AUTHORITY, as mortgagor

(“Authority”)

TO

[●], as mortgagee

(“Trustee”)

Dated as of July 1, 2016

Location: [●]

Block: [●]

Lot: [●]

**PREPARED BY AND UPON
RECORDATION RETURN TO:
[●]**

THIS MORTGAGE DOES NOT COVER REAL PROPERTY PRINCIPALLY IMPROVED BY ONE OR MORE STRUCTURES CONTAINING, IN THE AGGREGATE, NOT MORE THAN SIX RESIDENTIAL UNITS, EACH HAVING ITS OWN SEPARATE COOKING FACILITIES

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES AND FIXTURE FILING**

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified, being hereinafter referred to as this “Mortgage”) is made as of July 1, 2016, by **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York, having an address at 2 Broadway, New York, New York 10004, as mortgagor (the “Authority”), for the benefit of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but solely as trustee having an address at [●], as mortgagee (“Trustee”).

RECITALS:

The Authority is a party to that certain Interagency Financing Agreement, dated as of the date hereof, between the Authority, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company, MTA Bus Company, and [Staten Island Rapid Transit Operating Authority], and the Trustee (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Financing Agreement”) and that certain MTA Hudson Rail Yards Trust Agreement, dated as of the date hereof, between the Authority and the Trustee, relating to the MTA Hudson Rail Yards Trust Obligations (as the same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time, the “Trust Agreement”; the Trust Agreement together with the Financing Agreement, and all other documents and/or instruments evidencing and/or securing the obligations of the Authority thereunder, collectively the “Financing Documents”).

All capitalized terms used, but not defined, in this Mortgage have the respective meanings set forth in the Financing Documents.

The Authority is party to that certain Tower [●] Lease, dated as of [●], by and between the Authority, as Landlord (“Landlord”), and [●], as Tenant (“Tenant”), pursuant to which the Authority is entitled to receive certain payments which constitute a portion of Base Rental.

This Mortgage is given to secure the obligation of the Authority to make the Financing Agreement Payments as required under the Financing Documents, and perform the other obligations of the Authority to the Trustee under the Financing Documents (the “Authority Obligations”).

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Trustee hereby agree as follows as of the date hereof:

ARTICLE 1

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Authority does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee, with power of sale for the benefit and security of Trustee, all of the Authority's right, title and interest in and to the following real, personal, tangible and intangible property, rights, interests and estates now owned or hereafter acquired by Authority, and demised by the Authority to Tenant under the Lease (collectively, the "Property"):

(a) Portion of Facility Airspace Parcel Demised Under Lease. That certain real property described in Exhibit A attached hereto and made a part hereof, which constitutes the portion of the Facility Airspace Parcel demised to Tenant under the Lease (the "Demised Premises");

(b) Additional Land. All additional lands, estates and development rights, if any, hereafter acquired by Authority and demised to Tenant under the Lease for use in connection with the Demised Premises and the development of the Demised Premises;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Demised Premises (collectively, the "Improvements"). Notwithstanding the foregoing, Improvements shall not include (x) any property belonging to Tenant or subtenants or any other Person other than Authority, except to the extent of Authority's right or interest therein, or (y) any property of the Authority other than property demised to Tenant under the Lease, including, without limitation, any property which constitutes the Yards Parcel (as defined in the Lease) or any portion thereof, and any portion of the LIRR Roof and Facilities (as defined in the Lease) which constitutes a part of the Yards Parcel;

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, permits, licenses, rights of way and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Demised Premises and the Improvements and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Demised Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Authority of, in and to the Demised Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto, to the extent demised to Tenant under the Lease;

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Authority, which is used at, or in connection with, the Improvements or the Demised Premises or is located thereon or therein (including, but not limited to, all machinery, equipment, heating,

ventilation or air-conditioning equipment, garbage equipment and apparatus, incinerators, boilers, furnaces, motors, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Authority and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the “Equipment”). Notwithstanding the foregoing, Equipment shall not include (x) any property belonging to Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein, or (y) any property of the Authority other than property demised to Tenant under the Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Authority which is so related to the Demised Premises and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state of New York, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of, or installation on, the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in, or used in connection with (temporarily or permanently), any of the Improvements or the Demised Premises, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Authority’s interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the “Fixtures”). Notwithstanding the foregoing, “Fixtures” shall not include (x) any property belonging to Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein, or (y) any property of the Authority other than property demised to Tenant under the Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Authority, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the “Personal Property”), and the right, title and interest of Authority in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the

state of New York (as amended from time to time, the “Uniform Commercial Code”), superior in lien to the lien of this Mortgage and all proceeds and products of the above. Notwithstanding the foregoing, Personal Property shall not include (x) any property belonging to Tenant or subtenants or any other Person other than Authority, except to the extent of Authority’s right or interest therein, or (y) any property of the Authority other than property demised to Tenant under the Lease, including, without limitation, any property which constitutes the Yards Parcel or any portion thereof, and any portion of the LIRR Roof and Facilities which constitutes a part of the Yards Parcel;

(h) Lease and Rents. The Lease, and all other leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which the Authority grants to Tenant a possessory interest in, or right to use or occupy all or any portion of the Demised Premises and the Improvements, and every modification, amendment or other agreement relating to such Leases, other leases, subleases, subsubleases, or other agreements entered into in connection with such Leases, other leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into (collectively, the “Lease”), whether before or after the filing by or against Authority of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “Bankruptcy Code”) and all right, title and interest of Authority, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Tenant and other lessees of their obligations thereunder and all rents, rent equivalents, tenant termination and contraction fees, moneys payable as damages or in lieu of rent or rent equivalents, additional rents, including without limitation the Rental, other revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, deposits (including, without limitation, security, utility and other deposits) accounts and receipts from the Lease whether paid or accruing before or after the filing by or against Authority of any petition for relief under the Bankruptcy Code, to the extent constituting Base Rental and Fee Purchase Option Payments and the right to receive and apply the Base Rental and Fee Purchase Option Payments to payment of the Authority Obligations;

(i) Condemnation Awards. All Awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to all or any portion of the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of, or in anticipation of, the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property including, without limitation, any award or awards, or settlements or payments, hereafter made resulting from: (i) condemnation proceedings or the taking of all or any portion of the Improvements, the Equipment, the Fixtures, the Lease or the Personal Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Property or any portion thereof; and Authority hereby agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Trustee to confirm such assignment to Trustee of any such award, damage, payment or other compensation;

(j) Insurance Proceeds. All insurance proceeds in respect of the Property under any insurance policies covering the Property, including, subject to the express

terms of the Lease and the Financing Documents, without limitation, the right to receive and apply the proceeds of any insurance policies, judgments, or settlements made in lieu thereof, in connection with a casualty to the Property;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, insurance proceeds and awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Authority, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Trustee in the Property, in each case, subject to and in accordance with the terms of the Lease, this Mortgage, the Financing Documents and applicable law;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Lease and the Demised Premises and any part thereof and any Improvements or any business or activity conducted on the Demised Premises and any part thereof and all right, title and interest of Authority therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Authority thereunder, in each case, to the extent any of the foregoing specified in this clause (m) constitutes Base Rent and/or Fee Purchase Option Payments;

(n) Accounts. All reserves, escrows and deposit accounts now or hereafter established or maintained pursuant to the Financing Documents, together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein, from time to time, and all proceeds, products, distributions or dividends or substitutions thereon and thereof; and

(o) Other Rights. All other or greater rights and interests of every nature in the Real Property (as hereinafter defined) and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Authority in and to the items set forth in Subsections (a) through (n) above).

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Authority expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is (or may be subject to) the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Demised Premises (the Demised Premises, the Improvements and the Fixtures collectively referred to as the “Real Property”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Lease and Rents. Authority hereby absolutely and unconditionally assigns to Trustee all of Authority's right, title and interest in and to all current and future Leases and Base Rental and Fee Purchase Option Payments; it being intended by Authority that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to Section 7.01(e) of this Mortgage, Trustee grants to Authority a revocable license to collect, receive, use and enjoy the Base Rental and Fee Purchase Option Payments and Authority shall hold the Base Rental and Fee Purchase Option Payments, or a portion thereof sufficient to pay all Authority Obligations currently due and payable.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Authority in the Property, including all accounts established by Trustee pursuant to the Transportation Trust Agreement. By executing and delivering this Mortgage, Authority hereby grants to Trustee, as security for the Authority Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "Collateral"). If a Lease Event of Default shall occur and be continuing and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Collateral. Authority shall pay to Trustee within ten (10) Business Days following written demand therefor expenses, including reasonable legal expenses and attorneys' fees and costs, incurred or paid by Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement). Any notice of sale, disposition or other intended action by Trustee with respect to the Collateral sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Authority. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement. Authority's principal place of business is as set forth on the first page hereof and the address of Trustee is as set forth on the first page hereof.

Section 1.04 Fixture Filing. Certain of the Property is, or will become, "fixtures" (as that term is defined in the Uniform Commercial Code) on the Demised Premises, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Authority

as the Debtor with an address as set forth on the first page hereof and an federal employer identification number of 13-2552035, and Trustee as the Secured Party with an address as set forth on the first page hereof) filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is, or may become, fixtures.

Section 1.05 Pledge of Monies Held. Authority hereby pledges to Trustee any and all Base Rental and Fee Purchase Option Payments now or hereafter held by, or on behalf of, Authority in connection with the Financing Agreement Payments, including, without limitation, Principal and Interest Components evidenced by the Trust Obligations, equal in amount to the amounts received by the Authority of Base Rental and Fee Purchase Option Payments under the Lease until expended or applied as provided in this Mortgage.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its permitted successors and assigns, forever;

WITH POWER OF SALE, to secure Authority's performance of the Authority Obligations at the time and in the manner provided in the Financing Documents;

PROVIDED, HOWEVER, that these grants are upon the express condition that, if Authority shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Financing Documents with respect to the Authority Obligations, these grants and the estate hereby granted shall cease, terminate and be void; provided, however, that Authority's obligation to indemnify and hold harmless Trustee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE 2

DEBT AND OBLIGATIONS SECURED

Section 2.01 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 hereof are given for the purpose of securing the Authority Obligations.

ARTICLE 3

AUTHORITY COVENANTS

Authority covenants and agrees that:

Section 3.01 Financing Agreement Payments. Authority will make Financing Agreement Payments at the time and in the manner provided in the Financing Documents.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in the Financing Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

Section 3.03 Maintenance of Property. Authority shall maintain, or cause to be maintained, the Property in a good and safe condition and repair, subject to and in accordance with the terms of the Lease and the Financing Documents. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Trustee or as otherwise permitted pursuant to the Lease and the Financing Documents. Authority shall promptly repair, replace, or rebuild, or cause to be repaired, replaced, or rebuilt, any part of the Property which may be destroyed by any casualty or become damaged, worn or dilapidated or which may be affected by any condemnation, subject to and in accordance with the terms of the Lease and the Financing Documents

Section 3.04 Waste. Authority shall not commit or permit any waste of the Property or make any change in the use of the Property which will, in any way, materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that would reasonably be expected to invalidate or allow the cancellation of any insurance policy, or do or permit to be done thereon anything that could reasonably be expected to materially impair the value of the Property or the security of this Mortgage.

Section 3.05 Payment for Labor and Materials. Subject to the terms and provisions of the Lease and the Financing Documents (including, without limitation, Authority's contest rights thereunder), Authority (i) will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred by Authority in connection with the Property and (ii) will never permit to be created or exist (in respect of the Property or any part thereof) any other or additional lien or security interest caused or incurred by actions of the Authority other than the liens or security interests created hereby and as permitted pursuant to the Lease and Financing Documents.

Section 3.06 Performance of Other Agreements. Authority shall observe and perform each and every material term, covenant and provision to be observed or performed by Authority pursuant to the Lease and Financing Documents, and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.07 Change of Name, Identity or Structure. Except to the extent expressly permitted under the Financing Documents, Authority shall not change Authority's name, identity (including its trade name or names) or, if not an individual, Authority's corporate, partnership or other structure without notifying trustee of such change in writing at least fifteen (15) Business Days prior to the effective date of such change and, in the case of a change in Authority's structure, without first obtaining the prior written consent of Trustee acting reasonably. Authority shall execute and deliver to trustee, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Trustee to establish or maintain the validity, perfection and priority of the security interests granted herein.

ARTICLE 4

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Authority and Trustee. Trustee has no fiduciary or other special relationship with Authority, and no term or condition of the Financing Documents shall be construed so as to create a fiduciary or other special relationship between Authority and Trustee.

Section 4.02 No Reliance on Trustee. Authority is not relying on Trustee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Trustee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and 1.01(m) or Section 1.2 hereof, Trustee is not undertaking the performance of (i) any obligations under the Lease, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled by Authority or to be given by Authority to Trustee pursuant to this Mortgage or the Financing Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Trustee.

ARTICLE 5

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, etc. Authority forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest hereof upon, and the interest of Trustee in, the Property. Except to the extent otherwise expressly provided for in the Lease or the Financing Documents, or prohibited by law to do so, Authority will pay all filing, registration or recording fees, if any, and all expenses, if any, incident to the preparation, execution, acknowledgment and/or recording of this Mortgage, any note, deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal duties, imposts, assessments and charges arising out of, or in connection with, the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any other Mortgage with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents.

Section 5.02 Further Acts, etc. Authority will, at the cost of Authority, and without expense to Trustee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Trustee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Authority may be (or may hereafter become) bound to convey or assign to Trustee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable legal requirements. Authority, within ten (10) Business Days following written demand thereof, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Trustee to execute in the name of Authority or without the signature of Authority to the extent Trustee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Trustee in the Property. Authority grants to Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Trustee at law and in equity, including, without limitation, such rights and remedies available to Trustee pursuant to this Section 5.02, to the extent that Authority fails or refuses to promptly execute such documents after notice from Trustee.

ARTICLE 6

TRANSFER

Section 6.01 No Sale/Transfer. Authority shall not transfer the Property or any part thereof or any direct or indirect interest therein, or permit or suffer the Property or any part thereof or any direct or indirect interest therein to be transferred, other than as permitted pursuant to the terms of the Lease or the Financing Documents.

ARTICLE 7

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Authority agrees that Trustee may take such action, without notice or demand, in accordance with the Lease and to the fullest extent permitted by law, as it deems advisable to protect and enforce its rights against Authority and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Trustee:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure, in accordance with New York law, of this Mortgage under any applicable provision of law, in which case the Property, or any interest therein, may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage to collect the Financing Agreement Payments then due and payable from Base Rental, subject to the continuing lien and security interest of this Mortgage for the balance of the Financing Agreement Payments not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Authority therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law; and, without limiting the foregoing;

(i) in connection with any sale or sales hereunder, Trustee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, (y) property that can be severed from the Real Property covered hereby (without causing structural damage thereto), or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Trustee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Trustee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Trustee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Trustee;

(iii) should Trustee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that Trustee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Trustee shall give such notice of the occurrence of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement) and its election to sell such Property as may then be required by law. Thereafter, upon the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the Lease and the Financing Documents, and without the necessity of any demand on Authority or Trustee at the time and place specified in the notice of sale, may sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may (unless prohibited under applicable law), from time to time, postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Trustee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items

through a single sale, or through two or more successive sales, or in any other manner Trustee designates in Trustee's sole discretion. Any Person, including Authority or Trustee, may purchase at any sale hereunder. Should Trustee desire that more than one sale or other disposition of the Property be conducted, Trustee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may designate, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not sold until all the Financing Agreement Payments then due and payable have been paid in full. In the event Trustee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Authority agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(d) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the payment of Authority Obligations and without regard for the solvency of Authority, any guarantor or indemnitor with respect to the Authority Obligations or any Person otherwise liable for the payment of the Authority Obligations or any part thereof;

(e) the license granted to Authority under Section 1.02 hereof shall automatically be revoked and Trustee may enter into or upon the Property, subject to the terms of the Lease and the Financing Documents either personally or by its agents, nominees or attorneys, and dispossess Authority and its agents and servants therefrom, without liability for trespass, damages or otherwise and take possession of all books, records and accounts relating thereto and Authority agrees to surrender possession of the Property and of such books, records and accounts to Trustee upon demand, and thereupon Trustee may, subject to the terms of the Lease, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Trustee deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Authority with respect to the Property, whether in the name of Authority or otherwise, including, without limitation, the right to make, cancel, enforce or modify Lease, obtain and evict tenants, and demand, sue for, collect and receive all Base Rental of the Property and every part thereof, (v) require Authority to pay monthly in advance to Trustee, or any receiver appointed to collect the Base Rental, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Authority, (vi) require Authority to vacate and surrender possession of the Property to Trustee or to such receiver and, in default thereof, Authority may be evicted by summary proceedings or otherwise, and (vii) apply the receipts from the Property to the payment of Authority Obligations, in such order, priority and proportions as Trustee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, other charges, insurance premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Trustee, its counsel, agents and employees;

(f) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Fixtures, the Equipment and/or the Personal

Property or any part thereof, and to take such other measures as Trustee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property. Any notice of sale, disposition or other intended action by Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Authority in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Authority;

(g) apply any sums then deposited or held in escrow or otherwise by or on behalf of Trustee in accordance with the terms of the Financing Documents to the payment of unpaid Authority Obligations; or

(h) pursue such other remedies as Trustee may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Trustee pursuant to this Mortgage or the Financing Agreement Payments, during the continuance of a Lease Event of Default continuing beyond the applicable time period (as set forth in Section 5.05(b) of the Trust Agreement), shall be applied by Trustee to the payment of the Authority Obligations in such priority and proportions as set forth in Section 5.06 of the Trust Agreement.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may, but without any obligation to do so and without notice to or demand on Authority, make any payment or do any act required of Authority hereunder or in the other Financing Documents which payment or action on the part of Trustee shall be in such manner and to such extent as Trustee may deem necessary to protect the security hereof. Trustee is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Mortgage or to collect the Financing Agreement Payments, and the out-of-pocket cost and expense thereof (including reasonable attorneys' fees and expenses to the extent permitted by law), with interest as provided in this Section 7.03, shall constitute a portion of the Authority Obligations and shall be due and payable to Trustee upon demand. All such costs and expenses incurred by Trustee in remedying any Lease Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinabove provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Trustee that such cost or expense was incurred and continuing until the date of payment to Trustee. All such costs and expenses incurred by Trustee, together with interest thereon calculated at the Default Rate, shall be deemed to constitute a portion of the Authority Obligations and to be secured by this Mortgage and shall be due and payable within ten (10) Business Days of written demand by Trustee therefor.

Section 7.04 Actions and Proceedings. After the occurrence and during the continuance of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Authority, which Trustee, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.05 Recovery of Sums Required To Be Paid. After the occurrence and during the continuance of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee shall have the right, from time to time, to take action to recover any sum or sums which constitute a part of the Authority Obligations as the same become due, without regard to whether or not the balance of the Authority Obligations shall be due, and without prejudice to the right of Trustee thereafter to bring an action of foreclosure, or any other action, for any Lease Event of Default existing at the time such earlier action was commenced.

Section 7.06 Other Rights, etc.

(a) The failure of Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Authority shall not be relieved of Authority's obligations hereunder by reason of (i) the failure of Trustee to comply with any request of Authority or any guarantor or indemnitor with respect to the Authority Obligations to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Financing Documents, (ii) except as expressly set forth in the Financing Documents, the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Authority Obligations or any portion thereof, or (iii) except as otherwise expressly agreed to by Trustee, in writing, any agreement or stipulation by Trustee extending the time of payment or otherwise modifying or supplementing the terms of the Financing Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Authority, and Trustee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Trustee shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Trustee's possession.

(c) Upon the occurrence and during the continuance of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may resort for the payment of the Authority Obligations to any other security held by Trustee in such order and manner as Trustee, in its discretion, may elect. Upon the occurrence and during the continuance of a Lease Event of Default and subject to any applicable conditions and notice and cure periods set forth in any Financing Documents (including, without limitation, Section 5.05 of the Trust Agreement), Trustee may take action to recover the Authority

Obligations then due and payable, or any portion thereof, without prejudice to the right of Trustee thereafter to foreclose this Mortgage. The rights of Trustee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Trustee shall not be limited exclusively to the rights and remedies herein stated, but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.07 Right of Entry. Subject to the rights of Tenant under the Lease and to the terms of the Financing Documents, upon reasonable notice to Authority (which may be given verbally), Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to accompaniment by Authority or representatives of Authority if so desired by Authority.

Section 7.08 Trustee Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Trustee to take any action or incur any liability with respect to the Property, and all options given to Trustee are for its benefit and shall and may be exercised in such order and in such combination as Trustee, in its sole discretion, may, from time to time, decide. Each remedy is distinct and cumulative to all other rights and remedies under this Instrument and the Financing Documents or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.

ARTICLE 8

WAIVERS

Section 8.01 Waiver of Counterclaim. To the extent permitted by applicable law, Authority hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Trustee arising out of (or in any way connected with this Mortgage), except in each instance where Trustee has engaged in willful misconduct or acted with gross negligence.

Section 8.02 Marshalling and Other Matters. To the extent permitted by applicable law, Authority hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property (or any part thereof or any interest therein). Further, to the extent permitted by applicable law, Authority hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Authority, and on behalf of each and every Person acquiring any interest in, or title to, the Property subsequent to the date of this Mortgage.

Section 8.03 Waiver of Notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AUTHORITY SHALL NOT BE ENTITLED TO ANY NOTICES OF ANY NATURE WHATSOEVER FROM TRUSTEE EXCEPT WITH RESPECT TO MATTERS FOR WHICH THIS MORTGAGE OR THE FINANCING DOCUMENTS SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY TRUSTEE TO AUTHORITY.

Section 8.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Authority hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Authority Obligations.

Section 8.05 Waiver of Jury Trial. AUTHORITY HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MORTGAGE OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY AUTHORITY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. TRUSTEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY AUTHORITY.

ARTICLE 9

EXCULPATION

Trustee shall not enforce the liabilities and obligations of Authority to perform and observe the obligations contained in this Mortgage by any action or proceeding wherein a money judgment shall be sought against Authority or any principal, director, officer, employee, manager, member, direct or indirect owner, trustee, agent or affiliate of Authority (collectively, the "Exculpated Parties"), except that Trustee may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Trustee to preserve its interest under this Mortgage and the other Financing Documents, or in the Property, the Base Rental, the Fee Purchase Option Payments or any other collateral given to Trustee pursuant to the Financing Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Authority only to the extent of Authority's interest in the Property, in the Base Rental and Fee Purchase Option Payments and in any other collateral given to Trustee, and Trustee, by accepting this Mortgage and the Financing Documents, agrees that it shall not sue for, seek or demand any deficiency judgment against any of the Exculpated Parties in any such action or proceeding under, or by reason of, or in connection with this Mortgage or the other Financing Documents. The provisions of this Article 9 shall not, however: (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Financing Documents; (b) impair the right of Trustee to name Authority as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Authority Obligations or any of the rights and remedies of Trustee thereunder; (d) impair the right of Trustee to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Lease; (f) constitute a prohibition against Trustee seeking a deficiency judgment against Authority in order to fully realize the security granted by this Mortgage or commencing any other appropriate action or proceeding in order for Trustee to exercise its remedies against the Property; or (g) impair any other rights of Trustee against Authority provided in the Financing Documents.

ARTICLE 10

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 8.6 of the Financing Agreement. Any notices of Lease Default given by the Authority under the Leases shall also be given contemporaneously to Trustee in the manner specified in Section 8.6 of the Financing Agreement.

ARTICLE 11

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process.

(a) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES IRREVOCABLY AND UNCONDITIONALLY AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND, IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, OF THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE BY AUTHORITY AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, AUTHORITY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE AND/OR THE LOAN, AND THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 1276 OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AND ANY OTHER APPLICABLE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SECTION A.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST AUTHORITY ARISING OUT OF, OR RELATING TO, THIS MORTGAGE OR THE ATTACHMENT, CREATION, PERFECTION, OR ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT LOCATED IN NEW YORK, INCLUDING, WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF NEW YORK AND AUTHORITY WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND AUTHORITY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. AUTHORITY DOES HEREBY AGREE THAT SERVICE OF PROCESS UPON AUTHORITY (IN ACCORDANCE WITH SECTION 1276

OF THE PUBLIC AUTHORITIES LAW OF THE CONSOLIDATED LAWS OF THE STATE OF NEW YORK AT THE ADDRESS FOR AUTHORITY SET FORTH HEREIN) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON AUTHORITY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. AUTHORITY (I) SHALL GIVE PROMPT NOTICE TO TRUSTEE OF ANY CHANGED ADDRESS OF AUTHORITY SET FORTH HEREIN, (II) MAY AT ANY TIME, AND FROM TIME TO TIME, DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH AN AUTHORIZED AGENT IF AUTHORITY CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.02 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE 12

DEFINITIONS

Capitalized terms, used but not defined herein, shall have the meanings ascribed to such terms in the Financing Agreement and the Trust Agreement. The rules of construction specified in Section 1.02 of the Trust Agreement also apply to this Mortgage.

ARTICLE 13

RELEASE OF PARCELS UPON FEE CONVERSION; MODIFICATION OF MORTGAGE UPON SUBSEVERANCE OF LEASE

Section 13.01 Release of Parcels Upon Fee Conversion. In accordance with the terms of the Financing Documents (including, without limitation, Sections 3.16(c) of the Trust Agreement and Section 3.1(2) of the Financing Agreement), Authority or Trustee shall release the applicable portion(s) of the Property from the lien of this Mortgage following an election by a Tenant under the Lease to exercise its Fee Conversion Option to purchase any such portions of the Property, upon the payment of the Fee Purchase Option Payments and the delivery thereof to the Trustee. Such release shall not, as to the remainder of the Property not so released, in any way impair or affect the lien or priority of this Mortgage, or improve the position of any subordinate lienholder with respect thereto, except to the extent that the Authority Obligations then due and payable shall have been reduced by the actual monetary consideration, if any, received by Trustee for such release. Upon any such release, this Mortgage shall continue as a lien and security interest in the remaining portion of the Property. The Authority and Tenant shall reasonably cooperate with the Trustee to effectuate the release of the applicable parcel,

including, without limitation, review and execution of the applicable release documents, at the sole cost and expense of Tenant.

