

On June 30, 2021 (the Mandatory Tender Date), the Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding (a) Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1f (the Subseries 2002G-1f Bonds), and (b) Transportation Revenue Variable Rate Bonds, Subseries 2005D-1 (the Subseries 2005D-1 Bonds and, together with the Subseries 2002G-1f Bonds, the Remarketed Bonds). On the Mandatory Tender Date (i) each subseries of the Remarketed Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof; (ii) MTA will convert each subseries of the Remarketed Bonds to the Term Rate Mode bearing interest at a variable interest rate equal to the Adjusted SOFR Rate, as provided herein; (iii) the terms and provisions of the Remarketed Bonds will be amended to reflect the terms and provisions described herein; and (iv) each subseries of the Remarketed Bonds will be remarketed at a price equal to the principal amount thereof. The Mandatory Tender Date is also an Interest Payment Date (as defined herein) for the Remarketed Bonds, and accrued interest to, but not including, the Mandatory Tender Date, will be paid in accordance with customary procedures. See “REMARKETING PLAN” herein. For a discussion of certain federal and State income tax matters with respect to the Remarketed Bonds, see “TAX MATTERS” herein.



\$154,495,000

METROPOLITAN TRANSPORTATION AUTHORITY

Transportation Revenue Variable Rate Bonds

consisting of

\$29,145,000

**Transportation Revenue Variable
Rate Refunding Bonds
Subseries 2002G-1f**

(Secured Overnight Financing Rate Notes)

\$125,350,000

**Transportation Revenue Variable
Rate Bonds
Subseries 2005D-1**

(Secured Overnight Financing Rate Tender Notes)

<u>Subseries</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate (Variable)</u>	<u>Price</u>	<u>CUSIP Number[†]</u>
2002G-1f	N/A	November 1, 2026	67% of SOFR plus 0.43%	100%	59261A L96
2005D-1	April 1, 2024	November 1, 2035	67% of SOFR plus 0.33%	100%	59261A M20

Dated and accruing interest from: June 30, 2021

Due: As shown above

The Remarketed Bonds —

- are MTA’s special, not general, obligations, payable solely from the revenues of the transit and commuter systems and other sources pledged to bondholders as described in this remarketing circular, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA has no taxing power.

Each subseries of the Remarketed Bonds will bear interest in the Term Rate Mode at a variable interest rate equal to the Adjusted SOFR Rate as described herein. The Adjusted SOFR Rate for each Interest Rate Period of each subseries of the Remarketed Bonds shall equal 67% of SOFR plus the per annum spread set forth above. The Adjusted SOFR Rate will be determined, with respect to any Effective Date (as defined herein), on the first U.S. Government Securities Business Day (as defined herein) immediately preceding such Effective Date, and shall be effective on each Effective Date. See “DESCRIPTION OF THE REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds” herein. **This remarketing circular (i) is intended to provide disclosure only to the extent the Remarketed Bonds remain in the Term Rate Mode and bear interest at the Adjusted SOFR Rate, and (ii) speaks only as of the date of this document or as of certain earlier dates specified herein.**

The Remarketed Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company.

The Subseries 2002G-1f Bonds are not subject to optional redemption or mandatory tender prior to maturity. The Subseries 2005D-1 Bonds are subject to optional redemption and mandatory tender prior to their Purchase Date, as described herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Remarketed Bonds. Investors are advised to read the entire remarketing circular, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

Jefferies

Loop Capital Markets

Mischler Financial Group, Inc.

Stern Brothers & Co.

June 23, 2021

[†] The CUSIP numbers have been assigned by an organization not affiliated with MTA and is included solely for the convenience of the holders of the Remarketed Bonds. MTA is not responsible for the selection or uses of the CUSIP numbers, nor is any representation made as to its correctness on the Remarketed Bonds or as indicated above. The CUSIP numbers are subject to being changed after the remarketing of the Remarketed Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Remarketed Bonds.