Section 13.02 Modification of Mortgage Upon Subseverances of Lease. Section 9.02(d) of the Lease provides for the Demised Premises to be further severed upon request of Tenant pursuant to a “Subparcel Severance,” and for certain Severed Subparcels to be released from the Lease and demised pursuant to a “Severed Subparcel Lease” from the Authority to “Severed Subparcel Tenant” (as all of such terms are defined in the Lease). Upon any such Subparcel Severance and creation of a new Severed Subparcel Lease, this Mortgage shall be severed into separate severed mortgages, each encumbering the Authority’s right, title and interest in and to each Severed Subparcel Lease. The Authority shall execute and deliver such instruments of severance of this Mortgage as the Trustee shall deem necessary or desirable in order to accomplish the severance of this Mortgage into multiple mortgages, each one encumbering a Severed Subparcel Lease, including replacement mortgages for each Severed Subparcel Lease, upon the terms and conditions of this Mortgage, mutatis mutandis. The Authority shall, at its cost and expense, cause such replacement mortgages to be recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to fully protect and perfect the lien or security interest granted thereby upon, and the interest of Trustee in, the Authority’s right, title and interest in the Property demised pursuant to such Severed Subparcel Lease.

ARTICLE 14

SPECIFIC LEASE PROVISIONS REGARDING FEE MORTGAGES

Section 14.01 Specific Lease Provisions Regarding Fee Mortgages. This Mortgage constitutes a Fee Mortgage, as defined in the Lease. Sections 33.01, 33.02 and 33.03 of the Lease contain certain provisions regarding Fee Mortgages, which provisions are applicable to this Mortgage. Such Lease provisions are set forth below (all capitalized terms used in this Article 14 are as defined in the Lease):

“Section 33.01. Fee Mortgage. This Lease and Tenant’s interest in this Lease, as the same may be modified, amended or renewed, and any New Lease or the interest of Tenant under a New Lease as provided for in Section 17.04 shall not be subject or subordinate to (a) any Fee Mortgage or (b) to any other liens or encumbrances on Landlord’s fee estate, except for the Permitted Exceptions and any other liens or encumbrances created or consented to by Tenant or as a consequence of Tenant’s acts or omissions or the construction of the Improvements. Each Fee Mortgage shall contain an express statement confirming its subordination to this Lease (and any Severed Parcel Leases) as set forth in the immediately preceding sentence.

Section 33.02. Successor Landlord. If any Fee Mortgagee or any of its successors or assigns, or any designee of any Fee Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a deed, then, at the request

of such party so succeeding to Landlord's rights (such party, a "Successor Landlord"), Tenant shall automatically attorn to and recognize such Successor Landlord as Tenant's landlord under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon and subject to all of the terms, conditions and covenants as are set forth in this Lease, except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease which shall not be continuing; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be bound by any modification of this Lease entered into subsequent to the date of the applicable Fee Mortgage, or by any previous prepayment of more than one month's Rental, unless such modification or prepayment shall have been expressly approved in writing by the Fee Mortgagee; or (d) be obligated to make any improvements to, or perform any work at, or furnish any services to, the Premises (it being understood that Landlord has no such obligations under this Lease; provided, however, that nothing contained in this Section 33.02 shall derogate from the obligations of the Yards Parcel Owner under the ERY Declaration of Easements). The provisions of this Section 33.02 shall be self-operative, and no instrument of any such attornment shall be required or needed by the holders of any such Fee Mortgage. In confirmation of any such attornment Tenant shall, at Landlord's request or at the request of any such Fee Mortgagee, promptly execute and deliver such further instruments as may be reasonably required by any such Fee Mortgagee. Notwithstanding anything to the contrary herein, in the event that any such transfer causes the Premises no longer to be exempt from sales and use taxes, then Tenant shall have no obligation to pay Successor Landlord PILOST hereunder, the PILOST Agreement shall be deemed void and of no further force and effect and any obligation of Tenant contingent on paying PILOST (including Section 10.02(a)) shall be deemed to be stricken from this Lease and of no further force and effect.

Section 33.03. Notices and Cure Rights of Fee Mortgagee. If Landlord or a Fee Mortgagee gives Tenant Notice of the name and address of a Fee Mortgagee, then Tenant hereby agrees to give to any such Fee Mortgagee copies of all Notices sent by Tenant to Landlord under this Lease at the same time and in the same manner as and whenever Tenant shall give any such Notice to Landlord, and no such Notice shall be deemed given to Landlord hereunder unless and until a copy of such Notice shall have been so delivered to such Fee Mortgagee. Such Fee Mortgagee shall have the right to remedy any default of Landlord under this Lease, or to cause any default of Landlord under this Lease to be remedied, and, for such purpose, Tenant hereby grants such Fee Mortgagee such additional period of time as may be reasonable to enable such Fee Mortgagee to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be

remedied, any such default. Tenant shall accept performance by such Fee Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under this Lease with the same force and effect as though performed by Landlord. No default under this Lease shall exist or shall be deemed to exist (a) as long as such Fee Mortgagee, in good faith, shall have commenced to cure such default and shall be prosecuting the same to completion with reasonable diligence, subject to Force Majeure, (b) if such default is not susceptible of being cured by such Fee Mortgagee, or (c) as long as such Fee Mortgagee, in good faith, shall have notified Tenant that such Fee Mortgagee intends to institute proceedings under the Fee Mortgage to acquire possession of the Premises, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. In the event of the termination of this Lease by reason of Landlord's default hereunder, upon such Fee Mortgagee's written request, given within thirty (30) days after any such termination, Tenant, within fifteen (15) days after receipt of such request, shall execute and deliver to such Fee Mortgagee or its designee or nominee a new lease of the Premises for the remainder of the Term of this Lease upon all of the terms, covenants and conditions of this Lease. Neither such Fee Mortgagee nor its designee or nominee shall become liable under this Lease unless and until such Fee Mortgagee or its designee or nominee becomes, and then only for so long as such Fee Mortgagee or its designee or nominee remains, the fee owner of the Premises. Such Fee Mortgagee shall have the right, without Tenant's consent, to foreclose the Fee Mortgage or to accept a deed in lieu of foreclosure of such Fee Mortgage."

ARTICLE 15

MISCELLANEOUS PROVISIONS

Section 15.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Authority or Trustee, but only by an agreement, in writing, signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.02 Successors and Assigns. This Mortgage shall be binding upon and shall inure to the benefit of Authority and Trustee and their respective permitted successors and permitted assigns, as set forth in the Financing Documents. Except as otherwise expressly provided under terms of the Financing Documents, Trustee shall not assign or transfer its rights under this Mortgage.

Section 15.03 Inapplicable Provisions. If any term, covenant or condition of this Mortgage is held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

Section 15.04 Headings, etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.05 Subrogation. If any or all of the proceeds of the Financing Agreement Payments have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Trustee shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Trustee, as amended and restated on the terms set forth herein, and are merged with the lien and security interest created herein as cumulative security for the payment of the Financing Agreement Payments, and the performance and discharge of the Authority Obligations, under the Financing Documents.

Section 15.06 Entire Agreement. The Financing Documents, including this Mortgage, constitute the entire understanding and agreement between Authority and Trustee with respect to the Authority Obligations and supersede all prior written or oral understandings and agreements between Authority and Trustee with respect thereto. Authority hereby acknowledges that, except as incorporated, in writing, in the Financing Documents, including this Mortgage, there are not, and were not, and no persons are, or were authorized by Trustee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the Authority Obligations.

Section 15.07 Limitation on Trustee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Trustee, nor shall it operate to make Trustee responsible or liable for any waste committed on the Property by tenants or any other person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger, except liability arising solely from Trustee's gross negligence or willful misconduct. Nothing herein contained shall be construed as constituting Trustee a "Trustee in possession."

Section 15.08 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Mortgage and the terms and conditions of the Financing Agreement and/or Trust Agreement, the terms and conditions of the Financing Agreement and/or Trust Agreement shall control and be binding.

Section 15.09 Severability. In case any one or more of the provisions of this Mortgage or any agreement now or hereafter executed in connection with this Mortgage is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Trustee to the fullest extent now or hereafter permitted by law.

Section 15.10 No Partnership or Joint Venture. No provision of this Mortgage shall constitute a partnership, joint venture, tenancy in common or joint tenancy between

Authority and Trustee, it being intended that the only relationship created by this Mortgage shall be that of mortgagor and mortgagee.

Section 15.11 No Merger. So long as any of the Lease remains outstanding, and any Authority Obligations secured hereby remain unpaid and undischarged and unless Trustee otherwise consents, in writing, the fee, leasehold, subleasehold and sub-subleasehold estates in and to the Property will not merge but will always remain separate and distinct, notwithstanding the union of such estates (without implying Authority's consent to such union) either in Authority, Trustee, any tenant or any third party by purchase or otherwise.

Section 15.12 Application of Lien Law. Notwithstanding anything to the contrary in this Mortgage, this Mortgage is not intended to constitute a "building loan mortgage" as defined in New York Lien Law (the "Lien Law") § 2(14). This Mortgage shall not secure any advances made pursuant to a "building loan contract."

ARTICLE 16

STATE-SPECIFIC PROVISIONS

Section 16.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.02 Commercial Property. This Mortgage encumbers real property principally improved, or to be improved, by one or more structures containing in the aggregate more than six residential dwelling units, each having its own separate cooking facilities.

Section 16.03 MAXIMUM DEBT SECURED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS SECURED BY THIS MORTGAGE AT THE TIME OF EXECUTION OR WHICH UNDER ANY CONTINGENCY MAY HEREAFTER BECOME SECURED HEREBY AT ANY TIME IS [_____] AND NO/100 DOLLARS (\$[_____]), PROVIDED THAT SUCH LIMITATION SHALL NOT LIMIT THE SECURITY OF THIS MORTGAGE WITH RESPECT TO (I) INTEREST ON THE AFORESAID MAXIMUM AMOUNT OF AUTHORITY OBLIGATIONS AT THE RATES SET FORTH IN THE FINANCING AGREEMENT, (II) SUMS TO PAY PROPERTY TAXES AND OTHER CHARGES, (III) SUMS TO PAY PREMIUMS ON INSURANCE POLICIES COVERING THE PROPERTY, (IV) EXPENSES INCURRED AFTER AN EVENT OF DEFAULT IN UPHOLDING OR ENFORCING THE LIEN OF THIS MORTGAGE, INCLUDING, BUT NOT LIMITED TO, THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS MORTGAGE, (V) ANY AMOUNT, COSTS OR CHARGE TO WHICH TRUSTEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (VI) ANY OTHER AMOUNT SECURED BY THIS MORTGAGE WHICH, IF NOT LIMITED BY SUCH LIMITATION, WOULD NOT INCREASE THE AMOUNT OF

MORTGAGE RECORDING TAXES, IF ANY, PAYABLE WITH RESPECT TO THIS MORTGAGE.

Section 16.04 Insurance Proceeds. In the event of any conflict, inconsistency or ambiguity between the provisions of this Mortgage and/or the Financing Documents, on the one hand, and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire on the other hand, the provisions of this Mortgage and/or the Financing Documents, as applicable, shall control.

Section 16.05 Trust Fund. Pursuant to Section 13 of the Lien Law, Authority shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Property before using any part of such advances for any other purpose. Authority will indemnify and hold Trustee harmless from and against any loss, liability, cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of, or relating to, any proceeding instituted by any claimant alleging a violation by Authority of any applicable Lien Law provisions including, without limitation, any section of Article 3-A of the Lien Law.

Section 16.06 Section 291-f Agreement.

(a) Authority hereby covenants and agrees with Trustee that, except as otherwise set forth in the Lease and the Financing Documents, without the written consent of Trustee first had and obtained, Authority will not accept any surrender, cancellation, abridgment, or modification of any of the terms, covenants and conditions of any Lease/Sublease, and will not accept prepayments of installments of Base Rental to become due thereunder for more than one (1) month in advance, except to the extent that such surrender, cancellation, abridgment, or modification is permitted to a Tenant under the provisions of its respective Lease/Sublease.

(b) This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the Real Property Law of the State of New York ("Section 291-f") and shall be entitled to the benefits afforded thereby. Authority shall (unless such notice is contained in such Tenant's Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Trustee, to all holders of any Tenant interest in any Lease which is subject to Section 291-f, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Trustee the full protections and benefits of Section 291-f. Authority shall request the recipient of any such notice to acknowledge the receipt thereof.

Section 16.07 Assignment of Mortgage. Upon payment of the Authority Obligations in accordance with the terms of the Financing Documents (exclusive of any indemnification or other obligations which are expressly stated in any of the Financing Documents to survive the payment of the Authority Obligations; provided that such indemnification or other obligations are inchoate in nature), Trustee shall execute, acknowledge and deliver either (a) a satisfaction of this Mortgage in recordable form or (b) upon written request by Authority to Trustee (at Authority's election), an assignment of this Mortgage in

recordable form to Authority's designee (without recourse, covenant or warranty of any nature, express or implied, except as to the Authority Obligations then outstanding and that there has been no other assignment of this Mortgage); provided that (i) Authority shall have reimbursed Trustee for all of its reasonable out-of-pocket costs, including, but not limited to, reasonable out-of-pocket legal costs and expenses incurred in connection with any such assignment, and (ii) Authority shall have caused the delivery of an executed statement of Oath under Section 275 of the New York Real Property Law. Trustee shall not be responsible for any mortgage recording taxes, recording fees or other charges payable in connection with any such assignment.

Section 16.08 Sections 254 and 273 of the Real Property Law. All covenants hereof shall be construed as affording to Trustee rights additional to (and not exclusive of the rights conferred under) the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law.

Section 16.09 Article 14 of the Real Property Actions and Proceedings Law. Reference is hereby made to Article 14 of the Real Property Actions and Proceedings Law of the State of New York, as the same may be amended from time to time, for the purposes of obtaining for Trustee the benefit of said Article in connection with Trustee's rights with respect to foreclosure of this Mortgage by power of sale.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been executed by Authority as of the day and year first above written.

Authority:

METROPOLITAN TRANSPORTATION
AUTHORITY, a New York public benefit
corporation

By: _____
Name:
Title:

[illegible]

On the ____ day of _____, 2016, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Signature & office of individual
taking the acknowledgement

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

PURCHASE AGREEMENT

\$000,000,000

MTA Hudson Rail Yards Trust Obligations, Series 2016A

July yy, 2016

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004
Attention: Patrick J. McCoy, Director, Finance

The undersigned (the “Underwriters”) offer to enter into the following agreement (the “Purchase Agreement”) with the Metropolitan Transportation Authority (the “Authority”) which, upon acceptance by the Authority, will be binding upon the Authority and the Underwriters. The Underwriters have heretofore designated Goldman, Sachs & Co. as the representative of the Underwriters (in such capacity, the “Representative”) duly authorized to execute this Purchase Agreement and to take action on behalf of the Underwriters. This offer is made subject to your acceptance hereof prior to 5:00 p.m., New York time, on the date hereof or at such other time or date as may be agreed to by the Authority and the Representative.

Capitalized terms used herein and not otherwise defined shall have the meanings specified therefor in the Official Statement (hereinafter defined).

1. (a) Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Underwriters, jointly and severally, hereby agree to purchase from Wells Fargo Bank, National Association, acting in the capacity of Trustee (the “Trustee”), on behalf of the Authority, on the Closing Date (hereinafter defined) for offering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$000,000,000 aggregate principal amount of the MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Obligations”), dated the date of delivery thereof, which mature, bear interest at the rates, are payable as to principal and interest and have the redemption and other provisions and terms set forth in the Official Statement and the Transportation Trust Agreement, dated as of July 1, 2016 (the “Transportation Trust Agreement”), by and between the Authority and the Trustee. The aggregate purchase price for the Obligations shall be \$_____ (which reflects the aggregate principal amount thereof, plus net original issue premium of \$_____ and less an underwriters’ discount of \$_____) (the “Purchase Price”).

(b) The Authority has entered into certain agreements for the development of the Eastern Rail Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yard (the “West Side Yard”), pursuant to which the Authority has entered into the following ground leases, severable, with options to purchase fee interests in severed parcels (the “Leases”):

- the Agreement of Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2013, by and between the Authority and ERY

Tenant LLC (f/k/a RG ERY LLC), relating to the Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 702, Lots 4, 110 and 9110), as amended by the First Amendment to Lease, dated as of December 30, 2013, by and between the Authority and ERY Tenant LLC, as amended by the Second Amendment to Lease, dated as of March 17, 2014, by and between the Authority and ERY Tenant LLC, as amended by the Third Amendment to Lease, dated as of November 23, 2015, by and between the Authority and ERY Tenant LLC, as amended by the Fourth Amendment to Lease, dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC;

- the Amended and Restated Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lot 1301 (formerly part of Lot 125));
- the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard – Retail Pavilion Parcel), dated as of December 11, 2015, by and between the Authority and ERY Retail Podium LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, p/o Lot 175);
- the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of December 11, 2015, by and between the Authority and ERY Tenant LLC, relating to a portion of Facility Airspace Parcel Airspace Above a Limiting Plane, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lots 1302, 1303 and 1304 (formerly part of Lot 125));
- the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2013, by and between the Authority and Legacy Yards Tenant LLC, relating to a portion of Facility Airspace Parcel Terra Firma, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 702, Lot 10);
- the Agreement of Severed Parcel Lease (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of November 23, 2015, by and between the Authority and ERY South Residential Tower LLC, relating to a portion of Facility Airspace Parcel Terra Firma, Eastern Rail Yard Section of the John D. Caemmerer West Side Yard, New York, New York (Manhattan Block 702, Lots 1002, 1003 and 1004 (formerly part of Lot 4); and
- the Agreement of Lease (Western Rail Yard Section of the John D. Caemmerer West Side Yard), dated as of April 10, 2014, by and between the Authority and WRY

Tenant LLC (f/k/a RG WRY LLC), relating to a portion of Facility Airspace Parcel Terra Firma and Airspace Above a Limiting Plane, Western Rail Yard Section of the John D. Caemmerer West Side Yard, New York, NY (Manhattan Block 676, Lot 3 (to be Lots 1 and 5), as amended by that certain First Amendment to Lease, dated as of July 9, 2014, between the Authority and WRY Tenant LLC.

(c) In connection with the construction of certain buildings and facilities, affiliates of the tenants (the “Tenants”) under the Leases have delivered the following construction completion guaranties (the “Construction Completion Guaranties”):

- the Retail Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated December 11, 2015, by The Related Companies, L.P. (“Related”) and OP USA Debt Holdings Limited Partnership (“OPUSA”), jointly and severally, to and for the benefit of the Authority and The Long Island Rail Road Company (“LIRR”);
- the Roof, Facilities and Relocations Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated March 17, 2014, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR;
- the Tower A Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated December 11, 2015, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR;
- the Tower C Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2013, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR; and
- the Tower D Building Completion Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated November 23, 2015, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority and LIRR.

(d) Pending the commencement of construction of certain buildings and facilities, affiliates of the Tenants have delivered the following payment guaranties that guaranty, subject to limitations described therein, the payment of, among other things, Monthly Base Rent (as hereinafter defined) by certain Tenants and/or a payment in lieu of proceeding with such construction, all as more fully described in such guaranties (collectively, the “Payment Guaranties”):

- the Default Payments Guaranty (Eastern Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2013, by Related and OPUSA, jointly and severally, to and for the benefit of the Authority; and
- the Default Payments Guaranty (Western Rail Yard Section of the John D. Caemmerer West Side Yard), dated April 10, 2014, by Related and OPUSA, for the benefit of the Authority.

(e) Pursuant to that certain Interagency Financing Agreement, dated as of July 1, 2016 (the “Financing Agreement”), by and among the Authority, New York City Transit Authority (the “Transit Authority”), Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), LIRR, Metro-North Commuter Railroad Company (“MNCRC”), and MTA Bus Company (“MTA Bus”; each of the Authority, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus individually, a “Related Transportation Entity” and, collectively, the “Related Transportation Entities”) and the Trustee, the amounts due under the Leases relating to the occupancy of the property covered by the Leases (the “Monthly Base Rent”), amounts received by the Authority under the Leases from a Tenant who has elected to exercise its option to purchase the fee title to a parcel under such Lease (the “Fee Purchase Payments”) and certain other amounts payable in accordance with Section 3.1 of the Financing Agreement will be paid by the Authority to the Trustee (the “Financing Agreement Payments”). The Obligations evidence interests of the owners thereof in the MTA Financing Agreement Amount payable by the Authority pursuant to the Financing Agreement. The Obligations shall be as described in, and shall be issued and secured under and pursuant to, the Transportation Trust Agreement.

(f) The Leases provide for certain periods of abatement of Monthly Base Rent, the funding of capitalized interest and the establishment of an Interest Reserve Fund created under the Transportation Trust Agreement (the “Interest Reserve Fund”) to pay interest on the Obligations during the abatement period and in the event that, for whatever reason, the Monthly Base Rent to be derived from the Leases may be insufficient to periodically fund the interest portion of such Obligations, the Related Transportation Entities have agreed to make certain advances (the “Interest Reserve Advances”) in accordance with the Financing Agreement.

(g) In order to provide for the efficient transfer of payments to the Trustee and the monthly accounting of such payments to determine sufficiency under the Financing Agreement, the Authority has entered into a Lockbox Agreement, dated as of July 1, 2016 (the “Lockbox Agreement”), with Wells Fargo Bank, National Association, as custodian thereunder (the “Custodian”), pursuant to which the Authority will direct all Tenants to make Monthly Base Rent and Fee Purchase Payments under the Leases directly to the Custodian.

(h) To further secure the interests of the owners of the Obligations, the Authority has executed and delivered to the Trustee a Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated as of July 1, 2016 (collectively, the “Fee Mortgages”) on each of the parcels that are the subject of the Leases.

(i) For purposes of this Purchase Agreement, (a) the Financing Agreement, the Transportation Trust Agreement, the Lockbox Agreement, the Purchase Agreement and the Continuing Disclosure Agreement are collectively referred to as the “Obligation Documents,” (b) the Leases, the Construction Completion Guaranties, the Payment Guaranties and the Fee Mortgages are collectively referred to as the “Real Estate Documents,” and (c) the Obligation Documents and the Real Estate Documents are collectively referred to as the “Transaction Documents”.

2. (a) The Underwriters agree to make a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or

wholesalers) of all of the Obligations at prices not in excess of the initial public offering price or prices (or yields below the yield or yields) set forth in the Official Statement. If such public offering does not result in the sale of all the Obligations, the Underwriters reserve the right to change such initial public offering prices or yields as the Underwriters deem necessary in connection with the marketing of the Obligations.

(b) The Representative does hereby certify that at the time of the execution of this Purchase Agreement, based upon prevailing market conditions, it does not have any reason to believe that any of the Obligations will be initially sold to the public (excluding such bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices in excess of the prices, or yields below the yields, set forth in the Official Statement. At the Closing, the Representative shall deliver to the Authority a certificate on behalf of the Underwriters in substantially the form attached as Exhibit 9 hereto and as to such other matters required in order to enable Bond Counsel to render its opinion as to the exclusion from gross income for Federal income tax purposes of interest on the Obligations.

(c) The Underwriters agree to promptly file a copy of the final Official Statement with the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board ("MSRB"), upon receipt of the final Official Statement (with any required forms) and to the MSRB or its designee pursuant to MSRB Rule G-32 within one (1) business day after receipt, but no later than the Closing Date.

3. The Representative herewith delivers to the Authority a corporate or other check payable to the order of the Authority (the "Security Check") in an amount equal to \$____ (the "Good Faith Amount"), being payment on account of the Purchase Price of the Obligations, which Security Check may be held by the Authority as security for the performance by the Underwriters of their obligations hereunder. The Authority agrees not to deposit the Security Check except as hereinafter permitted. The Authority shall return the Security Check to the Representative at Closing, upon successful delivery of, and payment for, the Obligations. If the Representative shall fail, for a reason not permitted by this Purchase Agreement, to pay for and accept delivery of the Obligations at the Closing, the Authority may retain the Good Faith Amount and apply it as full liquidated damages hereunder for such failure on the part of the Underwriters and the retention of the Good Faith Amount by the Authority shall constitute a full release and discharge of all claims and damages for such failure. In such event, the Underwriters and, by the retention of the Good Faith Amount by the Authority, the Authority shall have no further obligation or liability hereunder except to pay any expenses each is required to pay under paragraph 10 hereof. In the event the Authority does not accept this offer, or fails to deliver the Obligations at the Closing, or is unable to satisfy the conditions of the obligations of the Underwriters set forth in this Purchase Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Agreement, other than resulting from a failure of the Representative to deliver the certificate required pursuant to paragraph 2(b) hereof, the Good Faith Amount shall be returned to the Representative. In such event the Underwriters and, upon the return of the Good Faith Amount (unless the Authority is permitted to retain such amount pursuant to the preceding sentence), the Authority shall have no further obligation or liability hereunder except to pay any expenses each is required to pay under paragraph 10 hereof.

4. (a) The Authority ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Obligations. Prior to the date hereof, the Authority delivered to the Representative a document or documents together with a certificate of the Authority which stated that the Preliminary Official Statement, together with such other documents, if any, described in such certificate, were deemed final as of their date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for the information not required to be included therein under Rule 15c2-12 and certain other information specified in such certificate, including portions thereof included by reference therein.

(b) Within seven business days hereof (but not later than the day prior to Closing), the Authority shall deliver to the Representative copies of the Official Statement, in sufficient quantity (subject to paragraph 10 hereof) as may reasonably be requested by the Representative in order to comply with Rule 15c2-12, in substantially the form attached hereto as Exhibit 1, with only such changes as shall have been accepted by the Representative. The Authority authorizes the use and distribution of both printed and electronic copies of the Official Statement by the Underwriters in connection with the public offering and sale of the Obligations.