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Metropolitan Transportation Authority
2 Broadway, 4th Floor
New York, New York 10004
(212) 878-7000
Website: <https://new.mta.info>

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Jamey Barbas Member
Frank Borrelli, Jr. Member
Gerard Bringmann Non-Voting Member
Norman E. Brown Non-Voting Member
Victor Calise Member
Lorraine Cortes-Vazquez Member
Michael Fleischer..... Member
Randolph F. Glucksman Non-Voting Member
Rhonda Herman Member
David R. Jones Member
Linda A. Laceywell..... Member
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New York, New York
Special Disclosure Counsel

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Remarketed Bonds following a remarketing of such bonds as described herein under “REMARKETING PLAN”. The information in this remarketing circular, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Remarketed Bonds.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.			
Bonds Being Remarketed	Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1f (Secured Overnight Financing Rate Notes) (the Subseries 2002G-1f Bonds) and Transportation Revenue Variable Rate Bonds, Subseries 2005D-1 (Secured Overnight Financing Rate Tender Notes) (the Subseries 2005D-1 Bonds, and together with the Subseries 2002G-1f Bonds, the Remarketed Bonds).			
Maturities and Rates	The Remarketed Bonds mature on the dates and bear interest at the floating rates determined as described on the cover page of this Remarketing Circular, and herein under “DESCRIPTION OF REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds” in Part I .			
Denominations.....	\$5,000 and any integral multiples thereof.			
Interest Payment Dates	The first Business Day of each month, commencing August 2, 2021.			
Tender and Redemption	See “DESCRIPTION OF THE REMARKETED BONDS – Tender and Redemption Provisions for the Remarketed Bonds” in Part I .			
Sources of Payment and Security	MTA’s pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in Part II .			
Impacts of the COVID-19 Pandemic.....	The impact of the COVID-19 pandemic on MTA revenues and operations in 2020 and beyond has been severe. See “SOURCES OF PAYMENT – Factors Affecting Revenues – The COVID-19 Pandemic” for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects’ implementation.			
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.			
Trustee, Paying Agent, Tender Agent, and Calculation Agent.....	The Bank of New York Mellon, New York, New York.			
Co-Bond Counsel	Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York.			
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.			
Tax Status.....	See “TAX MATTERS” in Part III .			
Ratings.....	<i>Rating</i>	<i>Rating</i>	<i>Outlook</i>	<i>Applicable Criteria/Methodology</i>
	<u>Agency</u>			
	Fitch:	A-	Negative	Public-Sector, Revenue-Supported Debt
	KBRA:	AA	Negative	U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating
	Moody’s:	A3	Stable	Mass Transit Enterprises
	S&P:	BBB+	Stable	Global Not-For-Profit Transportation Infrastructure Enterprises Criteria
	See “RATINGS” in Part III .			
Co-Financial Advisors.....	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.			
Remarketing Agents	See cover page.			
Purchase Price	See “REMARKETING” in Part III .			
Counsel to the Remarketing Agents	Cozen O’Connor, New York, New York.			

**SUMMARY OF TERMS RELATING TO
REMARKETED BONDS (SECURED OVERNIGHT FINANCING RATE TENDER NOTES)***

INTEREST PAYMENT DATES AND CALCULATION PERIOD	First Business Day of each month, commencing August 2, 2021, based on actual number of days elapsed over a year of 365 or 366 days, as the case may be.
RECORD DATE	The Business Day preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	<ul style="list-style-type: none"> • The Subseries 2002G-1f Bonds are not subject to optional or mandatory tender for purchase prior to maturity. • The Subseries 2005D-1 Bonds are subject to mandatory tender for purchase prior to maturity on the Business Day after the last day of each Interest Rate Period (the Purchase Date). The Purchase Date for the Subseries 2005D-1 Bonds is April 1, 2024. • The Subseries 2005D-1 Bonds are subject to mandatory tender for purchase at the option of MTA (an Optional Purchase) on any Business Day which Business Day is no earlier than January 1, 2024 (an Optional Purchase Date).
OPTIONAL REDEMPTION	The Subseries 2002G-1f Bonds are not subject to optional redemption prior to maturity. The Subseries 2005D-1 Bonds are subject to redemption prior to maturity on any Business Day on or after January 1, 2024, at the option of MTA.
SOFR DETERMINATION DATE	The U.S. Government Securities Business Day immediately preceding each Effective Date.
SOFR REFERENCE DATE	With respect to each Effective Date, the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date.
EFFECTIVE DATE	Each U.S. Government Securities Business Day.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	9% per annum.
MAXIMUM ADJUSTED SOFR RATE	9% per annum.
CALCULATION AGENT	The Bank of New York Mellon, New York, New York.