(c) Subject to paragraph 10 hereof as to the payments of the expenses thereof, if, during the period from the date hereof to and including the date which is twenty-five days from the end of the underwriting period, there shall exist any event which, in the opinion of the Representative and Counsel to the Underwriters or in the opinion of the Authority, requires a supplement or amendment to the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Authority will supplement or amend the Official Statement in a form and in a manner approved by the Representative and the Authority.

(d) Unless otherwise notified in writing by the Representative at or prior to Closing, the Authority can assume that the “end of the underwriting period” for the Obligations for all purposes of Rule 15c2-12 is the Closing Date. In the event such notice is given in writing by the Representative, the Representative shall notify the Authority in writing following the occurrence of the “end of the underwriting period” for the Obligations as defined in Rule 15c2-12. The “end of the underwriting period” for the Obligations as used in this Purchase Agreement shall mean the Closing Date or such later date as to which notice is given by the Representative in accordance with the preceding sentence.

5. Delivery of and payment for the Obligations (the “Closing”) will take place at 10:00 a.m., New York time, on July zz, 2016 (the “Closing Date”), at the offices of Nixon Peabody LLP, 437 Madison Avenue, New York, New York (“Bond Counsel”), or at such other time or on such later business day as shall have been mutually agreed upon by the parties hereto. At the Closing, (i) the Trustee shall execute and deliver the Obligations in definitive form, (ii) the Authority shall deliver and caused to be delivered the other instruments and documents required to be delivered to the Representative at the Closing hereunder, and (iii) the Underwriters shall pay the Purchase Price as set forth in paragraph 1 hereof to the Authority by the delivery by wire transfer, payable to the Authority, in immediately available funds delivered at the offices of

Bond Counsel, or at such other place as shall have been mutually agreed upon by the parties hereto. All actions taken at the Closing shall take place at such offices.

6. The Authority, on behalf of itself and each of the other Related Transportation Entities to the extent that such other Related Transportation Entities are parties to the Transaction Documents, hereby represents and warrants to the Underwriters as follows:

(a) Each of the Related Transportation Entities is a body corporate and politic constituting a public benefit corporation of the State of New York (the “State”) duly created and established and validly existing under the applicable provisions of the New York Public Authorities Law, as amended to the date hereof.

(b) Each of the Related Transportation Entities has all requisite legal right, power and authority to adopt the authorizing resolution (the “Authorizing Resolution”) adopted by their respective Boards on June __, 2016, relating to, among other things, the execution and delivery of the Obligations.

(c) Each of the Related Transportation Entities has all requisite legal right, power and authority to execute, deliver and perform the Transaction Documents to which it is a party and to engage in the transactions to which it is or is to be a party as contemplated hereby and by the Transaction Documents and the Official Statement. The execution, delivery and performance by each of the Related Transportation Entities of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of the Related Transportation Entities.

(d) The Authority has all requisite legal right, power and authority to execute and deliver the Official Statement, and the execution and delivery by the Authority of the Official Statement and the use by the Underwriters of the Preliminary Official Statement and the Official Statement have been duly authorized by all necessary action on the part of the Authority.

(e) The Transaction Documents and the Official Statement have been duly authorized, executed and delivered by the Related Transportation Entities that are a party thereto. Each of the Transaction Documents, assuming the due authorization, execution and delivery by the other parties thereto that are not Related Transportation Entities, constitutes a legal, valid and binding obligation of the Related Transportation Entity that is a party thereto, enforceable against such Related Transportation Entity in accordance with its respective terms.

(f) The execution, delivery and performance of the Transaction Documents and the Official Statement, the execution and sale of the Obligations, and the consummation of the transactions contemplated by the Transaction Documents and the Official Statement, under the circumstances contemplated by such documents, do not and will not: (i) in any material respect conflict with or constitute on the part of the Related Transportation Entities a breach of or default under any agreement, indenture, mortgage, lease or other instrument to which the Related Transportation Entities are a party or by or to which it or its revenues, properties, assets or operations are bound or subject, (ii) in any material respect conflict with or result in a violation by the Related Transportation Entities of the Constitution of the United States or the State or the

enabling acts relating thereto, or any other law, ordinance, regulation, order, decree, judgment or ruling by or to which it or its revenues, properties, assets or operations are bound or subject, or (iii) except as provided in the Transaction Documents or as described in the Official Statement, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its revenues, properties or assets.

(g) Except as described in the Official Statement, no litigation or other proceeding before or by any court or agency or other administrative body (either State or Federal) is pending against the Related Transportation Entities or, to the knowledge of the Authority, threatened against it, in any way restraining or enjoining, or threatening or seeking to restrain or enjoin, the execution, sale or delivery of the Obligations or in any way questioning or affecting: (i) the proceedings under which the Obligations are to be executed and delivered; (ii) the validity or enforceability of any provision of the Certificates or the Transaction Documents; (iii) its authority to collect the Monthly Base Rent, Fee Purchase Payments or other funds pledged or to be pledged to the payment of the Obligations; (iv) the accuracy, completeness or fairness of the Official Statement; (v) their legal existence or their right to conduct their respective operations as presently conducted or (vi) the title of their members or officers to their respective offices in such manner as to adversely affect its ability to authorize the execution, sale or delivery of the Obligations or to consummate any of the transactions to which any is or is to be a party as contemplated by the Transaction Documents.

(h) Unless amended or supplemented as described in paragraph 4(c) hereof, as of the date hereof and at all times during the period described in paragraph 4(c) hereof, the Official Statement (except for the Excluded Disclosure, as to which no representation or warranty is made) is and will be true and complete in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect. For purposes of this Purchase Agreement, “Excluded Disclosure” shall mean: ____.

(i) If the Official Statement is supplemented or amended pursuant to paragraph 4(c) hereof, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to paragraph 4(c) hereof) at all times during the period from the date of such supplement or amendment to the end of the period described in paragraph 4(c) hereof, the Official Statement (except for the Excluded Disclosure, as to which no representation or warranty is made) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

(j) All approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required as a condition precedent to the performance of their obligations under the Transaction Documents, if any, have been obtained by the Related Transportation Entities and are in full force and effect.

(k) [to be revised to reflect real estate counsel opinion] The Fee Mortgages create a valid real property mortgage and security interest, as the case may be, in the “Property” (as defined in each such Fee Mortgage) subject to such Fee Mortgage, subject only to ____.

(l) Any certificates signed by any Authorized Officer of the Authority and delivered to the Underwriters pursuant to this Purchase Agreement shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(m) At or prior to the Closing, if required by Rule 15c2-12, the Authority shall have duly authorized, executed and delivered a continuing disclosure agreement (the “Continuing Disclosure Agreement”) substantially in the form attached as Exhibit __ to the Official Statement.

(n) The Authority has not failed during the previous five years to comply in any material respect with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

7. In addition to any other conditions herein stated, the obligations of the Underwriters hereunder are subject to the following conditions:

(a) At the time of Closing: (i) the Transaction Documents shall be in full force and effect in the respective forms approved or adopted by the Authority on or prior to the date hereof and shall not have been amended, modified, or supplemented, after the date hereof, except as may have been agreed to in writing by the Representative; (ii) each of the Related Transportation Entities shall perform or have performed all of its obligations required under or specified in the Transaction Documents to be performed at or prior to the Closing; and (iii) all actions by or on behalf of the Related Transportation Entities, the Trustee or others necessary to execute, authenticate, deliver and sell the Obligations pursuant hereto and to give effect to the trust, pledge and other provisions of the Transaction Documents shall have been taken.

(b) The Obligations: (i) shall be executed, delivered and secured under and pursuant to the Transportation Trust Agreement; (ii) shall be as described, and shall have the terms and conditions set forth, in the Transportation Trust Agreement and the Official Statement; and (iii) shall have received ratings from [Moody’s Investors Service] and [Kroll Bond Rating Agency, Inc.] of “___” and “___”, respectively.

(c) The representations and warranties of the Authority contained herein and in any of the Transaction Documents or other documents of the Authority delivered pursuant hereto shall have been true and complete in all material respects on the date made and shall be true and complete in all material respects at the time of the Closing with the same effect as if made at such time.

(d) At or prior to the Closing, unless otherwise agreed to by the Representative in writing, the Representative shall receive the following documents:

- (1) An opinion of Bond Counsel, dated the date of the Closing, in substantially the form attached to the Official Statement as Attachment __;
- (2) A supplemental opinion of Bond Counsel, dated the date of the Closing, in substantially the form attached as Exhibit 2 hereto;
- (3) An opinion of Special Disclosure Counsel, dated the date of the Closing, in substantially the form attached as Exhibit 3 hereto;
- (4) An opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, special real estate counsel to the Authority, relating to the Real Estate Documents, dated the date of Closing, in substantially the form attached as Exhibit 4 hereto;
- (5) An opinion of Counsel to the Underwriters, dated the date of the Closing, in substantially the form attached as Exhibit 5 hereto;
- (6) An opinion of General Counsel to the Authority, dated the date of the Closing, in substantially the form attached as Exhibit 6 hereto;
- (7) An opinion of counsel to the Trustee, dated the date of the Closing, in substantially the form attached as Exhibit 7 hereto;
- (8) An opinion of counsel to the Custodian, dated the date of the Closing, in substantially the form attached as Exhibit 8 hereto;
- (9) An executed counterpart or certified copy of each of the Transaction Documents;
- (10) Original valuation letter from Jones Lang LaSalle Americas, Inc. in the form attached to the Official Statement as Attachment __;
- (11) A certificate dated the date of the Closing, of an authorized officer of the Authority stating that to the best of his or her knowledge: (A) the representations and warranties of the Related Transportation Entities contained herein are true and correct as of the date of Closing with the same effect as if made on the date of the Closing; and (B) each the Related Transportation Entities has complied with all agreements, covenants and arrangements and satisfied all conditions on its part to be complied with or satisfied at or prior to the date of the Closing;
- (12) A certificate of the Trustee as to the execution and delivery of the Obligations and a certificate of the Authority as to the payment therefor;
- (13) A certificate as to arbitrage and use of proceeds, dated the date of the Closing, of the Authority as to such matters as are required by Bond Counsel to render its opinion as to the exclusion from gross income for Federal income tax purposes of interest on the Obligations;

- (14) True and complete copies of all opinions, certificates and other documents delivered to the Trustee pursuant to the Transportation Trust Agreement;
- (15) Evidence of the approval of the Comptroller of the State of the sale of the Obligations and the terms thereof; and
- (16) Such additional certificates, instruments or opinions as Bond Counsel or Counsel to the Underwriters may reasonably request to evidence the due authorization, execution, authentication and delivery of the Obligations, the conformity of the Obligations and the Transportation Trust Agreement with the terms of the Obligations and the Transaction Documents as summarized in the Official Statement, the exclusion from gross income for Federal income tax purposes of interest represented by the Obligations, and the truth, accuracy and completeness as of the Closing of the Related Transportation Entities' representations and warranties contained herein, in the Official Statement and in any of the documents delivered pursuant hereto.

8. The Representative shall have the right to terminate its obligations under this Purchase Agreement by notifying the Authority of its election to do so if, after the execution hereof and prior to the Closing:

(a) the marketability of the Obligations or the market price thereof, in the opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or of the State of New York or by Federal or State or New York City legislation or by a decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or other Federal or State authority, affecting the tax status of the Authority or its property, revenues or income, or obligations (including the Obligations) or the interest thereon;

(b) legislation shall have been enacted or a bill shall be favorably reported out of committee of either house of Congress, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other agency of the Federal government having jurisdiction of the subject matter shall be made, to the effect that the Obligations are not exempt from the registration or other requirements of the Securities Act of 1933, as amended, or the Transportation Trust Agreement is not exempt from the qualification requirements of the Trust Indenture Act of 1939, as amended;

(c) there shall have occurred any new engagement in major hostilities by the United States or any declaration of war by the United States or an escalation of any existing conflict or hostilities in which the United States is involved or there shall have occurred any other calamity or crisis in the United States or abroad relating to the effective operation of the government of, or financial community in, the United States, which, in the opinion of the Representative, materially adversely affects the marketability of the Obligations or the market price thereof;

(d) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by United States or State authorities or The Securities Industry and Financial Markets Association shall have recommended an emergency full or early close of the bond market;

(e) there shall exist any event described in paragraph 4(c) hereof which in the opinion of the Representative requires a supplement or amendment to the Official Statement; provided, however, that the Underwriters shall, if requested by the Authority, circulate to purchasers a supplement or amendment to the Official Statement reflecting such event, and if such supplement or amendment is so circulated the Underwriters shall only be entitled to terminate the Purchase Agreement pursuant to this clause (e) if, as a result of such circulation, the marketability of the Obligations or the market price thereof, in the opinion of the Representative, has been materially adversely affected; or

(f) the ratings for the Obligations shall have been lowered below the ratings specified in paragraph 7(b) hereof, or withdrawn, by any of the ratings agencies then rating the Obligations.

9. The performance by the Authority of its obligations hereunder is conditioned upon: (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the Authority of the items described in paragraph 7(d) (as amended or supplemented pursuant to the Purchase Agreement) to be delivered at or prior to the Closing by persons and entities other than the Authority. the Authority shall, subject to the provisions of the preceding sentence, perform its obligations hereunder unless (i) the Authority has been advised by Bond Counsel that, during the period from the date of this Purchase Agreement to and including the Closing Date, there has been a change in law which imposes new or additional requirements in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Obligations and (ii) the Authority chooses not to undertake to comply with such requirements.

10. The Underwriters shall be under no obligation to pay any expenses incident to the performance of the Authority's obligations hereunder, including but not limited to: (a) the cost of the preparation and printing or other reproduction of the Transaction Documents, the cost of the preparation and printing of a reasonable number of copies of the Preliminary Official Statement and the Official Statement and copies of any supplements or amendments to the Official Statement pursuant to paragraph 4(c) hereof; (b) the cost of preparing and printing the Obligations; (c) the fees and disbursements of Bond Counsel, of other counsel to the Authority, accountants and any other experts or consultants retained by the Authority; and (d) the cost of obtaining ratings for the Obligations, all of which shall be paid by the Authority; provided, however, the Authority shall have no obligation to pay any fees, costs or other amounts relating to any supplements or amendments to the Official Statement to the extent such amendment or supplement is prepared after the period described in paragraph 4(c) hereof (provided that for purposes of this paragraph the end of the underwriting period shall be deemed to be the Closing).

The Underwriters shall pay: (a) the cost of printing copies of the Preliminary Official Statement and the Official Statement in excess of the reasonable amounts set forth in the preceding paragraph, all of the costs, fees and expenses relating to any supplements or amendments to the Official Statement pursuant to paragraph 4(c) hereof to the extent not

required to be paid by the Authority pursuant to the preceding paragraph, the cost of reproducing the Agreement Among Underwriters, the cost of qualifying the Obligations for sale in various states chosen by the Underwriters and the cost of preparing and reproducing Blue Sky and Legal Investment Surveys and the Letter of Instructions to the Underwriters to be used in connection with such sale; (b) all advertising expenses in connection with the public offering of the Obligations; and (c) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Obligations, including, without limitation, the fees and disbursements of counsel retained by them, and any fees or assessments payable by them to the MSRB or The Securities Industry and Financial Markets Association whether or not based upon the offering and sale of the Obligations.

11. The Authority acknowledges and agrees that (i) the transaction contemplated by this Purchase Agreement, including the engagement of the Underwriters by the Authority in connection with the purchase, sale and offering of the Obligations and including the discussions, conferences, negotiations and undertakings in connection therewith, is an arm's length, commercial transaction between the Authority and the Underwriters in which the Underwriters are acting solely as principals and are not acting as agents or fiduciaries to the Authority and its advisors, including municipal advisors and financial advisors; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement and this Purchase Agreement expresses the entire relationship between the parties thereof; (iv) the Authority has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate; and (v) the Underwriters have financial and other interests that differ from those of the Authority.

12. The Authority agrees to reasonably cooperate with the Underwriters and their counsel in any endeavor to qualify the Obligations for offering and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Representative may request; provided, however, that the Authority shall not be required with respect to the offer or sale of the Obligations to file written consent to suit or to file written consent to service of process in any jurisdiction, except as may otherwise be provided in the Transportation Trust Agreement. The Authority consents to the use of the Preliminary Official Statement and the Official Statement by the Underwriters in obtaining such qualifications, subject to the right of the Authority to withdraw such consent for cause by written notice to the Representative.

13. Any notice or other communication to be given to the Authority hereunder shall be given to it in writing addressed to the Director, Finance, Metropolitan Transportation Authority, 2 Broadway, 20th Floor, New York, New York 10004. Any notice or other communication to be given to the Underwriters hereunder shall be given in writing to Goldman, Sachs & Co., 200 West Street, New York, New York 10282, Attention: Kevin Willens, Managing Director.

14. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriters (including successors or assigns of any Underwriter) and no other person shall

acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any of the Underwriters and shall survive the delivery of and payment for the Obligations hereunder.

15. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. This Purchase Agreement may be executed in several counterparts, each of which shall be an original, but all of which, when taken together, constitute a single agreement among the parties to such counterparts.

17. You shall signify your acceptance of this Purchase Agreement by execution below by an Authorized Officer of the Authority. This Purchase Agreement shall become effective upon such execution on or before 5:00 p.m., New York time, on the date hereof.

Very truly yours,

Goldman, Sachs & Co.

By: Goldman, Sachs & Co.,
as Representative

Accepted and Agreed:
METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Director, Finance

COPY OF FINAL OFFICIAL STATEMENT

SUPPLEMENTAL OPINION OF BOND COUNSEL

July zz, 2016

Metropolitan Transportation Authority

Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, as Custodian

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Ladies and Gentlemen:

In connection with the execution and delivery of \$000,000,000 aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Obligations”), dated the date hereof, which are being purchased by you pursuant to a Purchase Agreement relating to the Obligations, dated July yy, 2016 (the “Purchase Agreement”), we have examined:

- (1) An executed copy of the Transportation Trust Agreement, dated as of July 1, 2016 (the “Transportation Trust Agreement”), by and between the Metropolitan Transportation Authority (“the Authority”) and Wells Fargo Bank, National Association (the “Trustee”);
- (2) An executed copy of the Interagency Financing Agreement, dated as of July 1, 2016 (the “Financing Agreement”), by and among the Authority, the Trustee, New York City Transit Authority (the “Transit Authority”), Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), The Long Island Rail Road Company (the “LIRR”), Metro-North Commuter Railroad Company (the “MNCRC”), MTA Bus Company (“MTA Bus”; each of the Authority, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus individually, a “Related Transportation Entity” and, collectively, the “Related Transportation Entities”);
- (3) An executed copy of the Lockbox Agreement, dated as of July 1, 2016 (the “Lockbox Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as Custodian;

- (4) A copy of the Preliminary Official Statement, dated July xx, 2016, relating to the Obligations (the “Preliminary Official Statement”);
- (5) A copy of the final Official Statement, dated July yy, 2016, relating to the Obligations (the “Official Statement”);
- (6) An executed copy of the Continuing Disclosure Agreement, dated July zz, 2016 (the “Continuing Disclosure Agreement”), between the Authority and the Trustee;
- (7) An executed copy of the Purchase Agreement;
- (8) An executed copy of the opinion of the General Counsel of the Authority, delivered pursuant to paragraph 7(d)(___) of the Purchase Agreement;
- (9) A resolution adopted by the Boards of the Related Transportation Entities on June __, 2016 (the “Authorizing Resolution”);
- (10) The Authority Act, as defined in the Financing Agreement, and such records and corporate proceedings of the Related Transportation Entities as we deemed relevant to the opinions set forth below; and
- (11) Such other documents, proceedings and matters of law that we have considered necessary to enable us to render this opinion.

For purposes of this opinion, the Financing Agreement, the Transportation Trust Agreement, the Lockbox Agreement, the Purchase Agreement and the Continuing Disclosure Agreement are collectively referred to as the “Obligation Documents.”

In addition, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of such other documents, instruments or corporate records, and have made such investigations of law, as we have considered necessary or appropriate for the purposes of this opinion. We have assumed but have not independently verified that the signatures on all documents and certificates that we examined were genuine. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Official Statement.

References to the Preliminary Official Statement and the Official Statement are to the document examined by us at the delivery of the Obligations, and not to any physical or electronic reproduction other than a true copy thereof. Insofar as the following opinions relate to information incorporated into the Preliminary Official Statement or Official Statement by specific cross-reference to the Authority’s Annual Disclosure Statement or otherwise, we have reviewed a copy of such annual information in the form provided to us by the Authority and actual copies of such other documents provided to us by the Authority, and such opinions are based solely upon our review of such copies.

We are of the opinion that:

- a. The information as to legal matters related to the Authority Act, the Obligations, the security for the Obligations or tax law contained in the Preliminary Official Statement and the Official Statement (except for any financial, economic, statistical and engineering data and forecasts included therein, as to which no view is expressed) under the headings “____,” “____,” “[DESCRIPTION OF SERIES 2016A OBLIGATIONS],” “[SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS],” “[TAX MATTERS]” and “[LEGALITY FOR INVESTMENT],” is accurate in all material respects; such information contained in the Preliminary Official Statement as of the date of the Purchase Agreement (except for the omission of such information as is permitted under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended) and the Official Statement, as of the date thereof and as of the date hereof, does not omit any statements which, in our opinion, should be included or referred to therein in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and, the statements made under such headings in the Preliminary Official Statement and the Official Statement and the statements in the following documents included by specific cross-reference in the Preliminary Official Statement and the Official Statement: “____,” insofar as such statements constitute a summary of the security for the Obligations or summaries of the documents referred to therein, constitute fair and accurate statements or summaries thereof in all material respects; and
- b. The statements as to legal matters related to the Authority Act contained in the Authority’s Annual Disclosure Statement (except for any financial, economic, statistical and engineering data and forecasts included therein, as to which no view is expressed), in the form filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) on April 29, 2016, as amended and supplemented on May 10, 2016, insofar as and to the extent that such statements purport to constitute a summary of such laws or summaries of such documents referred to therein, constitute fair and accurate summaries thereof in all material respects.

In addition, we are of the opinion that:

1. Each of the Related Transportation Entities is a body corporate and politic constituting a public benefit corporation of the State, duly created by and validly existing under the New York Public Authorities Law.
2. Each of the Related Transportation Entities has the corporate right, power and authority to (a) adopt the Authorizing Resolution, (b) execute and deliver the Obligation Documents to which it is a party, and (c) perform its respective obligations under the Obligation Documents to which it is a party. The execution and delivery of, and the performance by the Related Transportation Entities of their respective obligations under, the Obligation Documents to which it is a party and the use by the Underwriters of the Preliminary Official Statement and the Official Statement have been duly authorized by proper corporate proceedings of the Related Transportation

Entities. The Obligation Documents have each been duly authorized, executed and delivered by the Related Transportation Entities that are a party thereto and each constitutes a legal, valid and binding obligation of the Related Transportation Entities that are a party thereto enforceable against the Related Transportation Entities that are a party thereto in accordance with its respective terms.

3. To the best of our knowledge, the execution and delivery of the Official Statement, the execution, delivery and performance of the Obligation Documents and the execution and delivery of the Obligations, under the circumstances contemplated by the Obligation Documents and the Official Statement, and compliance with the provisions thereof, will not in any material respect conflict with or constitute on the part of the Related Transportation Entities a breach of, or a default under, any material agreement or other instrument to which the Related Transportation Entities are a party and of which we have knowledge or any existing law, court or administrative regulation, decree or order to which the Related Transportation Entities are subject or by which any is bound and of which we have knowledge.
4. To the best of our knowledge, after having made due inquiry but without having investigated any governmental records or court dockets, except as disclosed in the Official Statement, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State or Federal) restraining or enjoining or threatening or seeking to restrain or enjoin the execution, sale or delivery of the Obligations, or in any way questioning or affecting (i) the execution, sale or delivery of the Obligations, (ii) the proceedings under which the Obligations are to be issued, (iii) the validity or enforceability of any provision of the Obligations or the Obligation Documents, (iv) the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement or (vi) the legal existence of any of the Related Transportation Entities or the title of the members or officers of the Related Transportation Entities to their respective offices in such manner as to adversely affect the ability of the Related Transportation Entities to authorize the execution, sale or delivery of the Obligations or to consummate any of the transactions to which it is or is to be a party as contemplated by the Obligation Documents, the Preliminary Official Statement or the Official Statement. To the best of our knowledge, except as disclosed in the Official Statement, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State or Federal) which would have a material adverse effect on the transactions contemplated by the Obligation Documents or the items pledged under the Transportation Trust Agreement to the payment of the Obligations.
5. The Related Entities have good right and lawful authority to undertake the activities with respect to which the Obligations are being executed and delivered.
6. The Official Statement has been duly authorized, executed and delivered by the Authority.

7. All authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities required for the execution and delivery by the Related Transportation Entities of the Obligation Documents have been obtained or effected and are in full force and effect.
8. The Obligations are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended.
9. It is not necessary in connection with the offering and sale of the Obligations to the public to register any security under the Securities Act of 1933, as amended, or to qualify the Transportation Trust Agreement under the Trust Indenture Act of 1939, as amended.

In basing the opinions set forth in paragraphs 3 and 4 of this opinion on “our knowledge”, the words “our knowledge” signify that, in the course of our representation of the Related Transportation Entities, no facts have come to our attention that would give us actual knowledge or actual notice that such opinions or matters are not accurate. We have relied as to matters of fact solely upon information provided to us by officials of the Related Transportation Entities and have not independently verified such information. Further, the words “our knowledge” as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing the Authority in connection with the execution and delivery of the Obligations.

The enforceability of the documents referenced herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity) and the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against authorities of the State of New York. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents.

The Underwriters have received copies of our final approving opinion relating to the Obligations, of even date herewith and addressed to the Authority, and may rely thereon as if such opinion were addressed to them.

In rendering the opinions contained herein we have assumed the due authorization, execution and delivery of the Obligation Documents by the other parties thereto that are not Related Transportation Entities.