* So long as the Remarketed Bonds are registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

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- ***No Unauthorized Offer.*** This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Remarketed Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the remarketing of the Remarketed Bonds, except as set forth in this remarketing circular. No other information or representations should be relied upon.
 - ***No Contract or Investment Advice.*** This remarketing circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this remarketing circular, the Remarketed Bonds, and anything else related to this remarketing.
 - ***Information Subject to Change.*** Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this remarketing circular shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this remarketing circular.
 - ***Forward-Looking Statements.*** Many statements contained in this remarketing circular, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this remarketing circular. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this remarketing circular. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this remarketing circular.
 - ***Projections.*** The projections set forth in this remarketing circular were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this remarketing circular are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content.
 - ***Independent Auditor.*** Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The last completed audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2020 and 2019, which is a matter of public record, is included by specific cross-reference in this remarketing circular. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this remarketing circular, since the date of the audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this remarketing circular.

- ***No Guarantee of Information by Remarketing Agents.*** The Remarketing Agents have provided the following sentences for inclusion in this remarketing circular: The Remarketing Agents have reviewed the information in this remarketing circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The Remarketing Agents do not make any representation or warranty, express or implied, as to
 - the accuracy or completeness of information they have neither supplied nor verified,
 - the validity of the Remarketed Bonds, or
 - the tax-exempt status of the interest on the Remarketed Bonds.
 - ***Overallocation and Stabilization.*** The Remarketing Agents may overallocate or effect transactions that stabilize or maintain the market prices of the Remarketed Bonds at levels above those which might otherwise prevail in the open market. The Remarketing Agents are not obligated to do this and are free to discontinue it at any time.
 - ***Website Addresses.*** References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this remarketing circular for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.
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Information Included by Specific Cross-reference. The following portions of MTA’s 2021 Combined Continuing Disclosure Filings, dated April 30, 2021, as supplemented on June 3, 2021, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the delivery date of the Remarketed Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2020 and 2019 (including the auditor’s report accompanying the annual financial information)

The following documents have also been filed with EMMA and are included by specific cross-reference in this remarketing circular:

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement

For convenience, copies of most of these documents can be found on the MTA website (<https://new.mta.info>) under the caption “Transparency - Financial & Investor Information – Investor Information and Disclosures” and “– Financial and Budget Statements”. No statement on MTA’s website is included by specific cross-reference herein. See “FURTHER INFORMATION” in Part III. Definitions of certain terms used in the summaries may differ from terms used in this remarketing circular, such as the use herein of the popular names of MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2020 and 2019, incorporated by specific cross-reference in this remarketing circular, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The audit report of Deloitte & Touche LLP relating to MTA’s consolidated financial statements for the years ended December 31, 2020 and 2019, which is a matter of public record, is included in such consolidated financial statements. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this remarketing circular, since the date of such audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited consolidated financial statements in this remarketing circular.

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State (the State) legislation in 1965, as a public benefit corporation, which means that it is a corporate entity separate and apart from the State, without any power of taxation – frequently called a “public authority.” MTA is governed by board members appointed by the Governor, with the advice and consent of the State Senate.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA’s service region (the MTA Commuter Transportation District or MCTD), which consists of New York City (the City) and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out some of those responsibilities by operating the Transit and Commuter Systems through its subsidiary and affiliate entities: the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and the MTA Construction and Development Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities secured by bridge and tunnel tolls and is empowered to issue debt obligations to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of MTA secured by bridge and tunnel tolls or certain other revenues transferred by MTA. Since 2008, MTA Bridges and Tunnels has not issued new money bonds secured by bridge and tunnel tolls to finance capital projects for the benefit of the Transit and Commuter Systems. MTA Bridges and Tunnels’ surplus amounts are used to fund certain transit and commuter operations and capital projects. See “SOURCES OF PAYMENT - Description of Pledged Revenues – *Expectations with Respect to Future Bonding*”.

The board members of MTA serve as the board members of MTA’s affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA’s 2021 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this remarketing circular.

The following table sets forth the legal and popular names of the Related Entities. Throughout this remarketing circular, reference to each agency will be made using the popular names.

<u>Legal Name</u>	<u>Popular Name</u>
Metropolitan Transportation Authority	MTA
New York City Transit Authority Manhattan and Bronx Surface Transit Operating Authority	MTA New York City Transit MaBSTOA
Staten Island Rapid Transit Operating Authority MTA Bus Company	MTA Staten Island Railway MTA Bus
The Long Island Rail Road Company Metro-North Commuter Railroad Company	MTA Long Island Rail Road MTA Metro-North Railroad
MTA Construction and Development Company	MTA Construction and Development
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering memorandums for information regarding the Related Entities and their financial condition.

Where to Find Information

Information in this Remarketing Circular. This remarketing circular is organized as follows:

- This **Introduction** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- **Part I** provides specific information about the Remarketed Bonds.
- **Part II** describes the sources of payment and security for all Transportation Revenue Bonds, including the Remarketed Bonds.
- **Part III** provides miscellaneous information relating to the Remarketed Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Remarketed Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Remarketed Bonds.
- **Attachment 3-1** is the form of approving opinion of Hawkins Delafield & Wood LLP delivered in connection with the original issuance of the Series 2002G Bonds on November 20, 2002.
- **Attachment 3-2** is the form of opinion of Hawkins Delafield & Wood LLP delivered in connection with the remarketing of the Subseries 2002G-1f Bonds on October 3, 2013.
- **Attachment 3-3** is the form of approving opinion of Hawkins Delafield & Wood LLP delivered in connection with the original issuance of the Series 2005D Bonds on November 2, 2005.
- **Attachment 3-4** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Subseries 2002G-1f Bonds.
- **Attachment 3-5** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Subseries 2005D-1 Bonds.

Information Included by Specific Cross-reference in this remarketing circular and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

Information from the MSRB through EMMA. MTA files annual and other information with EMMA. Such information can be accessed at <http://emma.msrb.org/>.

Information Included by Specific Cross-reference. The information listed under the caption “Information Included by Specific Cross-reference” following the Table of Contents, as filed with the MSRB through EMMA to date, is “included by specific cross-reference” in this remarketing circular. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this remarketing circular. **This remarketing circular, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Remarketed Bonds.**

Information Available at No Cost. Information filed with the MSRB through EMMA is also available, at no cost, on MTA’s website or by contacting MTA, Attn.: Finance Department, at the address on page (i). For important information about MTA’s website. See “FURTHER INFORMATION” in **Part III**.

Anticipated Debt Issuance

In addition to the remarketing of the Remarketed Bonds, MTA currently expects to issue obligations to retire its \$450,000,000 Transportation Revenue Bond Anticipation Notes, Subseries 2018C-2 maturing on September 1, 2021. The credit under which such obligations will be issued has not been determined at this time.

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PART I. REMARKETED BONDS

Part I of this remarketing circular, together with the Summary of Terms, provides specific information about the Remarketed Bonds.

REMARKETING PLAN

On June 30, 2021 (the Mandatory Tender Date) MTA is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Remarketed Bonds of each subseries. On the Mandatory Tender Date (i) each subseries of the Remarketed Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof, and (ii) MTA will convert each subseries of the Remarketed Bonds to the Term Rate Mode bearing interest at the Adjusted SOFR Rate, as provided herein. The Mandatory Tender Date is also an Interest Payment Date for each subseries of the Remarketed Bonds, and accrued interest to, but not including, the Mandatory Tender Date, will be paid in accordance with customary procedures.

MTA is further amending and restating the Certificates of Determination delivered in connection with the issuance and subsequent remarketing of each subseries of the Remarketed Bonds, pursuant to the supplemental resolution relating to the Remarketed Bonds, to modify the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein. By acceptance of a confirmation of purchase of the Remarketed Bonds, each beneficial owner will be deemed to have acknowledged that the amendments to the Certificates of Determination reflecting the terms and provisions of the Remarketed Bonds described herein will be applicable to the Remarketed Bonds.