Our opinions expressed herein are rendered only with regard to the matters expressly opined on above and do not consider or extend to any documents, agreements, representations or any other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no

obligation to update, revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

We consent to the references to us, and affirm the opinions attributed to us, in the Official Statement.

This opinion is furnished by us as Bond Counsel. No attorney client relationship has existed or exists between our firm and the Underwriters in connection with the Obligations. This opinion letter is solely for your information and assistance and is not to be used, circulated, quoted or otherwise referred to, except that reference to this opinion may be made in the Official Statement and in any list of closing documents pertaining to the execution and delivery of the Obligations or in such closing documents.

Very truly yours,

OPINION OF DISCLOSURE COUNSEL

Closing Date

Metropolitan Transportation Authority

Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, as Custodian

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July __, 2016 with the
Metropolitan Transportation Authority

Ladies and Gentlemen:

We have served as Special Disclosure Counsel to the Metropolitan Transportation Authority (“Authority”) in connection with the execution and delivery of \$_____ aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Obligations”), dated the date hereof, which are being delivered today pursuant to the Purchase Agreement, dated July __, 2016 (the “Purchase Agreement”), between MTA and Goldman, Sachs & Co., as Representative of the Underwriters named therein (the “Underwriters”). We have examined and relied upon the following:

1. An executed copy of the Transportation Trust Agreement, dated as of July 1, 2016 (the “Transportation Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association (the “Trustee”);
2. An executed copy of the Interagency Financing Agreement, dated as of July 1, 2016 (the “Financing Agreement”), by and among the Authority, the Trustee, New York City Transit Authority (the “Transit Authority”), Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), The Long Island Rail Road Company (the “LIRR”), Metro-North Commuter Railroad Company (the “MNCRC”), MTA Bus Company (“MTA Bus”; each of the Authority, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus individually, a “Related Transportation Entity” and, collectively, the “Related Transportation Entities”);
3. An executed copy of the Lockbox Agreement, dated as of July 1, 2016 (the “Lockbox Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as Custodian;

4. A resolution adopted by the Boards of the Related Transportation Entities on June __, 2016 (the “Resolution”);
5. A copy of the Preliminary Official Statement of MTA, dated July __, 2016, relating to the Obligations (the “Preliminary Official Statement”);
6. An executed copy of the Official Statement of MTA, dated July __, 2016, relating to the Obligations (the “Official Statement”);
7. An executed copy of the Purchase Agreement.
8. An executed copy of the Continuing Disclosure Agreement, dated July __, 2016 (the “Continuing Disclosure Agreement”), between MTA and the Trustee;
9. Executed copies of the opinions of Nixon Peabody LLP, Bond Counsel, delivered in connection with the issuance of the Obligations;
10. Executed copy of the opinion of the General Counsel to MTA delivered in connection with the issuance of the Obligations; and
11. The Authority Act, as defined in the Official Statement, and such records and corporate proceedings of the Related Transportation Entities as we deemed relevant to the opinions set forth below.

In addition, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of such other documents, instruments or corporate records, and have made such investigations of law, as we have considered necessary or appropriate for the purposes of this opinion. We have assumed but have not independently verified that the signatures on all documents and certificates that we examined were genuine. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Official Statement.

In accordance with our understanding with the Authority and as its Special Disclosure Counsel, we rendered legal advice and assistance to the Authority in connection with the preparation of the Preliminary Official Statement and the Official Statement. Many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve wholly or partially matters of a non-legal character. We do not, therefore, take any responsibility for the factual matters set forth in either the Preliminary Official Statement or the Official Statement. Rendering such advice and assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of and reports on certain documents and proceedings.

We also participated in conferences with representatives of the Related Transportation Entities and their counsel, representatives of the Underwriters and their Co-counsel, Bond Counsel, real estate counsel to the Authority, Jones Lang LaSalle Americas, Inc., real estate advisor to the Authority and other consultants to the Authority, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such advice, assistance and participation, we are of the opinion that:

- (a) The statements under the heading “CONTINUING DISCLOSURE,” contained in both the Preliminary Official Statement and the Official Statement, and in APPENDIX A to MTA’s Combined Continuing Disclosure Filings, in the form filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) on April 29, 2016, as amended

and supplemented on May 10, 2016, insofar as and to the extent that such statements purport to constitute a summary of law or summaries of the documents referred to therein, constitute fair and accurate summaries thereof in all material respects.

(b) Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to our attention which would lead us to believe that, the Preliminary Official Statement, as of its date (except for the omission of such information as is permitted under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended), or the Official Statement, as of its date contained and as of the date hereof contains, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (except for in the case of both the Preliminary Official Statement and the Official Statement (i) information under the headings “JONES LANG LASALLE REPORT” and “TAX MATTERS”, (ii) the information in Attachments 4, 5, 6, 7 and 9, and (iii) other financial, statistical, real estate valuations, appraisals, consultant reports, projected or estimated levels of Fee Purchase Payments, economic and engineering data, forecasts, numbers, estimates, projections, assumptions, and information relating to the book-entry-only system as to which no view is expressed).

References to either the Preliminary Official Statement and the Official Statement are to the document examined by us at the delivery of the Obligations, and not to any physical or electronic reproduction other than a true copy thereof. Insofar as the foregoing opinions relate to information incorporated into either the Preliminary Official Statement and the Official Statement by specific cross-reference to the Authority’s annual information filing or otherwise, we have reviewed a copy of such annual information in the form provided to us by the Authority and actual copies of such other documents provided to us by the Authority, and such opinions are based solely upon our review of such copies.

In addition, we are of the opinion that:

1. Each of the Related Transportation Entities is a body corporate and politic constituting a public benefit corporation of the State, duly created by and validly existing under the New York Public Authorities Law.
2. The Authority has the corporate right, power and authority to (a) execute and deliver the Continuing Disclosure Agreement, and (b) perform its obligations under the Continuing Disclosure Agreement. The execution and delivery of, and the performance by the Authority of its obligations under, the Continuing Disclosure Agreement and the use by the Underwriters of the Official Statement have been duly authorized by proper corporate proceedings of the Authority. The Continuing Disclosure Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.
3. The Authority has the corporate right, power and authority to adopt, execute and deliver the Resolution and to perform its obligations thereunder, including the issuance and delivery of the Obligations. The execution and delivery of, and the performance by the Authority of its obligations under, the Resolution have been duly authorized by proper corporate proceedings of the Authority. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

4. To the best of our knowledge, the execution and delivery of the Official Statement, the execution, delivery and performance of the Purchase Agreement and the Continuing Disclosure Agreement, the issuance and sale of the Obligations and the adoption of the Resolution, under the circumstances contemplated by the Purchase Agreement, the Continuing Disclosure Agreement and the Official Statement, and compliance with the provisions thereof, will not in any material respect conflict with or constitute on the part of the Authority a breach of, or a default under, any material agreement or other instrument to which the Authority is a party and of which we have knowledge or any existing law, court or administrative regulation, decree or order to which the Authority is subject or by which it is bound and of which we have knowledge.
5. To the best of our knowledge, except as disclosed in the Official Statement, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State or Federal) restraining or enjoining or threatening or seeking to restrain or enjoin the issuance, sale or delivery of the Obligations, or in any way questioning or affecting (i) the issuance, sale or delivery of the Obligations, (ii) the proceedings under which the Obligations are to be issued, (iii) the validity or enforceability of any provision of the Obligations, the Resolution, the Purchase Agreement, or the Continuing Disclosure Agreement, (iv) the pledge by the Authority effected under the Resolution, (v) the accuracy, completeness or fairness of the Official Statement or (vi) the legal existence of the Related Transportation Entities, the right of the Related Transportation Entities to use and operate their respective facilities or the title of the members or officers of the Related Transportation Entities to their respective offices in such manner as to adversely affect the ability of the Related Transportation Entities to authorize the issuance, sale or delivery of the Obligations or to consummate any of the transactions to which it is or is to be a party as contemplated by the Purchase Agreement, the Continuing Disclosure Agreement, the Resolution or the Official Statement, or the right of the Related Transportation Entities to continue to conduct their respective operations as currently conducted or to perform its obligations with respect to the Obligations.
6. To the best of our knowledge, the Authority is not in default in any material respect under the terms of the Resolution and the Authority will not, as a consequence of the issuance and sale of the Obligations, be in default in any material respect under the terms of the Resolution.
7. The Related Transportation Entities each has good right and lawful authority to undertake the activities with respect to which the Obligations are being issued.
8. The Official Statement has been duly authorized, executed and delivered by the Authority.
9. All authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities required for the execution and delivery by the Authority of the Resolution and the execution, issuance and delivery by the Authority of the Obligations have been obtained or effected and are in full force and effect.

In basing the opinions set forth in paragraphs 4, 5 and 6 of this opinion on “our knowledge”, the words “our knowledge” signify that, in the course of our representation of the Related Transportation Entities, no facts have come to our attention that would give us actual knowledge or actual notice that such opinions or matters are not accurate. We have relied as to matters of fact solely upon information provided to us by officials of the Related Transportation Entities and have not independently verified such information. Further, the words “our knowledge,” “of which we have knowledge” and “known to us” as

used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing the Related Transportation Entities in connection with the issuance of the Obligations.

The enforceability of the documents referenced herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

[Notwithstanding the foregoing paragraph, as to the enforceability of the Resolution, the Purchase Agreement and the Continuing Disclosure Agreement, the Authority Act provides that so long as any bonds are outstanding the Authority shall not have the authority to file a voluntary petition under Chapter 9 of the Federal Bankruptcy Code or such corresponding chapter, chapters or sections as may from time to time be in effect, and neither any public officer nor any organization, entity or other person shall authorize the Authority to be or become a debtor under Chapter 9 or said corresponding chapter, chapters or sections during any such period.]

In rendering the opinions contained herein we have assumed the due authorization, execution and delivery of the Purchase Agreement and the Continuing Disclosure Agreement by the other parties thereto.

Our opinions expressed herein are rendered only with regard to the matters expressly opined on above and do not consider or extend to any documents, agreements, representations or any other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

We consent to the references to us, and affirm the opinion attributed to us, in the Official Statement.

This opinion is furnished by us as Special Disclosure Counsel, solely for your benefit in connection with the issuance of the Obligations and may not be relied upon by any other person or entity and is not to be used, circulated, quoted or otherwise referred to, except that reference to this opinion letter may be made in any list of closing documents pertaining to the issuance and delivery of the Obligations or in such closing documents. In addition, this letter is not intended to create and does not create an attorney-client relationship with the Underwriters, and may not be sufficient in itself to satisfy whatever responsibilities the Underwriters, may have to establish a reasonable basis for belief in the accuracy of the key representations in the Preliminary Official Statement and the Official Statement or otherwise to satisfy their obligations under applicable federal securities laws.

Very truly yours,

OPINION OF SPECIAL REAL ESTATE COUNSEL

July zz, 2016

Metropolitan Transportation Authority

Wells Fargo Bank, National Association, as Trustee

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Opinion to cover the following matters:

1. Real Estate portions of the POS and OS to be agreed upon, including summaries of leases and fee mortgages.
2. Authorization, execution, legality, validity and enforceability of Real Estate Documents (i.e., the Leases, the Construction Completion Guaranties, the Payment Guaranties and the Fee Mortgages).
3. To the best knowledge of counsel, no conflicts with material agreements or laws.
4. To the best knowledge of counsel, no other approvals or consents required.
5. The Fee Mortgages are in a form sufficient to create a valid lien on the real property and a valid security interest in the non-real property "Property" (as defined in each such Fee Mortgage) subject to such Fee Mortgage; perfection of the lien and security interest.

OPINION OF UNDERWRITERS' COUNSEL

July zz, 2016

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Ladies and Gentlemen:

We have acted as counsel to each of you (the "Underwriters") in connection with the purchase by the Underwriters of \$000,000,000 aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A (the "Obligations"), dated the date hereof, pursuant to a Purchase Agreement relating to the Obligations, dated July yy, 2016 (the "Purchase Agreement"). All capitalized terms used herein and not defined herein shall have the meanings set forth in the Purchase Agreement.

We have, as such counsel, examined the following documents:

- (1) An executed copy of the Transportation Trust Agreement, dated as of July 1, 2016 (the "Transportation Trust Agreement"), by and between the Metropolitan Transportation Authority ("the Authority"), and Wells Fargo Bank, National Association (the "Trustee");
- (2) An executed copy of the Interagency Financing Agreement, dated as of July 1, 2016 (the "Financing Agreement"), by and among the Authority, the Trustee, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, The Long Island Rail Road Company, Metro-North Commuter Railroad Company and MTA Bus Company;
- (3) An executed copy of the Lockbox Agreement, dated as of July 1, 2016, by and between the Authority and the Trustee;
- (4) An executed copy of each of the Real Estate Documents;
- (5) A copy of the Preliminary Official Statement, dated July xx, 2016, relating to the Obligations (the "Preliminary Official Statement");
- (6) A copy of the final Official Statement, dated July yy, 2016, relating to the Obligations (the "Official Statement");

- (7) A copy of the Purchase Agreement;
- (8) The Authority Act;
- (9) Such records of the Authority's corporate proceedings as we deemed relevant to the opinions set forth below; and
- (10) Such other documents, proceedings and matters of law that we have considered necessary to enable us to render this opinion.

On the basis of the foregoing, and having regard to legal questions that we deem relevant, we are of the opinion that the Obligations are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Transportation Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

In addition, based on our participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for the Underwriters, without having undertaken to independently verify the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to our attention that would lead us to believe that, the Preliminary Official Statement as of the date of the Purchase Agreement or the Official Statement, as of its date and as of the date hereof, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading (except for the financial statements and other financial and statistical data included therein and except with respect to the information in ATTACHMENTS ____ and ____ as to which no view is expressed).

As counsel for the Underwriters, we are furnishing this letter to you, solely for your benefit as Underwriters pursuant to Section 7(d)(5) of the Purchase Agreement. This letter shall not be used, circulated, quoted, referred to or relied upon, by any other person, firm, corporation or other entity without our prior written consent. This letter is as of the date hereof and we undertake no, and disclaim any, obligation to advise you of any changes in any matter set forth herein.

Respectfully submitted,

[LETTERHEAD OF AUTHORITY GENERAL COUNSEL]

July zz, 2016

Metropolitan Transportation Authority

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, as Custodian

Ladies and Gentlemen:

Reference is made to clause (6) of subparagraph (d) of paragraph 7 of the Purchase Agreement, dated July yy, 2016 (the “Purchase Agreement”), for the \$000,000,000 aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Obligations”), dated the date hereof.

As to various questions of fact material to this opinion, I have relied on certificates of officers of the Authority, the New York City Transit Authority (the “Transit Authority”), the Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA”), The Long Island Rail Road Company (“LIRR”), Metro-North Commuter Railroad Company (“MNCRC”), and MTA Bus Company (“MTA Bus”). The Authority, the Transit Authority, MaBSTOA, LIRR, MNCRC and MTA Bus are herein collectively referred to as the “Related Transportation Entities.”

As General Counsel to the Authority, I have examined and relied on originals or copies certified or otherwise identified to my satisfaction of such documents, instruments or corporate records, and have made such investigations of law, as I have considered necessary or appropriate for the purposes of this opinion.

Except as otherwise defined herein, all terms used herein shall have the meanings assigned to such terms in the Official Statement (as hereinafter defined).

I am of the opinion that the statements relating to the Authority in Part I to the Authority’s Annual Disclosure Statement (The Related Entities), in the form filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) on April 29, 2016, as supplemented on May 10, 2016 (the “Annual Disclosure Statement”), insofar as and to the extent that such statements purport to

constitute a summary of law or summaries of the documents referred to therein, constitute fair and accurate summaries thereof in all material respects.

Members of the staff of the Authority have participated in the preparation of the Preliminary Official Statement of the Authority, dated July xx, 2016, relating to the Obligations (the "Preliminary Official Statement") and the Official Statement of the Authority, dated July yy, 2016, relating to the Obligations (the "Official Statement"), including participation in conferences as to the matters to be included therein and related matters, with representatives of the Authority, Bond Counsel to the Authority, Special Disclosure Counsel to the Authority, Paul, Weiss, Rifkind, Wharton & Garrison LLP, special real estate counsel to the Authority, Jones Lang LaSalle Americas, Inc., the Underwriters and their counsel, and other consultants to the Authority, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such participation in the above-mentioned conferences, my review of such documents and proceedings as I have deemed necessary, and information developed in the course of the performance of my duties as General Counsel and, except as to the information referred to above, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to my attention to cause me to believe that the Preliminary Official Statement, as of the date of the Purchase Agreement (except for the omission of such information as is permitted under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended), or the Official Statement, as of its date and as of the date hereof, contained or contains an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading (except for, in the case of both the Preliminary Official Statement and the Official Statement (a) the financial, economic, statistical and engineering data contained therein, (b) the information contained in Appendix B to the Annual Disclosure Statement, (c) the information relating to Triborough Bridge and Tunnel Authority in the Annual Disclosure Statement, and (d) Attachment __ to the Preliminary Official Statement and the Official Statement, as to which no opinion or view is expressed).

I am of the opinion that:

1. Each of the Related Transportation Entities is a body corporate and politic constituting a public benefit corporation of the State, duly created by and validly existing under the New York Public Authorities Law.
2. Each of the Related Transportation Entities has the corporate right, power and authority to (a) adopt the Authorizing Resolution, (b) execute and deliver the Obligation Documents to which it is a party, and (c) perform its respective obligations under the Obligation Documents to which it is a party. The execution and delivery of, and the performance by the Related Transportation Entities of their respective obligations under, the Obligation Documents to which it is a party and the use by the Underwriters of the Preliminary Official Statement and the Official Statement have been duly authorized by proper corporate proceedings of the Related Transportation Entities. The Obligation Documents have each been duly authorized, executed and delivered by the Related Transportation Entities that are a party thereto and each

constitutes a legal, valid and binding obligation of the Related Transportation Entities that are a party thereto enforceable against the Related Transportation Entities that are a party thereto in accordance with its respective terms.

3. The execution and delivery of the Official Statement, the execution, delivery and performance of the Obligation Documents and the execution and delivery of the Obligations, under the circumstances contemplated by the Obligation Documents and the Official Statement, and compliance with the provisions thereof, will not in any material respect conflict with or constitute on the part of the Related Transportation Entities a breach of, or a default under, any material agreement or other instrument to which the Related Transportation Entities are a party and of which we have knowledge or any existing law, court or administrative regulation, decree or order to which the Related Transportation Entities are subject or by which any is bound and of which we have knowledge.
4. Except as disclosed in the Official Statement, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State or Federal) restraining or enjoining or threatening or seeking to restrain or enjoin the execution, sale or delivery of the Obligations, or in any way questioning or affecting (i) the execution, sale or delivery of the Obligations, (ii) the proceedings under which the Obligations are to be issued, (iii) the validity or enforceability of any provision of the Obligations or the Transaction Documents, (iv) the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement or (vi) the legal existence of any of the Related Transportation Entities or the title of the members or officers of the Related Transportation Entities to their respective offices in such manner as to adversely affect the ability of the Related Transportation Entities to authorize the execution, sale or delivery of the Obligations or to consummate any of the transactions to which it is or is to be a party as contemplated by the Transaction Documents, the Preliminary Official Statement or the Official Statement. To the best of our knowledge, except as disclosed in the Official Statement, there is no litigation or other proceeding pending or threatened in any court, agency or other administrative body (either State or Federal) which would have a material adverse effect on the transactions contemplated by the Transaction Documents or the items pledged under the Transportation Trust Agreement to the payment of the Obligations.
5. The Related Entities have good right and lawful authority to undertake the activities with respect to which the Obligations are being executed and delivered.
6. The Official Statement has been duly authorized, executed and delivered by the Authority.
7. All authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities required for the execution and delivery by the Related Transportation Entities of the Transaction Documents have been obtained or effected and are in full force and effect.

8. The Related Transportation Entities are not in default in any material respect under the terms of the Transaction Documents and the Related Transportation Entities will not, as a consequence of the execution and delivery of the Obligations, be in default in any material respect under the terms of the Transaction Documents.

The obligations of the Related Transportation Entities and the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

This opinion is solely for your information and assistance and is not to be used, circulated, quoted or otherwise referred to, except that reference to this opinion may be made in the Official Statement and in any list of closing documents pertaining to the execution and delivery of the Obligations or such closing documents

Very truly yours,

Jerome F. Page
General Counsel

OPINION OF COUNSEL TO THE TRUSTEE

July zz, 2016

Metropolitan Transportation Authority

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Ladies and Gentlemen:

We have acted as counsel to Wells Fargo Bank, National Association, a national banking association (the “Bank”), in connection with the execution and delivery of the Transportation Trust Agreement, dated as of July 1, 2015 (the “Transportation Trust Agreement”), by and between the Metropolitan Transportation Authority (the “Authority”) and the Trustee, and the \$000,000,000 MTA Hudson Rail Yards Trust Obligations, Series 2016A (the “Obligations”) delivered thereunder.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such other records and documents as we have deemed necessary or relevant as a basis for our opinions hereinafter expressed. Except to the extent that we have observed the execution of any document in our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals (and the authenticity of such originals) of all documents submitted to us as copies and the legal capacity of natural persons. As to various questions of fact material to our opinion, we have relied upon the representations made by the Authority and the Trustee in documents delivered at the Closing and upon certificates and written statements of officers of the Trustee.

On the basis of the foregoing and subject to the comments set forth below, it is our opinion that:

1. The Bank has been duly incorporated and is validly existing as a national banking association with corporate power and authority to execute, deliver and perform its obligations under the Transportation Trust Agreement and the Obligations.
2. The Transportation Trust Agreement has been duly authorized, executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms.
3. The Obligations have been duly authorized, executed and delivered by the Bank under the provisions of the Transportation Trust Agreement.

4. Neither the execution and delivery by the Bank of the Transportation Trust Agreement or the Obligations nor the performance by the Bank of its obligations thereunder will result in the violation of any statute or regulation, or any order or decree known to us of any court or governmental authority binding upon the Bank or its property or conflict with or result in any default or in creation of any lien under any of the provisions of the [Organization Certificate] or By-Laws of the Bank or any indenture, loan agreement, or other agreement known to us by which the Bank is bound.
5. No authorization, approval, consent or notification from or to any governmental agency or authority is required in connection with the execution, delivery and performance by the Bank of the Transportation Trust Agreement or the Obligations.
6. There is no action, suit or proceeding pending or threatened against the Bank known to us which relates to the execution, delivery and performance by the Bank of the Transportation Trust Agreement or the Obligations which, if decided against the Bank, would adversely affect the Bank's ability to perform its obligations under the Transportation Trust Agreement or the Obligations.

For purposes of the opinion expressed in paragraph 2 above, we have assumed the due authorization, execution and delivery of the Transportation Trust Agreement by the Authority, and such opinion is qualified to the extent that enforcement of the Transportation Trust Agreement against the Bank may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally and to the extent enforceability of the Transportation Trust Agreement against the Bank may be limited by the application of general principles of equity.

For purposes of the opinions expressed in paragraphs 2 and 5 above, we have assumed that the parties to the Transportation Trust Agreement other than the Bank have duly obtained or effected all governmental authorizations, approvals, consents or notifications in connection with the execution, delivery and performance by such other parties of such agreements.

We are members of the Bar of the [State of New York] and our opinion is limited to the laws of the [State of New York] and federal law.

This opinion letter is solely for your benefit and may be relied upon only by the Authority and the Underwriters represented by Goldman, Sachs & Co., and the Bank. This opinion letter may not be relied upon by any other person without our prior, express written consent.

Very truly yours,

Respectfully submitted,

OPINION OF COUNSEL TO THE CUSTODIAN

July zz, 2016

Metropolitan Transportation Authority

Goldman, Sachs & Co.

As Representative of the Underwriters
named in the Purchase Agreement
dated July yy, 2016 with the
Metropolitan Transportation Authority

Ladies and Gentlemen:

We have acted as counsel to Wells Fargo Bank, National Association, a national banking association (the “Bank”), in connection with the execution and delivery of the Lockbox Agreement, dated as of July 1, 2015 (the “Lockbox Agreement”), by and between the Metropolitan Transportation Authority (the “Authority”) and the Trustee, relating to the \$000,000,000 MTA Hudson Rail Yards Trust Obligations, Series 2016A.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such other records and documents as we have deemed necessary or relevant as a basis for our opinions hereinafter expressed. Except to the extent that we have observed the execution of any document in our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals (and the authenticity of such originals) of all documents submitted to us as copies and the legal capacity of natural persons. As to various questions of fact material to our opinion, we have relied upon the representations made by the Authority and the Trustee in documents delivered at the Closing and upon certificates and written statements of officers of the Trustee.

On the basis of the foregoing and subject to the comments set forth below, it is our opinion that:

1. The Bank has been duly incorporated and is validly existing as a national banking association with corporate power and authority to execute, deliver and perform its obligations under the Lockbox Agreement.
2. The Lockbox Agreement has been duly authorized, executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms.

3. Neither the execution and delivery by the Bank of the Lockbox Agreement nor the performance by the Bank of its obligations thereunder will result in the violation of any statute or regulation, or any order or decree known to us of any court or governmental authority binding upon the Bank or its property or conflict with or result in any default or in creation of any lien under any of the provisions of the [Organization Certificate] or By-Laws of the Bank or any indenture, loan agreement, or other agreement known to us by which the Bank is bound.
4. No authorization, approval, consent or notification from or to any governmental agency or authority is required in connection with the execution, delivery and performance by the Bank of the Lockbox Agreement.
5. There is no action, suit or proceeding pending or threatened against the Bank known to us which relates to the execution, delivery and performance by the Bank of the Lockbox Agreement which, if decided against the Bank, would adversely affect the Bank's ability to perform its obligations under the Lockbox Agreement.

For purposes of the opinion expressed in paragraph 2 above, we have assumed the due authorization, execution and delivery of the Lockbox Agreement by the Authority, and such opinion is qualified to the extent that enforcement of the Lockbox Agreement against the Bank may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally and to the extent enforceability of the Lockbox Agreement against the Bank may be limited by the application of general principles of equity.

For purposes of the opinions expressed in paragraphs 2 and 4 above, we have assumed that the parties to the Lockbox Agreement other than the Bank have duly obtained or effected all governmental authorizations, approvals, consents or notifications in connection with the execution, delivery and performance by such other parties of such agreements.

We are members of the Bar of the [State of New York] and our opinion is limited to the laws of the [State of New York] and federal law.

This opinion letter is solely for your benefit and may be relied upon only by the Authority and the Underwriters represented by Goldman, Sachs & Co., and the Bank. This opinion letter may not be relied upon by any other person without our prior, express written consent.

Very truly yours,

Respectfully submitted,

CERTIFICATE OF GOLDMAN, SACHS & CO.

This Certificate is being delivered by Goldman, Sachs & Co., as representative of the Underwriters (the “Underwriters”) named in the Purchase Agreement, dated May __, 2016 (the “Purchase Agreement”), with the Metropolitan Transportation Authority (“the Authority”) and the Underwriters, in connection with the execution and delivery of \$000,000,000 aggregate principal amount of MTA Hudson Rail Yards Trust Obligations, Series 2016A Evidencing Interests in the MTA Financing Agreement Amount payable by the Metropolitan Transportation Authority pursuant to the Financing Agreement (the “Obligations”). The Underwriter certifies, based on the following sources of information, which it believes to be correct:

- (1) the records of Goldman, Sachs & Co.;
- (2) verbal information from other Underwriters which are bound to the initial public offering terms of the Purchase Contract, which information, by virtue of such contractual obligation, we have no reason to believe is not correct; and
- (3) verbal information from other dealers which are not part of the underwriting group and as such are not bound by the terms of the Purchase Contract and for whom we make no representation as to the accuracy of such information;

all of the Obligations have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher or yields no lower than those set forth on the cover page of the Official Statement issued with respect to the Obligations, dated July yy, 2016 (the “Official Statement”), and an amount in excess of ten percent (10%) of each maturity of the Obligations was sold to the public (excluding bond houses, brokers or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at prices or yields no lower than the respective prices or yields on such Obligations set forth on the inside cover page of the Official Statement. The initial offering prices or yields represent the fair market value of the Obligations.

Based upon our assessment of prevailing market conditions, we do not have any reason to believe that any of the Obligations would initially be sold to the public (excluding bond houses, brokers or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at prices higher or yields lower than those set forth on the cover page of the Official Statement.

The Underwriters also represent, based on its experience with respect to issues of tax-exempt securities similar to the Obligations and its knowledge of such financings in general, that

the funding of the Interest Reserve Fund in the amount of the Interest Reserve Requirement for the Obligations provides a source of security that facilitates the marketing of the Obligations at the interest rates provided thereon, which rates are comparable to those of issues of a similar character.



Dated: July zz, 2016

GOLDMAN, SACHS & CO.

By:_____

By:_____

Staff Summary

Subject
2016 State PWEF Assessment
Department
Chief Financial Officer
Department Head Name
Robert E. Foran
Department Head Signature

Project Manager Name
Douglas F. Johnson 

Date
June 7, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	6/20	X		
2	Board	6/22	X		

Internal Approvals			
Order	Approval	Order	Approval
2	Legal 	3	Chief of Staff 
1	Chief Financial Officer 		

Purpose: To authorize actions relating to the payment of the State assessment on the MTA and its constituent agencies for the Public Work Enforcement Fund for calendar 2016.

Discussion: Chapter 511 of the Laws of 1995, as amended, requires State agencies and authorities to pay to the State Comptroller an assessment based upon 1/10 of 1% of the value of public work (construction) contracts entered into (excluding rolling stock contracts). The assessments are deposited in the State Public Work Enforcement Fund to reimburse the State Department of Labor for its costs in enforcing the State's prevailing-wage law. The State and the MTA have entered into a simple annual estimate-and-settlement procedure agreement. Payments are made each year based upon the estimated amount of public works contracts, and are adjusted to reflect the actual experience from the prior year. The 2016 payment, therefore, is based upon a 2016 estimate and an adjustment for 2015.



Based on the actual average spending rates, it is assumed that in calendar year 2016, MTA's constituent agencies are projected to let \$1.803 billion worth of construction contracts, which is a \$146 million decrease in contract values from the actual 2015 level of \$1.949 billion. These calculations exclude a majority of 2015-2019 projects/commitments due to the delayed approval of the Capital Plan.

In 2015, the estimated 2015 assessment of \$2,873,129 exceeded the actual assessment of \$1,948,903 by \$924,226. This over-payment, when deducted from the estimated 2016 assessment of \$1,803,425, requires a total payment of \$879,199.

Financial Implications: The 2016 MTAHQ Budget contains sufficient funds for this payment.




Recommendation: The Board should authorize staff to remit the 2016 assessment, including the adjustment for the 2015 overpayment, to the State Department of Labor.

 Metropolitan Transportation Authority

Subject
Request for Authorization to Award Various Procurements
Department
Executive
Department Head Name
Bob Foran
Department Head Signature

Division Head Name
Angel Barbosa 

Date	Page 1 of 1
June 10, 2016	
Vendor Name	
Various	
Contract Number	
Various	
Contract Manager Name	
Various	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	6/20/2016	X		
2	Board	6/22/2016	X		

Order	Approval	Order	Approval
1	Procurement 	3	CFO 
2	Legal 		

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, as reviewed by the MTA Finance Committee.

# of Actions	\$ Amount
--------------	-----------

MTAHQ proposes to award Non-competitive procurements in the following categories:	None	None
--	------	------

MTAHQ proposes to award Competitive procurements in the following categories:

Schedule E: Miscellaneous Procurement Contracts
Schedule F: Personal Services Contracts

	1	\$ 431,500.00
	4	\$1,010,340.00
SUBTOTAL	5	\$1,441,840.00

MTAHQ presents the following procurement actions for Ratification:

	None	None
TOTAL	<u>5</u>	<u>\$1,441,840.00</u>

BUDGET IMPACT: The purchases/contracts will result in obligating MTAHQ operating and capital funds in the amount listed. Funds are available in the current MTAHQ operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

7. The Board authorizes the budget adjustments to estimated quantity contracts set forth in Schedule L.

LIST OF PROCUREMENTS FOR BOARD APPROVAL, JUNE 2016
COMPETITIVE PROCUREMENTS

METROPOLITAN TRANSPORTATION AUTHORITY

Procurements Requiring Majority Vote:

E. Miscellaneous Procurement Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive)

- | | | |
|---|------------------|--------------------------------------|
| 1. International Business Machines Corporation | \$431,500 | <u>Staff Summary Attached</u> |
| Applicant Tracking Software & Maintenance | (not-to-exceed) | |
| Contract No. 15416-0100 | | |

Competitively negotiated – 10 proposals – 60 months

To recommend that the Board approve the award of a Miscellaneous Procurement Contract to purchase applicant tracking software including implementation and technical support for Metro North Railroad's Human Resource Department. IBM reduced its original proposed government pricing by 7%, from \$458,000 to \$431,500. Although there are no prior MTA comparable software/service purchases with which this cost can be compared, based on the negotiated savings, the total combined cost of \$431,500 is 25% lower than the market list price and is deemed fair and reasonable.

F. Personal Service Contracts

Staff Summaries required for items greater than: \$100k Sole Source; \$250 other Non-Competitive, \$1 million Competitive

- | | |
|--|------------------|
| 2. Kentech Consulting, Inc. | \$100,000 |
| On-Call Credit and Background Reports for the | (not-to-exceed) |
| MTA's Real Estate Department | |
| Contract No. 14343-0100 | |

Competitively negotiated – 5 proposals – 60 months

Contractor to provide as-needed credit reporting services relating to MTA commercial real estate transactions. Credit worthiness investigations will be performed on those individuals, sole proprietorships or partnerships (corporate and non-corporate) that desire to rent/lease MTA property. As a result of negotiations the originally proposed cost of \$75 for individual standard factual data reports and \$800 for complete credit and factual data reports (including criminal records and judgment search for businesses and individuals) were reduced to \$25 and \$265 respectively, representing a reduction of \$50 for individual reports and \$535 for complete reports. Compared to the current seven-year contract, the negotiated cost for the individual reports was reduced by \$58.50 and the cost for the completed reports increased by \$56 because the new reports contains more detail on the subject, including a comprehensive search of Office of Foreign Asset Controls at the US Treasury (OFAC), liens and judgments and more detailed financial information. Based on the above, these negotiated rates are considered fair and reasonable.

METROPOLITAN TRANSPORTATION AUTHORITY
COMPETITIVE PROCUREMENTS

3. **WageWorks, Inc.** **\$700,000** **Staff Summary Attached**
Administrative and Recordkeeping Services for
The MTA Commuter Benefit Program (not-to-exceed)
Contract No. 14404-0100

Competitively negotiated – 3 proposals – 60 months

To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to WageWorks, Inc. for the operation of the MTA Commuter Benefits Program. The contract will be for a period of five (5) years from July 1, 2016 through June 30, 2021, for total not-to-exceed amount of \$700,000. The MTA has the option to extend the agreement for up to two (2) additional consecutive one (1) year periods. This program is operated for the benefit of employees of the MTA and its subsidiaries and affiliates. Contributions are made through automatic payroll deductions, and applied toward transportation and parking expenses. WageWorks, Inc.'s initial proposed monthly fee of \$3.25 was reduced through negotiations to a fixed monthly fee of \$3.00 per participant, a decrease of \$0.25 or 7.7%. Additionally, the new participant set-up fee and suspension fee has been reduced from WageWorks, Inc.'s initial proposed fee of \$3.25 per person to \$2.25 per person. These negotiated, fixed monthly fees are lower than the fee for these services under the current pricing, which are a fixed monthly fee of 3.25 per person per month for each participant and \$3.25 per person for new enrollment set-ups and suspensions. The new pricing is the company's most-favored-customer pricing. Based on the above, the monthly fees negotiated for these services are deemed fair and reasonable.

4. **AFT Projects at Two NYCT Subway Stations on the Culver Line** – AFT to provide technical design, fabrication, crating, storage, delivery and oversight of installation of materials at the station specified below:

Competitively negotiated - 45 proposals - 24 months.

Julien Gardair, 18th Avenue Station - NYCT (\$103,000)

Competitively negotiated - 45 proposals - 24 months

Julien Gardair, Kings Highway Station - NYCT (\$107,340)

Schedule E: Miscellaneous Procurement Contracts

Page 1 of 1

Item Number:

Vendor Name (& Location): International Business Machines Corporation
Description: Applicant Tracking Software & Maintenance
Contract Term (including Options, if any): 5 Years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:

Contract Number: 15416-0100	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$431,500	
Funding Source: <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: MNR HR & MTA IT Katherine Betries-Kendall/Sid Gellineau	
Contract Manager: Feroze Khan	

DISCUSSION:

To recommend that the Board approve the award of a competitively negotiated software as a service contract to International Business Machines Corporation (IBM) for applicant tracking software. The one-time cost of the software is \$60,000 and includes project management, data conversion and the implementation of the onboarding module. The cost of this Software As A Service (SaaS) environment over a five year period is \$371,500 (\$74,300 annually) for a combined amount of \$431,500.

A review of Metro-North's hiring process was conducted and found that the manual nature of the process was very inefficient. Research indicated that technology should be leveraged to optimize the hiring process. Applicant tracking software can accomplish that objective by providing a universal platform where recruiters, managers and stakeholders could manage the entire hiring process yielding the following benefits:

- Process automation. Files are stored digitally and communication is done through one platform. Applicants will receive automatic notifications indicating they have successfully applied; the system will be able to screen resumes and best match candidates to the posting, allowing consideration of the most qualified applicants including ability to consider passive applicants; recruiters would be able to schedule interviews and send resumes to hiring managers and departments can complete required forms all through the applicant tracking system.
- Integration with the Business Service Center's PeopleSoft system and HR's background check vendor, Sterling Background check.
- Analytical Capabilities. An applicant tracking system would enable strategic, data-based decision making. This will allow HR to measure items such as cost-per-hire, time-to-fill, time-to-hire and source effectiveness.
- Monitor Performance. An applicant tracking system allows for constant monitoring of HR's performance including such metrics as time-to-hire or how many jobs are currently at the interview stage.
- Mobile Optimized. Candidates can apply for MTA positions through a smartphone, tablet or other mobile device.

In order to acquire this software, a Request for Proposals (RFP) was publicly advertised. Ten (10) proposals were received. The Selection Committee, consisting of representatives from Metro North, MTA HQ, Business Service Center and MTA Information Technology, evaluated the proposals based on the criteria set forth in the RFP and recommended that three of the ten firms be invited to make oral presentations. Upon conclusion of the oral presentations, the Selection Committee determined that IBM is the most qualified and best suited to provide this software and corresponding maintenance. MTA conducted a responsibility review and other due diligence on IBM and has deemed them to be responsible for award

As a result of negotiations, IBM reduced its original proposed government pricing by 7%, from \$458,000 to \$431,500. Although there are no prior MTA comparable software/service purchases with which this cost can be compared, based on the negotiated savings, the total combined cost of \$431,500 is 25% lower than the market list price and is deemed fair and reasonable.

MTA Department of Diversity and Civil Rights, with NYS Chambers approval, has assigned a zero goal (0%) to this contract. IBM has *NOT* completed any MTA contracts with goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time. A total waiver of the MWBE goals was granted because the system is hosted and managed exclusively by IBM and its

Staff Summary

Schedule F: Personal Service Contracts

Item Number: Dept & Dept Head Name: Human Resources – Margaret M. Connor <i>Margaret M. Connor</i>						SUMMARY INFORMATION																			
Division & Division Head Name: Tax Favored Programs – Kim Russell						Vendor Name: WageWorks, Inc.																			
						Contract Number: 14404-0100																			
Board Reviews						Description: Administrative and Recordkeeping Services for The MTA Commuter Benefit Program																			
<table border="1"> <thead> <tr> <th>Order</th> <th>To</th> <th>Date</th> <th>Approval</th> <th>Info</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Finance</td> <td>6/20/2016</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Board</td> <td>6/22/2016</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						Order	To	Date	Approval	Info	Other	1	Finance	6/20/2016				2	Board	6/22/2016				Total Amount: \$700,000	
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2	Board	6/22/2016																							
Internal Approvals						Contract Term (Including Options, if any) July 1, 2016 through June 30, 2021 with up to two (2) additional consecutive one (1) year period Options.																			
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						Procurement Type: <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive																			
						Solicitation Type: <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:																			
						Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: Vendor fee \$130,000 per year but MTA is saving \$260,000 in FICA taxes.																			

Narrative

I. PURPOSE/RECOMMENDATION

To recommend that the Board approve the award of a competitively negotiated, all-agency personal services contract to WageWorks, Inc. for the operation of the MTA Commuter Benefits Program. The contract will be for a period of five (5) years from July 1, 2016 through June 30, 2021, for total not-to-exceed amount of \$700,000. The MTA has the option to extend the agreement for up to two (2) additional consecutive one (1) year periods.

II. DISCUSSION

The MTA operates a voluntary tax-favored program authorized under Internal Revenue Code Section 132(f), known as the Commuter Benefits Program, to allow employees to pay for certain commutation expenses on a pre-tax basis. This program is operated for the benefit of employees of the MTA and its subsidiaries and affiliates. Contributions are made through automatic payroll deductions, and applied toward transportation and parking expenses. Approximately 3,100 employees currently participate in the Commuter Benefit Program.

The MTA saves approximately \$260,000 per year on the employer portion of FICA taxes that otherwise would be owed on wages. This savings exceeds the recordkeeping and administrative Program fees, which total roughly \$130,000 per year.

TransitCenter, Inc. provided the administrative services for the MTA Commuter Benefits Program starting in January 2005, and WageWorks, Inc. has provided the services since February 2012 after its acquisition of TransitCenter, Inc. In order to continue the services for this plan, a new Request for Proposals (RFP) was publicly advertised and letters advising potential proposers of the RFP's availability were mailed to eight firms. The proposers were required to provide all administrative services required for the successful operation of the Commuter Benefit Program, as well as all record-keeping services. Three (3) firms submitted proposals.

The Selection Committee, which included Human Resource and Information Technology representatives from MTA Headquarters, NYC Transit and the Business Service Center, determined that WageWorks, Inc. was the most technically qualified and best suited firm to perform the services identified by the RFP. MTA has conducted a responsibility review and other due diligence on the proposed awardee and has deemed it to be responsible for award.

WageWorks, Inc.'s initial proposed monthly fee of \$3.25 was reduced through negotiations to a fixed monthly fee of \$3.00 per participant, a decrease of \$0.25 or 7.7%. Additionally, the new participant set-up fee and suspension fee has been reduced from WageWorks, Inc.'s initial proposed fee of \$3.25 per person to \$2.25 per person. These negotiated, fixed monthly fees are lower than the fee for these services under the current pricing, which are a fixed monthly fee of 3.25 per person per month for each participant and \$3.25 per person for new enrollment set-ups and suspensions. The new pricing is the company's most-favored-customer pricing. Based on the above, the monthly fees negotiated for these services are deemed fair and reasonable.

The Commuter Benefit Program projects an average annual participation level of 3,100, resulting in a total fee not-to-exceed \$700,000 for the five-year period, utilizing the fixed monthly per participant fee of \$3.00, the set-up fee and the suspension fee of \$2.25 per participant.

III. D/M/WBE INFORMATION

The MTA Office of Civil Rights has established M/WBE goals for this contract - 10% for MBE and 10% for WBE. WageWorks, Inc. has NOT completed any MTA contracts with goals; therefore, no assessment of the firm's MWDBE performance can be determined at this time.

IV. IMPACT ON FUNDING

MTA and its agencies pay the fees from operating funds.

V. ALTERNATIVE

Do not Approve Award of this Contract. This is not a practical alternative because the MTA intends to continue to provide the Commuter Benefit Program. This voluntary program has been favorably received by both non-represented and represented employees. If this Program were to be discontinued, the MTA would pay more in FICA taxes than the costs to operate the Program. This Program saves the MTA an estimated \$130,000 in FICA taxes annually net of the administrative costs to run the Program. The MTA does not have the staff or expertise to operate the Program without an outside vendor.

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JUNE 2016
MTA REAL ESTATE
LIST OF REAL ESTATE ACTION ITEMS FOR BOARD APPROVAL

MTA NEW YORK CITY TRANSIT

Surrender of New York City Transit's Master Lease interest in a subway entrance at 195 Broadway to the City of New York

Modification of License Agreement with Transit Wireless, LLC

MTA BRIDGES & TUNNELS

Amendment to License Agreement with National September 11 Memorial and Museum at the World Trade Center Foundation, Inc., relating to annual Tribute In Light at Battery Parking Garage, Manhattan

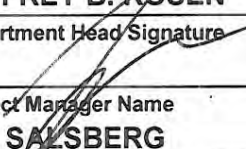
METROPOLITAN TRANSPORTATION AUTHORITY & MTA CAPITAL CONSTRUCTION COMPANY

Agreements for easements to construct, operate and maintain new East Side Access entrance at 280 Park Avenue, Manhattan

METROPOLITAN TRANSPORTATION AUTHORITY & MTA BUS COMPANY

Amendment to Sub-Lease Agreement with City of New York to expand existing bus parking facility at 49-19 Rockaway Beach Boulevard, Arverne, Queens

Staff Summary

Subject SURRENDER OF MASTER LEASE PROPERTY
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name IAN SALSBERG

Date JUNE 20, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/20/16	X		
2	Board	6/22/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA New York City Transit ("NYCT")

LOCATION: Subway entrance for Brooklyn-bound platform of Fulton Street Station on Lexington Avenue Line ("Station"), situated at northwest corner of Dey Street and Broadway ("Entrance"), within 195 Broadway (Block: 80, Lot: 1; "Property"), Manhattan

ACTIVITY: Surrender NYCT's leasehold interest in Entrance to City of New York ("City")

ACTION REQUESTED: Approval to surrender leasehold interest to City

COMMENTS:

Pursuant to an indenture dated August 23rd, 1915, the owner of a portion of the Property built the Entrance and granted an easement to the City. The Entrance is currently leased to NYCT under the Agreement of Lease between NYC and NYCT dated June 1, 1953, as amended (the "Master Lease"). The Master Lease governs the terms and conditions under which most City-owned subway property is used for NYCT's transportation purposes.

As part of the design of the Fulton Street Complex, an escalator up to the Brooklyn-bound platform was constructed in front of the platform opening to the Entrance, thus blocking use of the Entrance. In lieu of the Entrance, a new ADA-compliant entrance to the Brooklyn-bound platform and other parts of the Station was built on the southwest corner of Dey Street and Broadway providing excess capacity for subway customers.

The current owner of the Property has asked the City to extinguish the 1915 easement. NYCT does not have a current use for the Entrance.

A second existing subway easement entrance through the Property (on the north end at Fulton Street) will be unaffected by this action. In addition, a right to build a sidewalk entrance in front of the Property is unaffected.


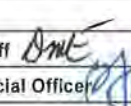


Based on the foregoing, MTA Real Estate requests approval to surrender the Entrance to the City.

Staff Summary

Subject MODIFICATION OF LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name GEORGE MCDONALD

Date JUNE 20, 2016
Vendor Name TRANSIT WIRELESS, LLC
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/20/16	X		
2	Board	6/22/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 	4	President NYCT 
2	Chief Financial Officer 		

AGENCY: MTA New York City Transit ("NYCT")

LICENSEE: Transit Wireless, LLC ("TW")

LOCATION: NYCT Underground Station

ACTIVITY: License modification related to acceleration of the completion date for the installation of TW's communications network in the NYCT's underground subway stations

ACTION REQUESTED: Approval of terms

PURPOSE:

To request that the Board approve a modification to the License Agreement between NYCT, as licensor, and TW, as licensee, pursuant to which modification TW will accelerate the substantial completion of the installation of the TW wireless network in the NYCT's underground stations by approximately 18 months to December 31, 2016, and NYCT will agree to offset an amount not to exceed \$5,415,400 of TW's costs associated with such acceleration effort through a waiver of TW's obligation to pay a like amount as reimbursement to NYCT for force account costs.

BACKGROUND:

In 2007, following a request for proposals process, the Board approved the award to TW of a license to provide commercial cellular/PCS and WiFi service in NYCT's underground subway stations. Under the arrangement, TW constructs the distributed antenna system within the NYCT stations (but not within any of the tunnels between stations) and sublicenses rights to use that system to cellular carriers and other network users. TW's majority owner (Broadcast Australia) is an investment and operating company that specializes in the broadcast and telecommunications fields and is majority owned by Canada's largest public pension fund. The License Agreement gives TW exclusive rights (subject to certain exceptions) for the deployment of FCC licensed frequencies and WiFi in the NYCT underground stations.

At each underground station, TW installs equipment and antennas to provide cellular and WiFi coverage throughout the public areas. Such in-station equipment and antennas are linked by fiber optic cables to TW trunk fiber optic cables running through the streets connecting back to a base station hotel that houses the head-end equipment for TW, the carriers and providers, and NYCT.

Staff Summary

FINANCE COMMITTEE MEETING Subject (Cont'd.)

Under the License Agreement, the deadline for TW's substantial completion of installation at the NYCT's underground stations is July, 2018. At NYCT's request, TW has agreed to accelerate the substantial completion to December 31, 2016 subject to certain conditions, including NYCT's agreement to offset \$5,415,400 of TW's costs associated with such acceleration effort through a waiver of TW's obligation to pay a like amount as reimbursement to NYCT for force account costs.

To meet the accelerated completion date, TW has increased the resources it has available for the overall installation process. NYCT has reviewed TW's detailed estimation of the costs to be incurred by such acceleration effort and TW and NYCT have agreed that the additional costs that TW will incur in excess of the costs that would have been incurred by TW to achieve the contractually required completion date (as reduced by any costs incurred by TW that can be recovered from other work being performed by TW) is \$5,415,400. However, NYCT and TW are continuing to explore alternatives that would reduce the amount of the waived force account reimbursement. Because of the potential for a reduction in the waived amount, the Board is being requested to approve a waiver in an amount not to exceed \$5,415,400. If the parties can agree on a reduction in such amount the License Agreement modification that will memorialize the waiver will reflect such lower waived amount.

The proposed License Agreement modification will include terms under which the amount of the waived force account reimbursement amount will be reduced if TW is at fault in its failure to achieve the required acceleration.

IMPACT ON FUNDING:

Under the License Agreement, TW is obligated to pay to NYCT a share of its revenues from the commercial exploitation of its wireless network in the NYCT system. Such revenue share payments are expected to be substantially in excess of the \$5,415,400 in waived force account reimbursement and such revenue share payment will be used to fund such force account costs.

ALTERNATIVES:

TW's agreement to the acceleration initiative, which is not required by the License Agreement, was conditioned on NYCT's agreement to offset TW's additional costs associated with the acceleration through a waiver of an equivalent amount of force account reimbursement expenses. Given that the wireless network is being installed as a concession by TW, the proposed agreement is the only way to achieve such acceleration.

RECOMMENDED ACTIONS:

Because the accelerated completion of the wireless network in all of the NYCT's underground stations provides a significant benefit to MTA customers and employees, and first responders, by providing communications links that are not currently available, thus increasing customer amenities, employee productivity and overall system safety, it is recommended that the Board adopt the attached Resolution, which authorizes the Chairman and Chief Executive Officer of NYCT and his/her designees to execute and deliver the License Agreement modification and related documents, and to take other actions as he/she may deem necessary, desirable or appropriate to implement the proposed actions as described herein.