On the Mandatory Tender Date, each subseries of Remarketed Bonds will be purchased and remarketed by the Remarketing Agents at a price that is not in excess of the price on the cover of this remarketing circular. The obligations of the Remarketing Agents to purchase and remarket the Remarketed Bonds on the Mandatory Tender Date are subject to certain terms and conditions set forth in the Firm Remarketing Agreements with MTA.

MTA anticipates that the proceeds of the remarketing of the Remarketed Bonds will be used to pay the Purchase Price of the currently outstanding Remarketed Bonds of each subseries. The Remarketing Agents' compensation and certain financing and legal expenses will be paid by MTA at closing from other available funds.

DESCRIPTION OF THE REMARKETED BONDS

Unless the context otherwise indicates, references in the following description to the "Remarketed Bonds" apply to each of the Subseries 2002G-1f Bonds and the Subseries 2005D-1 Bonds independently. Actions may be taken, or determinations made, with respect to one subseries that are not made with respect to other subseries.

General

Multi-Modal Obligations. Each subseries of the Remarketed Bonds will bear interest in the Term Rate Mode at a variable interest rate equal to the Adjusted SOFR Rate from their Dated Date as set forth on the cover page hereof. MTA reserves the right to convert the Subseries 2005D-1 Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode. The Subseries 2005D-1 Bonds are subject to mandatory tender for purchase in connection with any such conversion, which shall not occur before January 1, 2024, the earliest Optional Purchase Date for the Subseries 2005D-1 Bonds, as described herein. The Subseries 2002G-1f Bonds are not subject to optional or mandatory tender for purchase prior to maturity. **This remarketing circular is intended to provide disclosure only to the extent the Remarketed Bonds remain in the Term Rate Mode bearing interest at a variable interest rate equal to the Adjusted SOFR Rate. In the event MTA elects to convert the Subseries 2005D-1 Bonds to a different Mode or a different Term Rate Mode, it expects to circulate a revised disclosure document relating thereto.**

Record Date. The Record Date for the payment of principal of and interest on, and any Sinking Fund Installments with respect to, the Remarketed Bonds will be the first Business Day preceding each Interest Payment Date.

Book-Entry-Only System. The Remarketed Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC), which will act as securities depository for the Remarketed Bonds. During the period the Remarketed Bonds bear interest in the Term Rate Mode, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof (Authorized Denominations). So long as DTC is the registered owner of the Remarketed Bonds, all payments on the Remarketed Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – “Book-Entry-Only System.”

Interest Payments. Interest on each subseries of the Remarketed Bonds is payable on the first Business Day of each month, commencing August 2, 2021. So long as DTC is the sole registered owner of all of the Remarketed Bonds of a subseries, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC’s participants will be responsible for payment of interest to beneficial owners of Remarketed Bonds of such subseries. All Remarketed Bonds will be fully registered in Authorized Denominations.

Transfers and Exchanges. So long as DTC is the securities depository for the Remarketed Bonds, it will be the sole registered owner of the Remarketed Bonds, and transfers of ownership interests in the Remarketed Bonds will occur through the DTC Book-Entry-Only System.

Trustee, Paying Agent, Tender Agent and Calculation Agent. The Bank of New York Mellon, New York, New York, is Trustee, Paying Agent, Tender Agent and Calculation Agent with respect to the Remarketed Bonds.

Determination of Interest Rates for the Remarketed Bonds

The Remarketed Bonds will bear interest at the Adjusted SOFR Rate. The Adjusted SOFR Rate for each subseries of the Remarketed Bonds will equal 67% of SOFR plus the per annum spread set forth on the cover page hereof. Interest will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. The Adjusted SOFR Rate shall never exceed an interest rate of 9% per annum (the Maximum Rate).

On and after the Mandatory Tender Date, the Adjusted SOFR Rate for a subseries of the Remarketed Bonds will be determined by the Calculation Agent. The Adjusted SOFR Rate will be determined, with respect to any Effective Date, on the first U.S. Government Securities Business Day (as defined herein) immediately preceding such Effective Date (the SOFR Determination Date), and shall be effective on such Effective Date up to but excluding the next Effective Date. Upon determining the Adjusted SOFR Rate for an Effective Date of a subseries of Remarketed Bonds, the Calculation Agent will notify MTA and the Owners of the Remarketed Bonds of that subseries of such Adjusted SOFR Rate by electronic mail (e-mail) or by telephone or in such other manner on the SOFR Determination Date, which notice, if provided by telephone, will be promptly confirmed in writing. Such notice will be provided by not later than 6:00 p.m. on the SOFR Determination Date.