RESOLUTION
BOARD OF THE NEW YORK CITY TRANSIT AUTHORITY

WHEREAS, in 2007, following a request for proposal process, the Board of the New York City Transit Authority (“NYCT”) approved the award of a license agreement to Transit Wireless, LLC (“TW”) that granted TW an exclusive license to provide commercial cellular/PCS and WiFi service in NYCT’s underground subway stations (the license agreement and other related documents between NYCT and TW, including modifications and supplements, the “TW Agreements”);

WHEREAS, under the TW Agreements, the deadline for TW’s substantial completion of the required wireless infrastructure in all the NYCT underground stations is July, 2018;

WHEREAS, NYCT has determined that accelerating such substantial completion provides a significant benefit to MTA customers and employees, and first responders, by providing communications links that are not currently available, thus increasing customer amenities, employee productivity and overall system safety;

WHEREAS, NYCT has requested that TW accelerate such substantial completion and TW has agreed subject to certain conditions, including NYCT’s agreement to offset \$5,415,400 of TW’s costs associated with such acceleration effort through a waiver of TW’s obligation to pay a like amount as reimbursement to NYCT for force account costs;

WHEREAS, NYCT has reviewed TW’s detailed estimation of the costs to be incurred by such acceleration effort and TW and NYCT have agreed that the additional costs that TW will incur in excess of the costs that would have been incurred by TW to achieve the contractually required completion date (as reduced by any costs incurred by TW that can be recovered from other work being performed by TW) is \$5,415,400; and


WHEREAS, NYCT and TW are continuing to explore alternatives that would reduce the amount of the waived force account reimbursement and if the parties can agree on such reductions, the License Agreement modification that will memorialize the waiver will reflect a lower waived amount;

NOW THEREFORE, upon the recommendation of the Chairman and Chief Executive Officer of the NYCT, the Board of the NYCT resolves as follows:

1. The Chairman and Chief Executive Officer and his/her respective designees are hereby authorized to finalize the details with respect to the acceleration of the substantial completion of the TW network in the NYCT’s underground stations including the waiver of force account reimbursement in an amount not to exceed \$5,415,400, and to execute and deliver any and all agreements, including modifications and supplements, and other necessary or appropriate agreements, documents, writings and other instruments, and to take any other necessary or appropriate steps as he/she may deem necessary, desirable or appropriate to implement the proposed acceleration of substantial completion of the TW network in the NYCT’s underground stations.
2. The Chairman and Chief Executive Officer and his/her designees are hereby authorized to take any and all actions as may be required to satisfy applicable legal or regulatory requirements in connection with the foregoing actions.

Staff Summary



Subject AMENDMENT TO LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name PAUL M. FITZPATRICK

Date June 20, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/20/16	X		
2	Board	6/22/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCY: MTA Bridges and Tunnels ("BT")
LICENSEE: National September 11 Memorial and Museum at the World Trade Center Foundation, Inc. ("Memorial")
LOCATION: Battery Parking Garage ("BPG"), 56-70 Greenwich Street, Manhattan
ACTIVITY: Installation, maintenance and removal of a temporary lighting project ("Tribute In Light") and storage of 88 searchlights associated therewith
ACTION REQUESTED: Approval of terms
TERM: Up to 5 years for on-site storage, including approximately 3 weeks of annual rooftop access and use during the Tribute In Light display; terminable upon 60 days' notice
SPACE: Roof of BPG during 3 week display and approximately 1,000 sf for storage on 6th floor ramp to roof at BPG throughout term
COMPENSATION: \$12,000 per annum

COMMENTS:

In July 2005, the MTA Board approved terms for BT to grant a 4-year license agreement with two successive 1-year renewal options to the Municipal Arts Society of New York ("MAS") for the Tribute In Light display on the BPG roof each September 11. Both renewal options were exercised and the term ended July 31, 2011.

A 2nd Amendment granted MAS an additional 1-year extension through July 31, 2012. The license was subsequently transferred from MAS to the Memorial and a 3rd Amendment granted a further 3-year extension through July 31, 2015. A 4th Amendment granted an additional 1-year extension through July 31, 2016.

The Memorial desires to continue the license for another 5 years through July 31, 2021.

MTA Real Estate recommends a 5th Amendment to grant Licensee a further 5-year term extension under the same terms and conditions.

Staff Summary

Subject PROPERTY ACQUISITION / CONSTRUCTION AGREEMENTS
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name HELENE CINQUE

Date June 20, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/20/16	X		
2	Board	6/22/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal <i>JP</i>
3	Chief of Staff <i>ONE</i>		
2	Chief Financial Officer <i>BO</i>		

AGENCY: MTA and MTA Capital Construction Company ("MTACC")

OWNER: Broadway 280 Park Fee LLC (a joint venture entity between Vornado Realty Trust and SL Green Realty Corp.)

LOCATION: 280 Park Avenue, Manhattan ("280 Park")

ACTION REQUESTED: Approval of terms for acquisition of various permanent easements ("PEs") and 2 temporary easements ("TEs") to construct, operate and maintain a customer elevator for East Side Access

AREAS: Total of 783 sq. ft. for all PEs; total of 1,567 sq. ft. for 2 TEs

DURATION OF TEs: Up to 18 months for TE 1 (1,133 sq. ft.); up to 12 months for TE 7 (431 sq. ft.)

COMPENSATION: \$1,750,000 in total for all PEs; \$8,818 per month for TE1; \$1,668 per month for TE 7

COMMENTS:

In connection with the East Side Access ("ESA") Project, MTACC, MTA Real Estate and Legal have been engaged in lengthy discussions to acquire easements to construct, operate and maintain a new elevator, as required by the Americans with Disabilities Act, that will provide customer access from 280 Park's public plaza area on the north side of East 48th Street to the new underground LIRR Concourse. Exclusive PEs are required for the elevator structure and associated utility connections to the Concourse. Non-exclusive PEs are required for future access to the elevator for maintenance and repair and to restrict Owner's use of certain areas of the plaza in order to accommodate barrier-free pedestrian circulation to and from the elevator and to and from an ESA escalator and stair entrance that will be constructed across the plaza inside 415 Madison Avenue. Additionally, 2 TEs are needed. TE 1 is needed to provide MTACC's contractors with sufficient work space for elevator construction. TE 7, although located in 280 Park's plaza, will be needed as a work space for MTACC's contractors when they construct an exterior wall opening for the ESA escalator and stair entrance at 415 Madison Avenue.

Discussions with the Owner have been complicated by the Owner's concerns about the impacts of our construction on its newly renovated plaza and building and on 280 Park's income-producing potential. Specifically, the Owner raised concerns that our construction activities could incentivize its tenants to seek rent reductions or decline to exercise lease renewal options and also discourage prospective tenants from leasing space during the construction period. Most significantly, while we were in negotiations, the Owner was marketing its renovated first floor retail space to high end restaurants. The Owner's representatives have asserted, and it has been publicly reported, that the Owner is in the process of leasing substantial space in 280 Park to The Four Seasons Restaurant, whose current lease in The Seagram Building on East 52nd Street reportedly will expire in July 2016. The Owner further has stated that the restaurant, which will be constructed in the building immediately adjacent to our construction zones in the plaza, wishes to use portions of the plaza for outdoor seating.

Staff Summary

FINANCE COMMITTEE MEETING

Property Acquisition 280 Park Ave., Manhattan (Cont'd)



Metropolitan Transportation Authority

Page 2 of 2

During the initial stages of our negotiations, with the above-referenced issues in the forefront, it was extremely uncertain whether we would be able to reach a negotiated agreement with the Owner or to acquire the easements without a contested condemnation proceeding that would add uncertain delays and cost exposures to the project. As negotiations progressed, we were able to reach certain understandings with the Owner that have resulted in agreement terms that we now are able to recommend for Board approval.

With respect to the compensation issues, we agreed to follow a process comparable to condemnation and arbitration procedures whereby the parties commissioned and exchanged appraisal reports prepared by independent appraisers. After much discussion between our respective attorneys, appraisers and business people, we have reached a tentative agreement with the Owner and recommend approval of the compensation amounts for the PEs and TEs that are summarized on the preceding page of this Staff Summary. The proposed settlement amounts for the easements are below the midpoints of the parties' respective appraisals and according to MTA Legal's condemnation counsel are at or below the most favorable amounts that we reasonably could expect to achieve through condemnation litigation.

In order to address the Owner's concerns that delays in completing work in the easement areas will detrimentally impact the Owner's tenants and rent rolls, the proposed agreement provides for liquidated damages to the Owner as follows: for TE 1, \$7,500 per day for the first 30 days after expiration of the 18 month term and \$5,000 per day thereafter; for TE 7, \$5,000 per day for any occupancies after expiration of the 12 month term. As additional compensation, MTA would reimburse the Owner for the reasonable and documented third-party legal, engineering and architectural services that the Owner necessarily has incurred in reviewing plans related to the elevator design and construction and preparing implementing agreements. Finally, MTA would indemnify the Owner for damage or loss associated with the construction and operation of the elevator.

With respect to the construction and operational issues, the proposed agreement requires us to construct and operate the entrance in a manner that will minimize adverse impacts to 280 Park and the Owner's tenants and similarly prohibits the Owner from interfering with our construction and operation of the entrance.

For all the foregoing reasons, the proposed settlement is in MTACC's and MTA's best interests and we hereby recommend approval to proceed with formalizing the terms in implementing agreements with the Owner.

Staff Summary



Subject SUB-LEASE AMENDMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature
Project Manager Name MICHAEL DANIELS

Date June 20, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	6/20/16	X		
2	Board	6/22/16	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal
3	Chief of Staff		
2	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority and MTA Bus Company

LANDLORD: City of New York (NYC) / 49-19 Rockaway Beach Boulevard, LLC (Landlord)

LOCATION: 49-19 Rockaway Beach Boulevard, Arverne, Queens

ACTIVITY: Amend sublease to add a lot for bus parking

ACTION REQUESTED: Approval of terms

TERM: From date Landlord delivers Space to January 2027

SPACE: Approximately 3,100 sq. ft.

MAINTENANCE AND REPAIRS: Subtenant's responsibility

COMPENSATION: No additional rent

COMMENTS:

MTA assumed operational responsibility for several private bus companies, franchised by NYC to do business in New York City, pursuant to a Letter Agreement with NYC dated December 8, 2004 (the "Letter Agreement"). MTA created MTA Bus Company ("MTABC") to effectuate the Letter Agreement.



Included among the assumed bus operations is a NYC lease from Landlord for the Location (the "Lease"). MTA and MTABC (together as sub-tenants) sub-lease the Location from NYC.

Landlord has offered to add the Space to the Location at no additional rent. Landlord will pave the Space and install a fence at no cost to MTABC. MTABC will be responsible for maintenance and repairs during the term. NYC is willing to accept the Space and include same in the Location via an amendment to the Lease. NYC will, in turn, correspondingly amend the sub-lease to include the Space.

Based on the foregoing, MTA Real Estate requests authorization to enter into a sub-lease amendment with NYC, as sub-landlord, on the above described terms and conditions.

PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed expenditure of \$6.6M.

Subject Request for Authorization to Award Various Procurements						June 9, 2016																																																											
Department Materiel – NYCT						Department Law and Procurement – MTACC																																																											
Department Head Name Stephen M. Plochochi						Department Head Name Evan Eisland																																																											
Department Head Signature 						Department Head Signature 																																																											
Project Manager Name Rose Davis						Internal Approvals																																																											
Board Action						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 25%; text-align: center;">Approval</td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: center;">Approval</td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: center;">Approval</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Committee</td> <td style="text-align: center;">6/20/16</td> <td></td> <td></td> <td style="text-align: center;">President NYCT</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Board</td> <td style="text-align: center;">6/22/16</td> <td></td> <td></td> <td style="text-align: center;">President MTACC</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Executive VP <i>AC</i> 6/19/16</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">President MTA Bus</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Subways</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Capital Program Mgmt.</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Law</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Diversity/Civil Rights</td> </tr> </table>							Approval		Approval		Approval	1	Committee	6/20/16			President NYCT	2	Board	6/22/16			President MTACC						Executive VP <i>AC</i> 6/19/16						President MTA Bus						Subways						Capital Program Mgmt.						Law						Diversity/Civil Rights
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Internal Approvals (cont.)																																																																	
Order	Approval	Order	Approval	Order	Approval	Order	Approval																																																										

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.

DISCUSSION:

NYC Transit proposes to award Noncompetitive procurements in the following categories:

Procurements Requiring Two-Thirds Vote:	# of Actions	\$ Amount
Schedule A: Noncompetitive Purchases and Public Work Contracts <ul style="list-style-type: none"> • Vianova Technologies GmbH/ \$ 1.6M Strategic Mapping, Inc./ Clever Devices Ltd. 	3	\$ 1.6 M
SUBTOTAL	3	\$ 1.6 M

MTA Capital Construction proposes to award Noncompetitive procurements in the following categories: NONE

MTA Bus Company proposes to award Noncompetitive procurements in the following categories: NONE

NYC Transit proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule F: Personal Service Contracts	1	\$	5.0 M
	SUBTOTAL	1	\$ 5.0 M
	TOTAL	4	6.6 M

MTA Capital Construction proposes to award Competitive procurements in the following categories: NONE

MTA Bus Company proposes to award Competitive procurements in the following categories: NONE

MTA Bus Company proposes to award Ratifications in the following categories: NONE

NYC Transit proposes to award Ratifications in the following categories: NONE

MTA Capital Construction proposes to award Ratifications in the following categories: NONE

COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement section.)

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and certain budget adjustments to estimated quantity contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

JUNE 2016

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Noncompetitive.) Note – in the following solicitations, NYC Transit attempted to secure a price reduction. No other substantive negotiations were held except as indicated for individual solicitations.

1. Vianova Technologies GmbH	\$579,564 (Est.)	<u>Staff Summary Attached</u>
2. Strategic Mapping, Inc.	\$614,044 (Est.)	↓
3. Clever Devices Ltd.	\$420,000 (Est.)	↓
RFI# 119139		
Test and evaluation for the design, provision, installation, and maintenance of Digital Information Screens on buses.		

Item Number: 1-3

Vendor Name (Location) Vianova Technologies (Germaringen, Germany) Strategic Mapping, Inc. (Toronto, Canada) Clever Devices Ltd. (Woodbury, New York)
Description Test and evaluation for the design, provision, installation and maintenance of Digital Information Screens on buses
Contract Term (including Options, if any) TBD
Option(s) included in total amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Test and Evaluate

Contract Number RFI 119139	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: Vianova: \$579,564 Strategic: \$614,044 Clever: \$420,000	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept./Div., Dept./Div. Head Name: Department of Buses, Darryl C. Irick	

Discussion:

It is requested that the Board declare competitive bidding impractical or inappropriate pursuant to subdivision 9(d) of Public Authorities Law Section 1209 ("PAL") and approve the award of three purchase contracts for the test and evaluation of new technologies for the provision of Digital Information Screens on a total of 131 buses. The statute states that contracts awarded under this section of the PAL require a 30-day waiting period after Board action before a contract can be awarded. Purchase contracts will then be awarded to the following three companies: Vianova Technologies GmbH ("Vianova") in the estimated amount of \$579,564, Strategic Mapping, Inc. ("Strategic") in the estimated amount of \$614,044, and Clever Devices Ltd. ("Clever") in the estimated amount of \$420,000. The total estimated value of these purchases will be \$1,613,608.

The Department of Buses ("DOB") has conducted extensive research into Digital Information Screen technologies which are designed to enhance the customer experience on buses by providing audio/visual route and next stop information, planned and unplanned service advisories, as well as geographic specific advertising on screens throughout the bus. This pilot program will allow for several Digital Information Screens systems to be evaluated in order to determine which Digital Information Screens systems work best in the NYC Transit operating environment, qualify companies for future new bus procurements, foster competition and develop a comprehensive specification for use in a future Request for Proposals to retrofit existing buses with a Digital Information Screens system.

A Request for Information was advertised in October 2015 on the MTA website and a series of trade publications. After an extensive outreach, including contacting vendors identified by DOB, Procurement received responses from 16 companies. Ten companies were invited to give oral presentations; each company was given the opportunity to provide an overview of their system's capabilities, demonstrate their solution and answer questions from a panel of MTA personnel, which included representatives from DOB, Corporate Communications, and Procurement.

Proposals were received from nine of the ten companies in March 2016 (one company elected not to propose). Each submission consisted of both a technical proposal and a price proposal for each of the prospective bus routes (M15, B46 and S79). Once each technical proposal was reviewed and given a technical evaluation, negotiations were conducted with the three companies that received the highest technical evaluations. After a final review, it was determined that Vianova will install its Digital Information Screens on 48 Low Floor 60-foot Nova Articulated buses operating on the M15 route, Strategic will install its Digital Information Screens on 48 Low Floor 40-foot New Flyer Diesel buses operating on the B46 route, and Clever will install its Digital Information Screens on 35 Low Floor 40-foot Orion Hybrid buses operating on the S79 route for a total of 131 Digital Information Screen systems.

Each of these contracts requires the company to design, furnish, install and maintain a complete Digital Information Screen system on a small fleet of buses in the NYC Transit operating environment for one year. Each Digital Information Screen system is comprised of digital screens (two on 40-foot buses and three on 60-foot buses), a video processing unit, and a Content Management System ("CMS") which allows the programming and management of advertising content to be displayed on each bus from a remote location. Each company has developed its Digital Information Screen system utilizing different components and software.

For example, while the systems offered by Strategic and Vianova utilize a dedicated video processing unit, Clever has incorporated video processing capabilities into its monitors. Additionally, each company is providing a different CMS software which will be evaluated.

Procurement negotiated the best price possible from each company. The variations in pricing arise from differences in the materials, technologies, and design approach utilized by each company. In addition to the hardware and software, the pricing includes one year of CMS hosting, maintenance, and support. Cost Price reviewed the final proposals and determined the pricing from each of the companies to be fair and reasonable.

JUNE 2016

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

F. Personal Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Noncompetitive; \$1M Competitive.)

1. AECOM USA, Inc. \$4,983,655 (Est.)

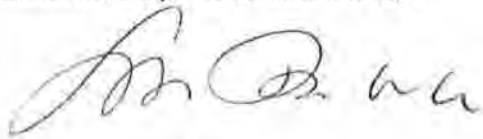



Staff Summary Attached

Five Proposals – 77-month contract

Contract# CM-1300

Consultant Construction Management and Inspection Services for the design support, procurement phase support, and construction support of the Integrated Service Information and Management (ISIM-B), Module 3: Rail Traffic Management Office System.

Staff Summary

Item Number 1			
Department, Department Head Name: Materiel, Stephen M. Plochochi, VP			
			
Internal Approvals			
Order	Approval	Date	Approval
1 	Materiel	6 X	Subways
2 X	Law	7 	EVP (ACOM) 6/14/16
3 X	Budget	8	President 
4 X	DDCR	9	
5 X	CPM	10	

SUMMARY INFORMATION	
Vendor Name: AECOM USA, Inc.	Contract No. CM-1300
Description Design Support, Procurement Phase Support, and Construction Support for the Integrated Service Information and Management ("ISIM-B"), Module 3: Rail Traffic Management Office System	
Total Amount \$4,983,655 (Est.)	
Contract Term (including Options, if any) 77 Months	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

PURPOSE:

To obtain Board approval to award competitively negotiated Contract CM-1300 for Design Support, Procurement Phase Support, and Construction Support for the Integrated Service Information and Management ("ISIM-B"), Module 3: Rail Traffic Management Office System to AECOM USA, Inc. ("AECOM") in the estimated amount of \$4,983,655 and a duration of 77 months.

DISCUSSION:

Capital Program Management ("CPM") requires a consultant to provide engineering and administrative support during the procurement and construction phase of the ISIM-B Module 3 project. The ISIM-B, Module 3 project is a software-intensive system that will enable central monitoring and management of 'B' Division trains at the Rail Control Center by integrating train location data collected from signal systems in the field with train schedule data. The consultant will provide support during the review of all the proposals submitted by the contractors during the procurement phase and will provide Construction Management Services support during the construction phase to review contractors' submissions, attend meetings and make recommendations to NYC Transit.

This RFP was solicited using a One-Step procurement process. In response to NYC Transit's advertisements, five firms submitted proposals: AECOM, Atkins, P.A. ("Atkins"), Parsons Brinckerhoff/Jacobs, Joint Venture ("PB/Jacobs"), Parsons Transportation Group of NY, Inc. ("Parsons"), and SYSTRA Engineering, Inc. ("SYSTRA"). NYC Transit's Selection Committee ("SC") reviewed and evaluated the written technical proposals in accordance with the established evaluation criteria, which included: experience in relevant areas, plan of approach, experience of project team, experience of prime and subconsultant key personnel, current workload of prime and subconsultants, management approach, and quality assurance plan. The SC also participated in oral presentations with all five firms. After oral presentations, the SC recommended the following three firms for negotiations: AECOM, Parsons, and SYSTRA. These firms were considered the most qualified teams to perform the work, based on their current and past rail transportation management experience in the transit industry.

Atkins and PB/Jacobs were not recommended because the technical approach in performing the required tasks of the SOW was considered not as strong as the other teams, especially with respect to Rail Traffic Management Systems, risk mitigation, and handling the complexity of interfaces.

The initial cost proposals from the three firms were as follows: AECOM - \$6,458,508, Parsons - \$7,564,485, and SYSTRA - \$8,978,696. The initial in-house estimate was \$5,130,203.

Price negotiations were held with the three selected firms with discussions focusing on the consultants' hourly rates, fixed fee and overhead rates ("O/H"), which were negotiated in accordance with MTA's Audit recommendations. After negotiation sessions were conducted with all three firms, a Post Proposal Addendum ("PPA") was issued to clarify the amount of out-of-pocket expenses and to provide estimated hours and titles needed to accomplish unforeseeable as-needed Indefinite Quantities tasks associated with this project. The PPA also requested that proposers submit interim cost proposals. The in-house estimate was revised to \$7,600,871 to reflect changes in rates and scope. Interim Cost Proposals were received as follows: AECOM - \$5,555,397, Parsons - \$6,808,296, and SYSTRA - \$6,859,390.

A second round of negotiations was conducted with all three firms and focused on home/field direct labor rates and O/H as well as fixed fees. Best and Final Offers ("BAFOs") were requested and received as follows: AECOM - \$4,983,655, SYSTRA - \$6,499,115, and Parsons - \$6,643,781.

After receipt of BAFOs, the SC was reconvened and unanimously recommended AECOM for award. In addition to having the lowest cost, AECOM was ranked the highest technically and its proposal offered the best overall value to NYC Transit. The AECOM team was found technically superior based primarily on their experience in Rail Traffic Management Systems and comprehensive knowledge of NYC Transit systems. AECOM's BAFO of \$4,983,655 was \$2,617,216 (35% lower than the internal estimate) and \$1,474,853 lower (23%) than the initial proposal. AECOM's BAFO was considered "fair and reasonable" by CPM and Procurement based upon the pricing received, negotiations, and competitive nature of the RFP. The AECOM team has worked on projects such as the Second Avenue Subway and currently is providing engineering and technical support during the implementation of the Communications-Based Train Control ("CBTC") on the Canarsie, Flushing, and Culver lines. AECOM is also providing planning, design, and construction support services for LIRR and MNR during the implementation of Positive Train Control Systems.

Background investigations and review of documents submitted by AECOM revealed Significant Adverse Information ("SAI") within the meaning of the All-Agency Responsibility Guidelines for which MTA management approval was obtained.

M/W/DBE:

The Department of Diversity and Civil Rights ("DDCR") has approved AECOM's Utilization Plans to meet the established goals of 6.5% for MBE and 6.5% for WBE participation for this contract. AECOM has achieved their MWDBE goals on previous MTA contracts.

IMPACT ON FUNDING:

This Contract will be funded with 100% MTA funds.

ALTERNATIVES:

None. Currently, NYC Transit lacks available in-house technical personnel to perform the specific tasks required under the scope of work for this contract.

CAPITAL PROGRAM REPORTING:

These contracts have been reviewed for compliance with the requirements of the 1986 legislation applicable to Capital Contract Awards and the necessary inputs have been secured from the responsible functional departments.

RECOMMENDATION:

That the Board approve the award of a competitively negotiated contract for design support, procurement phase support and construction support for the Integrated Service Information and Management ("ISIM-B"), Module 3: Rail Traffic Management Office System to AECOM, in the estimated amount of \$4,983,655 with a term of 77 months.



Metro-North Railroad

Procurements

Subject	Request for Authorization to Award Various Procurements
Department	Procurement and Material Management
Department Head Name	Alfred Muir, Sr. Director
Department Head Signature	
Project Manager Name	

Date	June 8, 2016
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Comm. Mtg.	6-20-16	X		
2	MTA Board Mtg.	6-22-16	X		

Internal Approvals			
	Approval		Approval
X	President 		V. P. Planning
X	Executive V.P. 		V.P. Capital Programs
X	Sr. V.P. Operations 	X	V.P. & General Counsel 
X	VP Finance & IT 		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
_____	_____	_____	_____	_____	_____	_____	_____

PURPOSE:

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, and to inform the MTA Metro-North Railroad Committee of these procurement actions.

DISCUSSION:

MNR proposes to award non-competitive procurements in the following categories:

		<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		NONE	
<u>Schedules Requiring Majority Vote</u>			
Schedule E:	Miscellaneous Procurement Contracts	1	\$309,586
	• NetBoss Technologies, Inc.		\$309,586
		<hr/>	
SUB TOTAL:		1	\$309,586

MNR proposes to award competitive procurements in the following categories:

		<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		NONE	
<u>Schedules Requiring Majority Vote</u>			
Schedule G:	Miscellaneous Service Contracts	7	\$8,034,994
	<ul style="list-style-type: none"> East Coast Railroad Services, LLC \$348,000 John N. Fehlinger Co., Inc. \$272,550 Bureau Veritas North America, Inc. \$838,458 WABTEC Passenger Transit, Inc. \$728,500 DeAngelo Brothers, LLC \$2,525,903 United Right of Way \$2,865,317 Asplundh Tree Expert Co. \$456,266 		
Schedule H:	Modifications to Personal/Miscellaneous Service Contracts	2	\$30,595,586
	<ul style="list-style-type: none"> Scheidt & Bachmann GmbH (S&B) \$27,447,005 Sepsa North America \$3,148,581 		
SUB TOTAL:		9	\$38,630,580
MNR presents the following procurement actions for Ratification:			
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		NONE	
<u>Schedules Requiring Majority Vote</u>		NONE	
SUB TOTAL:			
TOTAL:		10	\$38,940,166

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

BUDGET IMPACT: The purchases/contracts will result in obligating MNR operating and capital funds in the amount listed. Funds are available in the current MNR operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

JUNE 2016

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

E. Miscellaneous Procurement Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive)

- | | | | |
|----|---|----------------------------------|--------------------------------------|
| 1. | NetBoss Technologies, Inc. | \$309,586 (not-to-exceed) | <u>Staff Summary Attached</u> |
| | Network Management System Maintenance & Support Contract | | |

Approval is requested to award a three year non-competitive, miscellaneous procurement contract with NetBoss Technologies, Inc. for the maintenance & support services of MNR's NetBoss Network Management System (NMS) software. Netboss Technologies is the Original Equipment Manufacturer (OEM), the original software developer and the sole authorized provider of all NetBoss hardware, software, and all associated maintenance and support services.

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for the purchase of sole source material. Advertisements were placed in the New York State Contract Reporter, The New York Post, and posted on the MNR website which did not yield interest from other sources. MNR shall continue to seek alternate suppliers through vendor outreach and advertisement.

Negotiations for a multiyear maintenance and support contract resulted in a 10% discount (\$32,333) from NetBoss' standard commercial price of \$341,919. The total cost of the three year maintenance & support contract is not-to-exceed \$309,586 and a review of the pricing has found costs be fair and reasonable. This procurement is to be funded by the MNR Operating Budget.

Schedule E: Miscellaneous Procurement Contracts

Item Number: E

Vendor Name (& Location) NetBoss Technologies, Inc.		Contract Number 1000058046		AWO/Modification #	
Description Software & Maintenance Support Agreement		Renewal?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Contract Term (including Options, if any) Three years		Total Amount:		\$309,586 (not-to-exceed)	
Option(s) included in Total Amount?		Yes		<input checked="" type="checkbox"/> No	
Procurement Type		Funding Source			
<input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive		<input checked="" type="checkbox"/> Operating Capital Federal Other:			
Solicitation Type		Requesting Dept/Div & Dept/Div Head Name:			
RFP Bid <input checked="" type="checkbox"/> Other: Sole Source-Proprietary software		Procurement & Material Management, Al Muir, Sr. Director			

Discussion:

Approval is requested to award a three year non-competitive, miscellaneous procurement contract with NetBoss Technologies, Inc. for the maintenance & support services of MNR's NetBoss Network Management System (NMS) software.

The NetBoss NMS software was previously customized, installed and integrated into MNR's fiber optic telecommunication network. The NetBoss software is one of the key components of the network that provides diagnostic information, fault management and trouble reporting related to the entire MNR network communication and related subsystems. It monitors and reports real-time status of MNR's overall network condition and it drives various applications such as circuit failovers and network monitoring applications. Netboss Technologies is the Original Equipment Manufacturer (OEM), the original software developer and the sole authorized provider of all NetBoss hardware, software, and all associated maintenance and support services.

In requesting this Board authorization, MNR has complied with PAL§ 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers and with MTA All-Agency Procurement Guidelines for the purchase of sole source material. Advertisements were placed in the New York State Contract Reporter, The New York Post, and posted on the MNR website which did not yield interest from other sources. MNR shall continue to seek alternate suppliers through vendor outreach and advertisement.

Negotiations for a multiyear maintenance and support contract resulted in a 10% discount (\$32,333) from NetBoss' standard commercial price of \$341,919. The total cost of the three year maintenance & support contract is not-to-exceed \$309,586 and a review of the pricing has found costs be fair and reasonable. This procurement is to be funded by the MNR Operating Budget.

JUNE 2016

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement.)

**1. East Coast Railroad Services, LLC \$348,000 (not-to-exceed)
Hi-Rail Railroad Tie and Material Unloading Service**

Approval is requested to award a three year competitively solicited, miscellaneous service contract (Request for Quotation process, two bids received) in the not-to-exceed amount of \$348,000, to East Coast Railroad Services LLC (ECRS). ECRS shall be responsible for the transportation and unloading of railroad ties and other materials for various projects throughout MNR's operating territory.

ECRS is the incumbent contractor for these services and their pricing is 20% lower than the second low bidder. ECRS' daily rate of \$1,900 for year one and two is the same rate that MNR has paid under the previous agreement; however in the third and final year, ECRS' pricing shall increase 5%. This adjustment is directly attributable to the increase in transportation and hauling fees for the ties. The proposed pricing is considered fair and reasonable. The total is not-to-exceed \$348,000 and is to be funded by the MNR Operating Budget.

**2. John N. Fehlinger Co., Inc. \$272,550 (not-to-exceed)
Maintenance Services for 12 Steam Pressure Relief Valve Stations in Grand Central Terminal**

Approval is requested to award a five year, competitively solicited miscellaneous service contract (three bids received), in the not-to-exceed amount of \$272,500 to John N. Fehlinger Co., Inc. (Fehlinger) to provide maintenance services on 12 steam pressure relief valve stations located in Grand Central Terminal (GCT).

In GCT, steam is used for various purposes including heat and the operation of electrical generators. The steam supplied by Con Edison enters the building and the pressure reducing valve stations regulate the pressure in order to send to the end use equipment. The scope of this work includes having service technicians survey the steam PRV stations on a monthly basis and calibrate pilots, rebuild pilots, and replace diaphragms and stem seals as required. Upon completion of each survey, all pilots should be in proper working condition, all set points correctly aligned, and any leaking diaphragms or steam seals replaced.

A price comparison shows that Fehlinger is 85% lower than MNR's estimate and 20% lower than the second lowest bidder. A review of the price for these services has found costs to be fair and reasonable. The total is not-to-exceed \$272,550 and is to be funded by the MNR Operating Budget.

3. Bureau Veritas North America, Inc. \$838,458 (not-to-exceed)

Railcar Wheel and Axle Inspection Services

Approval is requested to award a competitively solicited, five year (3 year base with two 1-year options) miscellaneous service contract (1 bid received) in the not-to-exceed amount of \$838,458 to Bureau Veritas North America, Inc. for quality assurance inspections of MNR railcar wheels and axles.

Railcar wheels and axles are manufactured at various facilities around the world. Bureau Veritas shall be responsible for pre-shipment inspections of all wheels and axles manufactured at the vendors' facilities in Spain, Italy and the UK, prior to their delivery to MNR property. On site quality assurance inspection ensures that manufacturing standards are in accordance with MNR and the Association of American Railroads (AAR) specifications. Inspections are performed on an "as-needed" basis. Bureau Veritas the incumbent supplier will be required to certify that wheels and axles are in complete compliance with all sections of the applicable AAR specification and the contract drawings. This certification must be made at the point of manufacture prior to shipment. All inspections, tests and examinations required by the specification will be made and documented in such a manner to allow traceability by field auditors or technical personnel assigned. MNR does not have the capabilities to perform this work in-house.

In an effort to foster competition for these industry specific services, the MNR Procurement Department reached out to multiple firms that potentially could have provided the necessary technical expertise.

Unit prices for the new contract are fixed for the first three years, with the fourth and fifth year prices adjusted in accordance with pre-designated tables of escalation formulae published by the Bureau of Labor Statistics. The cost of these services compared to the previous contract has not changed and is deemed fair and reasonable for the work to be performed. The total is not-to-exceed \$838,458 and is to be funded by the MNR Operating Budget.

4. WABTEC Passenger Transit, Inc. \$728,500 (not-to-exceed)

Repair and Return of Type H "Tight Lock" Couplers

Approval is requested to award a competitively solicited (one bid received) three-year miscellaneous service contract in the not-to-exceed amount of \$728,500 to Wabtec Passenger Transit (Wabtec) to provide repair and return services for Type H "Tight Lock" Couplers used on the Shoreliner Railcars.

As part of the maintenance requirements set by MNR's Maintenance of Equipment Department (MoE), the repairs of these couplers is planned to coincide with MNR's maintenance requirements for its Shoreliner fleet (Contract 19, 21, 34, 38 and 38A railcars). These repairs ensure the consistent efficiency and safe operation of the Shoreliner fleet. MNR does not have the equipment or in-house capabilities to perform the work.

In an effort to foster competition for these industry specific services, the MNR Procurement Department reached out to multiple firms that potentially could have provided the necessary technical expertise.

The unit prices contained with this agreement are fixed for the three year term. Wabtec's bid price was 7.19% (2.39% per annum) higher than the last price paid when these units were repaired in 2013 and is deemed fair and reasonable for the work to be performed. The total is not-to-exceed \$728,500 and is to be funded by the MNR Operating Budget.

- | | | |
|----|---------------------------------|---|
| 5. | DeAngelo Brothers, LLC | \$ 2,419,590 - MNR Hi Rail & Manual Application |
| | | \$ 106,313 - SIRTOA Manual Application |
| | United Right of Way | \$ 2,865,317 - LIRR Hi Rail & Manual Application |
| | Asplundh Tree Expert Co. | \$ 144,303 - LIRR Manual Application |
| | | \$ 311,963 - SIRTOA Manual Application |

Weed and Brush Spray Services

Approval is requested to award three competitively solicited, 52-month miscellaneous service contracts (6 bids received) to DeAngelo Brothers, LLC, United Right of Way, and Asplundh Tree Expert Co. for weed and brush spray services. MNR led the multi-agency procurement and the participating agencies are Metro-North Railroad (MNR), Long Island Rail Road (LIRR) and Staten Island Rapid Transit Operating Authority (SIRTOA). Weed and brush spraying is required by the agencies to treat and remove excess vegetation (weed and undergrowth) along the right of way, yards, fence lines and substations.

This multi-agency procurement was structured to allow for awards to more than one contractor based on each agency's category of vegetation and brush control requirements. All three Railroads have programs that include hi-rail pre-emergent treatment services and manual post emergent services and vegetation control. The solicitation for potential bidders included both advertisements placed in required publications as well as direct outreach to vendors known to provide this type of service. Further, the solicitation and award is based on the low bidder for each agency's required service(s).

The awardee for MNR Hi Rail and manual application and SIRTOA manual application services is DeAngelo Brothers, LLC; United Right of Way is the awardee for LIRR's hi-rail and manual application; and Asplundh Tree Expert Co. is the awardee for LIRR's manual application and SIRTOA's manual application services. The new contract annual cost reflects a 5.2% increase as compared to the existing contract. All unit prices will remain firm and fixed throughout the term of the contract.

The total estimated cost to the 52-month contract for all agencies is \$5,847,486 and is to be funded by each agency's Operating Budget.

H. Modifications to Personal/Miscellaneous Service Contracts

(Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed monetary or durational threshold required for Board approval)

- | | | | |
|----|--|-------------------------------------|--------------------------------------|
| 6. | Scheidt & Bachmann GmbH (S&B) | \$27,447,005 (not-to-exceed) | <u>Staff Summary Attached</u> |
| | Life Cycle Maintenance for MNR & LIRR's Ticket Selling System | | |

To obtain MTA Board approval of additional funds and an extension of time to Metro-North's (on behalf of itself and Long Island Rail Road - LIRR) miscellaneous service contract with the firm Scheidt & Bachmann GmbH (S&B). The existing negotiated Board-approved contract has provided comprehensive long-term Life Cycle Maintenance (LCM) services to Metro-North and Long Island Rail Road's Ticket Selling System and Equipment since January 2006.

The LCM program awarded to S&B in 2006 has preserved high equipment availability and reliability and has extended the useful life of the equipment which was designed to last 12 to 14 years. The machines are currently averaging 15 years, and with this proposed extension, including certain necessary system enhancements and upgrades, useful life will be extended through the transition to a new fare payment system. The LCM contract includes scheduled preventive maintenance, remedial

maintenance/service calls, parts repair/replacement, Ticket Selling Machine (TSM) and CSS software support as well as the scheduled replacement of aging components and sub-systems prior to obsolescence.

At this time, the Railroads seek to award an extension of the in-place agreement for a period of three years retaining two one-year extension options and implement certain onetime necessary equipment and system upgrades. S&B, the Original Equipment Manufacturer (OEM) and designer & integrator of the equipment and software systems, has unique equipment expertise, knowledge and qualifications to overhaul upgrade and maintain the ticket selling system network in optimal working condition. The negotiated upgrades and maintenance extension period of the LCM contract is designed to extend the useful life of the equipment and continue the proactive approach to maintenance versus a reactionary approach of addressing outages as they occur and implementing retrofits and overhauls as components age/expire.

The total negotiated not-to-exceed cost for the one time equipment/system upgrades is \$3,653,640 to be shared equally by the Railroads. The not-to-exceed cost of the three-year maintenance extension including potential out-of-scope items (2018-2020) is \$14,179,820 (\$6,953,974 MNR & \$7,225,845 LIRR), and the not-to-exceed costs of the two one-year additional options is \$9,613,545 (\$4,758,521 / 2021 and \$4,855,024 / 2022) or \$4,631,783 - 2021/ 2022 MNR and \$4,981,762 – 2021/2022 LIRR. All pricing in the maintenance contract is based on the competitively negotiated contract pricing established in 1998, which has increased an average of 1.35% per year since inception and is deemed reasonable given the resources (labor, equipment and technology) required to carry out the LCM work under this contract on an on-going basis. Should the full service contract not be required through the 2022 extension, the Railroads have the ability to phase out equipment from the maintenance contract or terminate the contract for convenience. However, should the date for the implementation of NYCT's new fare payment system slip past 2022, it is possible that the Railroads may need to return to the Board to extend the maintenance contract further to coincide with the new implementation date.

The contract is to be funded by each Railroad's Operating Budget. Note: A portion of MNR's cost will be offset by CDOT funding.

I. Modifications to Purchase and Public Work Contracts

(Approvals/Staff Summaries required for individual change orders greater than \$250K. Approvals without Staff Summaries required for change orders greater than 15% of previously approved amount which are also at least \$50K)

7. Sepsa North America \$3,148,581 (not-to-exceed) Staff Summary Attached
Design and Delivery of Video Recording Systems

Approval is requested to issue a contract change order to the firm Sepsa North America, Inc. (SEPSA), in the not-to-exceed amount of \$3,148,581 for additional work associated with the Design and Delivery of Video Camera systems for MNR Rolling Stock Fleet.

In November 2014, Metro-North Railroad on behalf of itself and Long Island Railroad requested and received approval to award two thirty-six month competitively solicited contracts (RFP process, 11 proposals received) to 4D Security Solutions (LIRR) and Sepsa North America (MNR) for the Design and Delivery of Video Recording Systems for Long Island Railroads and Metro-North respectively.

At that time, the Railroads elected to install inward and outward facing video and audio recorders consistent with the Rail Industry's necessity to increase safety and security. In addition to the two cab

cameras, the Railroads elected to incorporate passenger area cameras to improve passenger and crew safety by acting as a deterrent to crime and providing forensic investigative capability.

During preliminary design review, multiple types of cameras were considered for optimum efficiency, both in quality and coverage. Through this testing and evaluation process, MNR elected to use a high definition forward facing camera (720 p) in lieu of the base contract specified. The upgraded camera, through the higher resolution, provides not only a clearer image of the track area, but also provides added clarity in high and low light situations such operation in Park Avenue Tunnel. In order to facilitate this upgrade in camera resolution, a corresponding amount of additional memory is required to store the images within the on-board recorder system.

In addition to the enhancements of the forward facing cameras, Sepsa and MNR extensively reviewed the coverage of the passenger area cameras. This analysis led to the determination that two additional cameras would be placed in the EMU's and Coaches to ensure the maximum amount of coverage, the passenger areas will now have a total of ten cameras instead of the contract specified eight. The final change request is an option that was included within the original competitive solicitation but was not submitted or approved at the time of the original award. The functionality that is now being requested is for remote access, which will give the Railroad the capability to download the recorded data from various locations without having to access the Locomotive or Railcar.

The cost of the changes has been negotiated at a total not-to-exceed amount of \$3,148,581 and is deemed fair and reasonable for the work to be performed. The material costs were validated through a price analysis and funding for these changes is to be provided by the MNR Operating Budget.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

Item Number: H

Vendor Name (& Location) Scheidt & Bachmann GmbH (S&B)		Contract Number # 9284	AWO/Modification #
Description Maintenance for MNR & LIRR's Ticket Selling System		Original Amount: (orig. purchase & 1-yr. warranty + 4 yrs. of maint.) \$ 21,845,976	
Contract Term (include Options, if any) Four year extension		Prior Modifications: (add'l equip. + 10 yrs. LCM) \$ 91,046,731	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Prior Budgetary Increases: -	
Procurement Type Competitive <input checked="" type="checkbox"/> Non-competitive- contract extension		Current Amount: \$ 112,892,700	
Solicitation Type RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other:		This Request (3 yr. extension & 2-one year options) not-to-exceed \$27,447,005 (\$13,412,577 MNR & \$14,034,428 LIRR)	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: CDOT		% of This Request to Current Amount: 24%	
Requesting Dep./Div. & Dept./Div. Head Name: Procurement & Material Management, Alfred Muir, Sr. Director		% of Modifications (including This Request) to Original Amount: 84%	

I. Purpose: To obtain MTA Board approval of additional funds and an extension of time to Metro-North's (on behalf of itself and Long Island Rail Road - LIRR) miscellaneous service contract with the firm Scheidt & Bachmann GmbH (S&B). The existing negotiated Board-approved contract has provided comprehensive long-term Life Cycle Maintenance (LCM) services to Metro-North and Long Island Rail Road's Ticket Selling System and Equipment since January 2006.

II. Background: In March 1998, the Board approved the award of a competitively-solicited, joint MNR/LIRR contract for the design, manufacture and delivery of ticket selling equipment and systems (i.e., Ticket Vending Machines (TVMs), Ticket Office Machines (TOMs), and Central Support System (CSS)) to S&B. There are currently over 700 machines located throughout the Railroads, which account for more than 94% of all tickets sold on a monthly basis and operate at a high level of service availability, approximately 98.7%. The S&B machines have the unique ability to print Railroad commutation tickets on pre-encoded/valued NYCT MetroCards.

Previously, in 2006 and 2011, the Board approved the award of negotiated joint MNR/LIRR Life Cycle Maintenance (LCM) agreements with S&B, incorporating normal hardware and software maintenance as well as the proactive replacement of components, parts and systems to keep the Railroads' integrated Ticket Selling System operating at a high level of reliability. The Railroads previously exercised the Board-approved LCM option through 2017; an approved option for an additional year (2018) is currently available.

The available options were timed to align with NYCT's then-schedule for the change out of its MetroCard based fare payment system. NYCT is progressing an RFP to implement a new fare payment system (NFPS) which will support the use of a common fare media throughout the MTA system. The Railroads are working very closely with NYCT on a coordinated implementation of MTA's next generation of new fare payment technology and are currently engaged in a Long Term Revenue Collection study which will provide guidance for a system that will be compatible to the NYCT's NFPS. Based on its schedule, NYCT will commence implementation of the NFPS in 2018 continuing through 2022; accordingly, the Railroads will be required to maintain the technology necessary to support the MetroCard at least until that date. Procurement of a new Railroad fare payment system is anticipated to be included in the 2020 - 2024 Capital Plan; accordingly, it is prudent to plan for the existing S&B equipment and systems to remain fully operational through 2022, so that customers will be able to continue to benefit from a reliable system offering Railroad tickets on pre-encoded/valued NYCT MetroCards.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts

III. Extended Options and Budget Impacts: To meet these objectives, the Railroads seek approval for the following:

(1)

Convert the remaining one-year Board approved option (calendar year 2018) into a negotiated three-year full LCM extension, adding two additional one-year options to cover necessary maintenance services through 2022 (if required). As it had been the original plan to phase out the equipment in or about 2018, these options will include a more robust scope of services including all hardware, software and labor to perform on-going standard & lifecycle maintenance and necessary equipment/system upgrades, as well as funds for the provision of hardware & software out-of-scope work and supplies that may include equipment consumables, extraordinary repair of equipment due to vandalism and equipment relocations due to station work throughout the term of the extended contract.

(2)

A one-time equipment/system upgrade to meet new regulatory and banking industry requirements and to prevent obsolescence of components. This includes the complete change out of all Credit Card Readers and pin pads, change out of all hardware and software to continue to comply with Payment Card Industry (PCI) requirements and meet new security standards for electronic payment, and the implementation of EMV (Europay, MasterCard and Visa) cards or smart cards as a payment method. The upgrade additionally includes the change out of all TVM touch screens from 14" (which are becoming obsolete) to 15", the change out of TVM pedestals to meet current ADA requirements and the replacement of various cables, machine motors and power sockets in all TVMs.

The total negotiated not-to-exceed cost for the one time equipment/system upgrade is \$3,653,640 to be shared equally by the Railroads. The not to exceed cost of the three-year maintenance extension including potential out-of-scope items (2018-2020) is \$14,179,820 (\$6,953,974 MNR & \$7,225,845 LIRR), and the not-to-exceed costs of the two one-year additional options is \$9,613,545 (\$4,758,521 / 2021 and \$4,855,024 / 2022) or \$4,631,783 - 2021/ 2022 MNR and \$4,981,762 – 2021/2022 LIRR. All pricing in the maintenance contract is based on the competitively negotiated contract pricing established in 1998, which has increased an average of 1.35% per year since inception and is deemed reasonable given the resources (labor, equipment and technology) required to carry out the LCM work under this contract on an on-going basis. Should the full service contract not be required through the 2022 extension, the Railroads have the ability to phase out equipment from the maintenance contract or terminate the contract for convenience. However, should the date for the implementation of NYCT's new fare payment system slip past 2022, it is possible that the Railroads may need to return to the Board to extend the maintenance contract further to coincide with the new implementation date.

The contract is to be funded by each Railroad's Operating Budget. Note: A portion of MNR's cost will be offset by CDOT funding.

IV. Alternatives: The LCM program awarded to S&B in 2006 has preserved high equipment availability and reliability and has extended the useful life of the equipment which was designed to last 12 to 14 years. The machines are currently averaging 15 years, and with this proposed extension, including certain necessary system enhancements and upgrades, useful life will be extended through the transition to a new fare payment system. The Railroads considered the use of other firms, however, there are no firms that can provide the full range of services included in the LCM Program, especially with respect to the provision and upgrading of S&B OEM components. Additionally, no other firm has expertise with the software system, which was designed and integrated by S&B. The Railroads do not have the in-house expertise or resources to program and maintain this complex software system and to rebuild and redesign OEM replacement parts.

Schedule I: Modifications to Purchase and Public Works Contracts

Item Number: |

Vendor Name (& Location) Sepsa North America, Inc.		Contract Number 36124	AWO/Modification #
Description Design and Delivery of Video Camera systems for Rolling Stock Fleet		Original Amount:	\$13,222,010
Contract Term (including Options, if any) 36 Months		Prior Modifications:	\$ 4,298,106
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prior Budgetary Increases:	\$ 0.00
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount:	\$ 17,520,116
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		This Request:	\$3,148,581
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount:	18%
Requesting Dept./Div. & Dept./Div. Head Name: Procurement & Material Management, Al Muir, Sr. Director		% of Modifications (including This Request) to Original Amount:	56%- includes Option elections previously Board approved

Discussion:

Approval is requested to issue a contract change order to the firm Sepsa North America, Inc. (SEPSA), in the not-to-exceed amount of \$3,148,581 for additional work associated with the Design and Delivery of Video Camera systems for MNR Rolling Stock Fleet.

In November 2014, Metro-North Railroad on behalf of itself and Long Island Rail Road requested and received approval to award two thirty-six month competitively solicited contracts (RFP process, 11 proposals received) to 4D Security Solutions (LIRR) and Sepsa North America (MNR) for the Design and Delivery of Video Recording Systems for Long Island Rail Roads and Metro-North respectively.

At that time, the Railroads elected to install inward and outward facing video and audio recorders consistent with the Rail Industry's imperative increase to safety and security. In addition to the two cab cameras, the Railroads elected to incorporate passenger area cameras to improve passenger and crew safety by acting as a deterrent to crime and providing forensic investigative capability.

During preliminary design review, multiple types of cameras were considered for optimum efficiency, both in quality and coverage. Through this testing and evaluation process, MNR elected to use a high definition forward facing camera (720 p) in lieu of the base contract specified. The upgraded camera, through the higher resolution, provides not only a clearer image of the track area, but also provides added clarity in high and low light situations such operation in Park Avenue Tunnel. In order to facilitate this upgrade in camera resolution, a corresponding amount of additional memory is required to store the images within the on-board recorder system.

In addition to the enhancements of the forward facing cameras, Sepsa and MNR extensively reviewed the coverage of the passenger area cameras. This analysis led to the determination that two additional cameras would be placed in the EMU's and Coaches to ensure the maximum amount of coverage, the passenger areas will now have a total of ten cameras instead of the contract specified eight. The final change request is an option that was included within the original competitive solicitation but was not submitted or approved at the time of the original award. The functionality that is now being requested is for remote access, which will give the Railroad the capability to download the recorded data from various locations without having to access the Locomotive or Railcar.

The cost of the changes has been negotiated at a total not-to-exceed amount of \$3,148,581 and is deemed fair and reasonable for the work to be performed. The material costs were validated through a price analysis and funding for these changes is to be provided by the MNR Operating Budget.

LONG ISLAND RAIL ROAD

PROCUREMENTS

FOR

BOARD ACTION

June 22, 2016



Staff Summary

Subject : Request for Authorization to Award Various Procurements						Date <div style="text-align: center;">June 22, 2016</div>			
Department Procurement and Logistics									
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LI Committee	6.20.16				X	President		VP & CFO
2	MTA Board	6.22.16					Sr. VP-Administration		VP, Gen. Counsel & Secy
							Sr. VP-Operations		
						X	Executive VP		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Long Island Rail Road Committee of these procurement actions.