The determination of the Adjusted SOFR Rate (absent manifest error) shall be conclusive and binding upon MTA, the Remarketing Agents and the Owners of the Remarketed Bonds of a subseries. If for any reason the Adjusted SOFR Rate applicable to a subseries of Remarketed Bonds shall not be established for any Effective Date, the Remarketed Bonds of such subseries shall bear interest at the Adjusted SOFR Rate last in effect until such time as a new Adjusted SOFR Rate shall be established pursuant to the terms hereof.

“SOFR” means, with respect to any Effective Date:

- (1) The Secured Overnight Financing Rate on the Federal Reserve’s Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date. The SOFR Reference Date is the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date

(for example, the Secured Overnight Financing Rate for the Effective Date of July 30, 2021, will be the rate on the Federal Reserve's Website on the SOFR Determination Date, July 29, 2021, as of 4:00 p.m., for the SOFR Reference Date of July 28, 2021). The Secured Overnight Financing Rate is published every U.S. Government Securities Business Day at 8:00 a.m. and may be revised until 2:30 p.m., as described herein.

(2) If the Secured Overnight Financing Rate cannot be determined with respect to such Effective Date as specified in paragraph (1), unless both a SOFR Index Cessation Event and a SOFR Index Cessation Date have occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such Secured Overnight Financing Rate was published on the Federal Reserve's Website.

(3) If a SOFR Index Cessation Event and SOFR Index Cessation Date have occurred, the Calculation Agent shall determine the Adjusted SOFR Rate as if references to SOFR were references to the rate that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, which rate may include any adjustments or spreads, and which rate will be reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds in U.S. dollars). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event, then the Calculation Agent shall use the Overnight Bank Funding Rate (OBFR) published on the Federal Reserve's Website for any Effective Date after the SOFR Index Cessation Date (it being understood that the OBFR for any such Effective Date will be the OBFR on the Federal Reserve's Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date).

(4) If the Calculation Agent is required to use the OBFR in paragraph (3) above and an OBFR Index Cessation Event has occurred, then for any Effective Date after the OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's Website, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

The following definitions apply to the preceding description of SOFR:

"Effective Date" means each U.S. Government Securities Business Day.

"Federal Reserve's Website" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York.

"OBFR" means, with respect to any Effective Date, the Overnight Bank Funding Rate on the Federal Reserve's Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date.

"OBFR Index Cessation Date" means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the OBFR), ceases to publish the OBFR, or the date as of which the OBFR may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased to publish or provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an OBFR; or

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the OBFR) has ceased to provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the OBFR.

“SOFR Determination Date” means, with respect to any Effective Date, the U.S. Government Securities Business Day immediately preceding such Effective Date.

“SOFR Index Cessation Date” means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate) ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

“SOFR Index Cessation Event” means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a Secured Overnight Financing Rate; or

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate.

“SOFR Reference Date” means, with respect to any Effective Date, the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. Government Securities.

Unless otherwise specified herein, all times described herein are New York time.

Description of the SOFR

The SOFR is published by the Federal Reserve Bank of New York (the Federal Reserve) and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The Federal Reserve reports that the SOFR includes all trades in the Broad General Collateral Rate (as defined on the Federal Reserve’s Website), plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the FICC), a subsidiary of the Depository Trust and Clearing Corporation (DTCC). The SOFR is filtered by the Federal Reserve to remove a portion of the foregoing transactions considered to be “specials” (as defined on the Federal Reserve’s Website).

The Federal Reserve reports that the SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC’s delivery-versus-payment service. The Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The Federal Reserve notes on its publication page for the SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. SOFR rates are subject to revision until 2:30 p.m. on any date on which the SOFR is published. The description of the SOFR herein does not purport to be exhaustive. For a more complete discussion of the SOFR, see the Federal Reserve’s Website at <https://apps.newyorkfed.org/markets/autorates/sofr>.

Risks Associated with SOFR Securities

This remarketing circular does not describe all of the risks and other ramifications of an investment in the Remarketed Bonds. An investment in the Remarketed Bonds entails risks not associated with an investment in a fixed rate security or a debt security whose periodic interest rate is not tied to a SOFR index. Further, there may be additional risks associated with the alternate rates described herein. Investors should consult their own financial and legal advisors about the risks associated with an investment in the Remarketed Bonds and the suitability of investing in the Remarketed Bonds in light of their particular circumstances, and possible scenarios for economic, interest rate and other factors that may affect their investment.

Because the SOFR is published by the Federal Reserve based on data received from other sources, MTA, the Remarketing Agents, and the Calculation Agent have no control over its determination, calculation or publication. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Remarketed Bonds. If the manner in which the SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Remarketed Bonds and/or the trading prices of the Remarketed Bonds. If the rate at which interest accrues on any day (meaning the Adjusted SOFR Rate) declines to zero or becomes negative, no interest will be payable on the Remarketed Bonds in respect of that day.

The Federal Reserve began to publish the SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFRs going back to August 2014. Investors should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR. Also, since the SOFR is a relatively new market index, the Remarketed Bonds may have a limited trading market when issued, and an established trading market may never develop or may be illiquid. Market terms for debt securities indexed to the SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Remarketed Bonds may be lower than those of later-issued indexed debt securities as a result. Similarly, if the SOFR does not prove to be widely used in securities like the Remarketed Bonds, the trading price of the Remarketed Bonds may be lower than those of bonds linked to indices that are more widely used. Investors in the Remarketed Bonds may not be able to sell the Remarketed Bonds at all or may not be able to sell the Remarketed Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Tender and Redemption Provisions for the Remarketed Bonds

Mandatory Tender for Purchase of Subseries 2005D-1 Bonds at End of each Term Rate Mode Interest Rate Period. The Subseries 2005D-1 Bonds are subject to mandatory tender for purchase on the Business Day after the last day of the initial Interest Rate Period (the Purchase Date) at the Purchase Price. The Purchase Date for the Subseries 2005D-1 Bonds is April 1, 2024. The Subseries 2002G-1f Bonds are not subject to mandatory tender for purchase prior to maturity.

Mandatory Tender for Purchase of Subseries 2005D-1 Bonds at the Option of the Issuer. The Subseries 2005D-1 Bonds are subject to mandatory tender for purchase at the option of MTA (an Optional Purchase) at the Purchase Price on any Business Day which Business Day is no earlier than January 1, 2024 (an Optional Purchase Date). The Subseries 2002G-1f Bonds are not subject to mandatory tender for purchase at the option of MTA.

Mandatory Purchase Date and Purchase Price. The Purchase Date and the Optional Purchase Date are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Subseries 2005D-1 Bonds on any Mandatory Purchase Date will be the principal amount of such Subseries 2005D-1 Bonds. The Mandatory Purchase Date will also be an Interest Payment Date for the Subseries 2005D-1 Bonds and interest will be paid in accordance with customary procedures.

Optional Redemption of Subseries 2005D-1 Bonds. The Subseries 2005D-1 Bonds are subject to redemption prior to maturity on any Business Day on or after January 1, 2024, at the option of MTA, as a whole or in part (in accordance with the procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee deems proper) at 100% of the principal amount thereof, together with

accrued interest thereon up to but not including the redemption date. The Subseries 2002G-1f Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. The Remarketed Bonds of each subseries are subject to redemption in part on November 1 of each year and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from sinking fund installments which are required to be made in amounts sufficient to effectuate such redemptions:

<u>November 1</u>	<u>Subseries 2002G-1f</u>	<u>Subseries 2005D-1</u>
2021	\$4,840,000	\$6,250,000
2022	5,035,000	6,500,000
2023	5,235,000	6,775,000
2024	5,445,000	7,050,000
2025	5,665,000	7,325,000
2026 [†]	2,925,000	7,625,000
2027		7,925,000
2028		8,250,000
2029		8,575,000
2030		8,925,000
2031		9,250,000
2032		9,625,000
2033		10,025,000
2034		10,425,000
2035 ^{††}		10,825,000

[†] Subseries 2002G-1f final maturity.

^{††} Subseries 2005D-1 final maturity.