DISCUSSION:

LIRR proposes to award Non-Competitive Procurements in the following categories: # of Actions \$ Amount

Schedules Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchases and Public Works Contracts	1	\$52,594,000
SUBTOTAL:	1	\$52,594,000

LIRR proposes to award Competitive Procurements in the following categories: # of Actions \$ Amount

None

SUBTOTAL:

LIRR proposes to award Ratifications in the following categories:

	<u># of Actions</u>	<u>\$ Amount</u>
	None	
<u>TOTAL:</u>	1	<u>\$52,594,000</u>

BUDGET IMPACT:

The purchases/contracts will result in obligating LIRR operating and capital funds in the amounts listed. Funds are available in the current operating budget for this purpose.

RECOMMENDATION:

That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

JUNE 2016

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchases and Public Works Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source: \$250K Other Non-Competitive)

- | | | | |
|-----------|--------------------------------|-----------------------------------|--------------------------------------|
| 1. | Kawasaki Rail Car, Inc. | \$52,176,000-LIRR | <i><u>Staff Summary Attached</u></i> |
| | Siemens Rail Car, Inc. | <u>\$ 418,000-MNR</u> | |
| | Luminator Holding, LP | \$52,594,000-Not-to-Exceed | |
| | Sole Source (3 OEMS) | | |
| | Contract No. TBD | | |

LIRR requests MTA Board approval to award multiple five-year Sole Source Purchase Agreements in the total not-to-exceed amount of \$52,594,000.00 to three Original Equipment Manufacturers (OEMs) who will supply, on an as needed basis, complete systems, parts, other equipment (collectively the “Parts”), technical/field support and repair services required to (i) support LIRR’s Reliability Centered Maintenance (RCM) program, and (ii) perform unscheduled maintenance and repairs to the LIRR’s diesel fleet of locomotives and coach cars. The three suppliers are Kawasaki Rail Car, Inc., Siemens Rail Car, Inc. and Luminator Holding, LP.

Staff Summary



Item Number: 1

Vendor Name (& Location) Original Equipment Manufacturers – Various (See below)
Description OEM Purchase Agreements - LIRR
Contract Term (including Options, if any) 5 years
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contact Number TBD	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: LIRR - \$52,176,000.00 \$52,594,000.00 NTE MNR - \$418,000.00	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Maintenance of Equipment - Craig Daly	
Contract Manager: Carl Cipriano	

Discussion:

LIRR requests MTA Board approval to award multiple five-year Sole Source Purchase Agreements in the total not-to-exceed amount of \$52,594,000.00 to three Original Equipment Manufacturers (OEMs) who will supply, on an as needed basis, complete systems, parts, other equipment (collectively the “Parts”), technical/field support and repair services required to (i) support LIRR’s Reliability Centered Maintenance (RCM) program, and (ii) perform unscheduled maintenance and repairs to the LIRR’s diesel fleet of locomotives and coach cars. The three suppliers are Kawasaki Rail Car, Inc. (Kawasaki), Siemens Rail Car, Inc. (Siemens) and Luminator Holding, LP (Luminator).

The OEMs identified on the chart below are the sole responsible sources for the parts, repairs and services that will be provided under these purchase agreements. Other vendors cannot readily provide these parts and repairs because related systems were approved only after extensive design review and factory testing. The chart provides the names of the three OEMs and the estimated not-to-exceed dollar amounts anticipated to be expended (one as a joint procurement with MetroNorth Railroad (MNR) with each OEM over the five year term of the purchase agreements. The Railroads remain committed to identifying potential alternate suppliers to sole source parts and equipment. To that end, outreach to other known suppliers has been undertaken both through direct discussions as well as public advertisements of our requirements. However, due to the uniqueness of our fleet, the proprietary nature of the systems and the costs associated with tooling and other non-recurring expenses that would need to be undertaken by any new supplier, these outreach efforts have not produced any other alternate suppliers or sources for these materials and services.

<u>Supplier</u>	<u>System</u>	<u>Agreement Totals</u>
Kawasaki	Carbody, Truck/Suspension & Interior Components	\$33,840,000
Siemens	Locomotive Propulsion	\$16,850,000
Luminator *	Interior Lighting	<u>\$ 1,904,000</u>
Grand Total		\$52,594,000

*Luminator is a joint procurement between LIRR (\$1,486,000) and MNR (\$418,000)

Staff Summary



Siemens and Kawasaki will supply the aforementioned parts, systems, support and services, on an as needed basis. The Business Service Center (BSC) reviewed the scope of work specific to these two suppliers and determined that they are not candidates for joint procurements as the coach cars and locomotives are unique to the LIRR.

Luminator, the OEM of railcar lighting systems on LIRR and MNR diesel and electric car fleets is the third OEM who will be awarded a purchase agreement. This joint procurement initiative between the LIRR and MNR will utilize the combined buying power of the two Railroads to achieve most favorable uniform pricing and better supply chain management. Additional benefits are process efficiencies that reduce the number and frequency of small purchase activity. The five year term also assures that the OEMs will maintain their tooling and manufacturing capabilities necessary to produce the parts, which are not available from other sources.

The LIRR fleet consists of 45 diesel locomotives and 134 diesel hauled coaches. To maintain high car reliability and improved customer service through on-time performance, the Railroad must implement its RCM program, which requires that parts are to be replaced at prescribed intervals. Additionally, parts required to perform unscheduled maintenance and repairs on the cars are needed to insure that any software driven, microprocessor based systems are kept up to current configuration for optimal operation. Further, technical support and repair services will ensure that any future repairs or modifications that require the technical expertise of the OEM(s), as well as access to the OEM(s) proprietary data can be implemented.

The dollar amounts requested for award to each supplier are based upon historical data and projected usage. In order to be prepared for possible unscheduled events and occurrences, the Railroads further seek approval to reallocate funds between the OEMs. In accordance with MTA All-Agency Procurement Guideline requirements, the Railroad(s) advertised their intent to procure the items under this authorization on a sole source basis. No other firms expressed any interest in participating in this procurement.

The overall weighted average increase across the three suppliers is 6.6% which includes a negotiated reduction of 3.6%. This is within 3.4% of the weighted average of the relevant Bureau of Labor Statistics (BLS) data. The prices quoted herein are “equal to” or “not greater than” the price currently quoted to most favored customers for similar service and quantities. The pricing is, therefore, deemed to be fair and reasonable.

LONG ISLAND RAILROAD COMMITTEE

MTA BOARD

PROCUREMENT PACKAGE

JUNE 2016

Staff Summary



Subject	Request for Authorization to Award Various Procurements				
Department	Law and Procurement				
Department Head Name	Evan M. Eisland				
Department Head Signature					
Board Action					
Order	To	Date	Approval	Info	Other
1	Long Island Rail Road Committee	6/20/16	X		
2	Board	6/22/16	X		

Date: June 8, 2016			
Vendor Name Various			
Contract Number Various			
Contract Manager Name Various			
Internal Approvals			
	Approval		
4	President 	3	Executive Vice President
2	Vice President, Program Controls 	1	Chief Procurement Officer

PURPOSE

To obtain the approval of the Board to award a modification and, to inform the Long Island Rail Road Committee of this procurement action.

DISCUSSION

MTA Capital Construction proposes to award a Ratification in the following category:

Schedules Requiring Majority Vote:

Schedule K Ratification of Completed Procurement Actions

	<u># of Actions</u>	<u>\$ Amount</u>
	1	\$ 3,899,500
SUBTOTAL	1	\$ 3,899,500
TOTAL	1	\$ 3,899,500

Budget Impact:

The approval of the modification will obligate MTA Capital Construction capital funds in the respective amount listed. Funds are available in the capital budget for this purpose.

Recommendation:

That the modification be approved as proposed. (The item is included in the resolution of approval at the beginning of the Procurement Section.)

MTA Capital Construction Company

BOARD RESOLUTION

WHEREAS, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts;

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts set forth in Schedule C for which a recommendation is made to award the contract), the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

JUNE 2016

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule K. Ratification of Completed Procurement Actions (Involving Schedule E-J)
(Staff Summaries required for items requiring Board Approval)

- | | | | |
|----|---|---------------------|--------------------------------------|
| 1. | Harold Structures Joint Venture
Contract No. CH057A
Modification No. 5 | \$ 3,899,500 | <u>Staff Summary Attached</u> |
|----|---|---------------------|--------------------------------------|

In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC requests that the Board ratify a modification to incorporate changes to the design of the Pump Station.

Schedule K: Ratification of Completed Procurement Actions

Item Number 1

Vendor Name (& Location) Harold Structures Joint Venture (Secaucus, NJ)	Contract Number CH057A	AWO/Modification # 5
Description Harold Structures Part 3A for the ESA Project	Original Amount:	\$ 104,300,000
Contract Term (including Options, if any) 26 Months	Prior Modifications:	\$ 7,743,167
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Prior Budgetary Increases:	\$ 0
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:	\$ 112,043,167
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request	\$ 3,899,500
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:	3.5%
Requesting Dept./Div. & Dept./Div. Head Name: East Side Access, W. Goodrich, P.E.	% of Modifications (including This Request) to Original Amount:	11.2%

Discussion:

This Contract is for the construction of a jacked shield tunnel, approach structures, pump station, direct fixation track and electrical systems for the Westbound Bypass Structure to be located along the mainline tracks at F Interlocking and Harold Interlocking. Contract work also includes the installation of catenary and signal bridges along the Westbound Bypass alignment. In accordance with Article IX of the All-Agency Procurement Guidelines, MTACC requests that the Board ratify a modification to incorporate changes to the design of the Pump Station.

The pump station to be constructed under this Contract could not be constructed as designed. The support of excavation for the Pump Station was designed to be installed in two phases. The first phase required the installation of a soldier pile and lagging wall to provide support of the track during excavation. After the contract was awarded, the contractor notified MTACC that the soldier piles would not support the lateral pressure from the ground and track without the installation of steel bracing. However, the steel bracing would interfere with the drill rig required for installation of the secant piles in the second phase of excavation. Moreover, the contract documents specified a cantilevered secant pile wall without bracing which is not possible to construct at this location. In addition, the location of the Pump Station was several feet closer to the mainline tracks than indicated in the Contract Documents and, that, coupled with the existence of overhead signal wires would require multiple weekend track and signal power outages and extensive Railroad protection that were not previously anticipated.

For these reasons, the Pump Station was redesigned to reduce the footprint of the Pump Station and move it out of the catenary clearance envelope. This will reduce the track outages required to one weekend and optimizes the use of the Railroad protection but will require the use of less efficient low headroom equipment and work on double shifts. In addition, the redesign combines the south wall of secant and soldier piles into one secant pile wall to retain the mainline tracks and eliminate the need for bracing between the soldier and secant piles. Lastly, the redesign includes the installation of internal bracing for the secant piles.

The Contractor submitted a cost proposal of \$5,089,960 while the MTACC project estimate was \$4,379,117. Negotiations were held, and both parties agreed to a direct cost of \$3,899,500 which is considered fair and reasonable. To the extent that this modification is the result of design errors and omission, MTACC intends to seek compensation for any resulting damages from the designer.

In order to not delay the excavation of the Westbound Bypass East Approach, the President approved a limited Retroactive Memorandum and on January 25, 2016 the Contractor was directed to proceed with the Work up to the not-to-exceed amount of \$750,000. Authorization to proceed with the remainder of the Work under this Modification will be given upon Board ratification of this Modification.

Time impacts associated with this and other modifications will be addressed as part of a separate modification.



Bridges and Tunnels

Procurements June 2016



Staff Summary

Subject:	Request for Authorization to Award Various Procurements
Department:	Procurement
Department Head Name	M. Margaret Terry <i>MMT</i>
Department Head Signature	
Project Manager Name	Various

Date	June 6, 2016
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	President	06/06/2016			
2	MTA B&T Committee	06/20/2016			
3	MTA Board	06/22/2016			

Internal Approvals			
Order	Approval	Order	Approval
	President <i>DS</i>		VP Operations
	Executive Vice President <i>DS</i>		VP & Chief Engineer
	SVP & General Counsel		VP & Chief Procurement Officer <i>DS</i>
	VP Administration		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	Chief Financial Officer <i>DS</i>		Chief Technology Officer		Chief Health & Safety Officer		Chief EEO Officer
	Chief Security Officer		Chief Maintenance Officer		MTA Office of Civil Rights		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the MTA B&T Committee of these procurement actions.

DISCUSSION:

MTA B&T proposes to award Non-Competitive procurements in the following categories: None

MTA B&T proposes to award Competitive procurements in the following categories:

<u>Schedules Requiring Majority Vote</u>		<u># of Actions</u>	<u>\$ Amount</u>
Schedule H:	Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as for Services	1	1.933M
SUBTOTAL		1	1.933M

MTA B&T presents the following procurement actions for Ratification: None.

TOTAL	1	1.933M
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BUDGET IMPACT:

The purchases/contracts will result in obligating MTA B&T and Capital funds in the amount listed. Funds are available in the current MTA B&T operating/capital budgets for this purpose.

RECOMMENDATION:

That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

MTA BRIDGES & TUNNELS
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

WHEREAS, in accordance with §559 and §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with §2879 of the Public Authorities Law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain changes orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with § 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts, and certain change orders to service contracts; and

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. The Board ratifies each action set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.
7. The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL
JUNE 2016

MTA BRIDGES & TUNNELS

Procurements Requiring Majority Vote:

H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services

(Approvals/Staff Summaries required for substantial change orders and change orders that cause original contract to equal or exceed monetary or durational threshold required for Board approval)

- | | | | |
|----|---|-----------------------|---------------------------------|
| 1. | WSP Sells/HNTB JV.
Contract Nos. PSC-11-2865 | \$1,932,508.08 | <u>Schedule Attached</u> |
|----|---|-----------------------|---------------------------------|

7 years, 5 months contract – Competitive RFP

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to amend this Contract with WSP Sells/HNTB JV. (W/H) to add funding for construction support services (CSS) for Project RK-75, Interim Rehabilitation of the Manhattan Plaza at the RFK Bridge and funding for additional construction support services for Project RK-65A, Bronx Plaza Structure Rehabilitation.

Schedule H: Modifications to Personal Service Contracts and Miscellaneous Service Contracts

Item Number: 1 (Final)

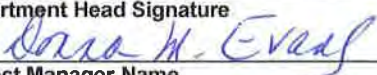
Vendor Name (& Location) WSP Sells/HNTB JV., Briarcliff Manor, NY	Contract Number PSC-11-2865	AWO/Modification# 6
Description Design and Construction Support Services for Bronx Plaza Structure Rehabilitation and Interim Rehabilitation of the Manhattan Plaza at the RFK Bridge		
Contract Term (including Options, if any) December 30, 2011–June 29, 2019		
Option(s) included in Total Amount <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		
Requesting Dept/Div & Dept/Div Head Name: Engineering & Construction, Joe Keane, P.E.		
	Original Amount:	\$10,428,880.09
	Prior Modifications:	\$6,481,127.50
	Prior Budgetary Increases:	\$0.00
	Current Amount:	\$16,910,007.59
	This Request:	\$1,932,508.08
	% of This Request to Current Amount:	11.4%
	% of Modifications (including This Request) to Original Amount:	80.7%

Discussion:

B&T is seeking Board approval under the All-Agency Guidelines for Procurement of Services to amend this Contract with WSP Sells/HNTB JV. (W/H) for construction support services (CSS) for Project RK-75 Interim Rehabilitation of the Manhattan Plaza at the RFK Bridge and additional construction support services for Project RK-65A, Bronx Plaza Structure Rehabilitation in the amount of \$1,932,508.08.

- (i) In December 2011 subsequent to Board approval the subject contract was awarded to W/H for design services. At that time, B&T informed the Board that a future request for CSS funding would be submitted once the scope of construction had been finalized. The scope of construction support services is now better defined so levels of effort can be estimated. The engineering services required during construction include reviews of shop drawings, requests for information, catalog cuts, calculations, meetings and unanticipated designs. W/H submitted a proposal totaling \$921,500.98. The negotiated amount of \$748,081.94 is 1.4% below the Engineer's Estimate of \$758,409.00 and is considered fair and reasonable. Funding is available in the 2010-2014 Capital Program under Project RK-75 (\$658,499.63) and RKC-1504 (\$89,582.31).
- (ii) In October, 2014, the Board approved an amendment to this Contract which in part added CSS services for RK-65A in the amount of \$3,869,865.76. During the course of construction under Project RK-65A, the actual number of shop drawing reviews has significantly exceeded what was estimated and included in the CSS amendment to this Contract. The increase in shop drawing submittals requiring review is primarily attributed to field conditions, requested design modifications, and complexity of construction. Based on the remaining work and anticipated level of effort for the remaining reviews, W/H submitted a proposal totaling \$1,523,842.89. When compared with the Engineer's estimate of \$1,131,618, B&T determined the negotiated amount of \$1,184,426.14 (4.7% above the estimate) is fair and reasonable. Funding is available in the 2010-2014 Capital Program under Project RK-65A.

Staff Summary

Subject Mission Statement, Measurements, and Performance Indicators Report	Date June 22, 2016
Department Chief of Staff	Vendor Name N/A
Department Head Name Donna Evans	Contract Number N/A
Department Head Signature 	Contract Manager Name N/A
Project Manager Name Lamond Kearse	Table of Contents Ref #

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
	Corporate Governance	6/22/16				1	Chief Compliance Officer		
	Board	6/22/16				2	Legal		
						3	Chief of Staff		

Purpose:

To obtain Board approval of the MTA's Mission Statement and to authorize submission of the annexed 2015 Mission Statement, Measurements, and Performance Indicators Report (the "Report") to the Independent Authorities Budget Office ("ABO").

Discussion:

Section 1269-f and Section 2824-a of the Public Authorities Law require MTA annually to reexamine its mission statement, reassess its stakeholders, and selected performance measurement indicators and to submit a report based on the performance indicator results from the previous year.

The MTA and its Board engage in oversight of agency operating performance throughout the year. The Board, through its transit, rail and bridge/tunnel operation committees, closely monitors agency operating performance. Each operating agency reports its most recent performance data in posted monthly reports and in committee books distributed in advance of public MTA operating committee meetings, which are conducted at least eleven times a year. At these public meetings, operating agency results are reviewed and discussed by Board members and agency senior staff. In addition, presentations focused on particular areas of performance are made by the agency staff to the Board operating committees periodically through the year, in accordance with the work plan schedule of each operating committee. The MTA website also contains a "Performance Dashboard" for each of the MTA operating agencies, updated monthly, summarizing the agencies' leading performance measurements.

The Report compiles the MTA Mission Statement, Stakeholder Assessment and the performance measurements from 2015. The operating agencies have each submitted, within the Report, a summary that evaluates agency performance on the applicable indicators in the past year.

Recommendation:



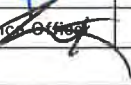
It is recommended that the MTA Board approve the annexed Report and authorize submission of such Report as required by Section 1269-f and Section 2824-a of the Public Authorities Law to the ABO.

Staff Summary

Subject All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines
Department MTA Business Service Center
Department Head Name Angel Barbosa, Chief Procurement Officer
Department Head Signature 
Project Manager Name

Date June 22, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
	Corporate Governance	6/22/16			
	Board	6/22/16			

Internal Approvals			
Order	Approval	Order	Approval
1	Chief of Staff 		
2	Legal 		
3	Chief Compliance Officer 		

Purpose:

To obtain Board approval of the revised All Agency General Contract Procurement Guidelines and the All Agency Service Contract Procurement Guidelines (collectively, the "Revised Guidelines").

Discussion:

Public Authorities Law Section 2879 requires the MTA to annually review and approve its procurement guidelines, which were last approved by the Board at its March 2015 meeting.

The revisions to the procurement guidelines, previously known as the All Agency Procurement Guidelines and All Agency Guidelines for Procurement of Services, are shown in redline, as well as in clean copy, in the annexed versions. The proposed revisions accomplish three principal objectives: (1) they incorporate the amendments to the applicable procurement statutes; (2) they add best practice provisions, particularly with respect to the facilitation of the use of the design-build project delivery model; and (3) they clarify and conform the two guidelines to make them consistent, as well as easier to understand and use.

The substantive changes to the Revised Guidelines that incorporate procurement-related amendments to the NYS Public Authorities Law are as follows:

- Increasing the sealed bidding threshold for purchases of goods and public work contracts to \$100,000. Previously, the statute required sealed bidding for such contracts with an estimated price greater than \$15,000 for purchase contracts for supplies, materials or equipment and \$25,000 for public work (except that neither of these constraints applied to Bridges and Tunnels ("B&T") because the applicable statutes do not apply to it). The budget legislation increased the threshold to \$100,000, and the Revised Guidelines are conformed to reflect the new threshold (except for B&T). This change will allow streamlined small purchase procedures to be used for purchases between \$15,000 and \$100,000, will reduce purchasing lead times and will allow Procurement staff to focus on higher dollar actions.
- Increasing the estimated price threshold under which a contract for services of any kind can be awarded without Board approval to \$100,000, regardless of the length of the period over which services are rendered. Previously, the statutory threshold amount for the award of such a contract without Board approval was \$20,000 for personal services (and for B&T, \$15,000 and a one-year term) and \$15,000 or \$25,000 for miscellaneous service, depending on duration. The budget legislation increased the threshold to \$100,000, and the Revised Guidelines are conformed to reflect the new threshold (and apply to B&T as well). This will reduce the time required to put lower value contracts in place. It should be noted that the implementation of \$100,000

thresholds as described in this and the above bullet is consistent with procurement rules applicable to many other governmental entities, including transit agencies. The State Legislature, for example, amended the State Finance Law in 2006 to increase the dollar thresholds for small purchases by State agencies; the small-purchase threshold for the Office of General Services was increased to \$85,000. At the federal level, Congress and the Federal Transit Administration have redefined “small purchases” to mean those valued at \$150,000 or less. The small purchase threshold at each of BART (Bay Area Rapid Transit in San Francisco), LACMTA (Los Angeles County) and SEPTA (Philadelphia) is \$100,000, and at WMATA (Washington Metropolitan Area) is \$150,000. MTA has calculated that purchases between \$15,000 and \$100,000 make up only about 3.5 percent of the total contract dollars awarded but make up fully 60 per cent of the total number of awards. This change will allow procurement staff resources to focus on larger dollar value sourcing contracts will also saving the MTA six weeks of processing time on each of approximately 1,700 procurements under \$100,000 annually.

- Authorizing (i) the award of non-federally funded contracts to certified minority or women-owned business enterprises (“MWBEs”), small business concerns, or certified service disabled veteran owned businesses (“SDVOBs”) in an amount not to exceed \$400,000, without a formal competitive process and without Board approval; the previous statutory threshold for the award of such a contract was \$200,000, and the provisions now include SDVOBs in addition to MWBEs and small business concerns. The Chief Procurement Officer (“CPO”) of each agency may make a determination that any such contract award may be limited only to an MWBE, or only to an SDVOB, or only to an MWBE or an SDVOB; and (ii) purchases of goods or technology that are recycled or remanufactured in an amount not to exceed \$400,000, without formal competitive process and without Board approval. Increasing these limits will not only speed procurements but will help the MTA achieve important, statutorily required, MWBE and SDVOB goals.
- Authorizing an agency to use an electronic bidding system for the purchase of goods, materials and commodities that may inform bidders whether their bid is the current low bid, and allowing bidders to submit new bids before the date and time assigned for the opening of bids.

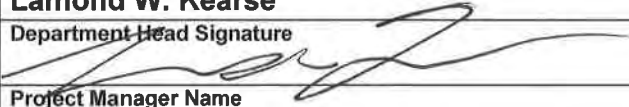
Other material substantive revisions to the Revised Guidelines include:

- Not prohibiting the payment of stipends to proposers on design-build contracts as part of an RFP process. The request for Board approval to use the RFP process for a specific Design-Build contract may include a request for approval of the use of stipends in connection with such RFP.
- Authorizing an agency to issue change orders to a design-build contract without Board approval where the Board has previously adopted a resolution that it is in the public interest to award the contract through a competitive RFP process and such change order does not change the total contract price to exceed the project budgeted cost, including contingency.
- Adding provisions implementing SDVOB set-aside contracts.

Recommendation:


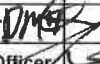
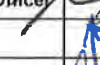


It is recommended that the MTA Board approve the annexed All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines.

Staff Summary

Subject Revisions to Committee Charters
Department Corporate Compliance
Department Head Name Lamond W. Kearse
Department Head Signature 
Project Manager Name Lamond W. Kearse

Date June 22, 2016
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Corporate Governance	6/22/16			
2	Board	6/22/16			

Internal Approvals			
Order	Approval	Order	Approval
1	Auditor General		
2	Chief Safety Officer		
3	Chief Compliance Officer		
4	Legal		
5	Chief of Staff		

Purpose:

To seek Board approval of proposed revisions to the Audit and Safety Committee charters. Copies of the Audit and Safety Committee charters with proposed revisions are provided with this staff summary.

Discussion:

A summary of the amendments are as follows:

Audit Committee: the proposed revisions to the Audit Committee charter are based upon current best practices reflected in the model Audit Committee Charter from the Institute of Internal Auditors. The substantive changes are to sections of the Audit Committee Charter dealing with the Committee's key responsibilities. These changes include requiring: (1) the Auditor General and Chief Compliance Officer to discuss with the Committee any significant deficiencies in the design or operation of the internal controls including information technology security and system controls; (2) the Committee review and discuss with the Auditor General and the outside auditor significant accounting and reporting issues; (3) the Committee to meet on a regular basis with the outside auditors to discuss any matters that the Committee or MTA Audit believes should be discussed; and (4) the Committee review the outside auditors' proposed audit scope and approach, including coordination of outside auditors' effort with MTA Audit.

Safety Committee: the proposed revisions to the Safety Committee charter are based upon the establishment of and the need for appropriate Board oversight of MTA's Safety Management System.

Recommendation:

It is recommended that the Board adopt the revisions to the noted committee charters.