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of the Remarketed Bonds of a given subseries otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase or redeem Remarketed Bonds of a subseries with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase or redemption), then a credit of 100% of the principal amount of those bonds will be made against the next Sinking Fund Installment due for such subseries.
- If MTA purchases or redeems Remarketed Bonds of a subseries with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installment requirements for that subseries in any order, and in any annual amount, that MTA may direct.

State and City Redemption. Pursuant to the MTA Act, the State or the City, upon providing sufficient funds, may require MTA to redeem the Remarketed Bonds as a whole at the time and at the price and in accordance with the terms upon which the Remarketed Bonds are otherwise redeemable.

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the Owners of the mandatory tender for purchase of the Subseries 2005D-1 Bonds that is to occur on that date. So long as DTC is the Securities Depository for the Subseries 2005D-1 Bonds, such notice will be given to DTC. If the Subseries 2005D-1 Bonds are not held in book-entry-only form, such notice will be given directly to the bondholders.

Notice of any mandatory tender of the Subseries 2005D-1 Bonds will be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of such Subseries 2005D-1 Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Subseries 2005D-1 Bonds, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2005D-1 Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption will not affect the obligation of the Tender Agent to purchase the Subseries 2005D-1 Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Remarketed Bonds, redemption notices will be sent to DTC at least 20 days before the redemption date. If Remarketed Bonds of a subseries are not held in book-entry-only form, then redemption notices will be mailed directly to bondholders of such subseries within the same time frame. A redemption of the Remarketed Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final - even if beneficial owners do not receive their notice, and even if that notice has a defect.**

Redemption Process. If unconditional notice of redemption has been given, then on the redemption date the Remarketed Bonds of the subseries called for redemption will become due and payable. If conditional notice of redemption has been given and the Trustee holds money sufficient to pay the redemption price of the affected Remarketed Bonds, and MTA notifies the Trustee that the conditions included in such notice have been satisfied, then on the redemption date the Remarketed Bonds of the subseries called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Remarketed Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Remarketed Bonds.

Future Remarketing of Subseries 2005D-1 Bonds

MTA currently plans to remarket the Subseries 2005D-1 Bonds on or before their Purchase Date, and apply the proceeds of such remarketing to pay the Purchase Price of such Subseries 2005D-1 Bonds. The remarketing agent(s) to be appointed by MTA will offer for sale and use its best efforts to find purchasers for all Subseries 2005D-1 Bonds required to be tendered for purchase.

Source of Funds for Purchase of Subseries 2005D-1 Bonds

On or before 3:00 p.m. on the Mandatory Purchase Date for the Subseries 2005D-1 Bonds, the Tender Agent will purchase the Subseries 2005D-1 Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived from immediately available funds transferred by the remarketing agent(s) to the Tender Agent derived from the remarketing of such Subseries 2005D-1 Bonds.

Notwithstanding the foregoing, MTA has the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2005D-1 Bonds tendered or deemed tendered as described in this remarketing circular and the Purchase Price of which is not paid on their Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent or any remarketing agent will have any liability or obligation to pay or, except from remarketing proceeds, make available such Purchase Price. The failure to pay such Purchase Price from any of the sources identified above will not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Subseries

2005D-1 Bonds will be purchased, and the Subseries 2005D-1 Bonds will remain in the Term Rate Mode and bear interest at 9% per annum. See “– Consequences of a Failed Remarketing.”

Delivery of the Subseries 2005D-1 Bonds

Except as otherwise required or permitted by DTC’s book-entry-only system, the Subseries 2005D-1 Bonds sold by a remarketing agent will be delivered by the remarketing agent to the purchasers of those Subseries 2005D-1 Bonds by 3:00 p.m. on the Mandatory Purchase Date.

Delivery of and Payment for Purchased Subseries 2005D-1 Bonds; Undelivered Subseries 2005D-1 Bonds

Except as otherwise required or permitted by DTC’s book-entry-only system, the Subseries 2005D-1 Bonds that are remarketed and purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 noon on the Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any of the Subseries 2005D-1 Bonds that are remarketed and purchased will be made only if such Subseries 2005D-1 Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price for a Subseries 2005D-1 Bond will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mandatory Purchase Date or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution. If Subseries 2005D-1 Bonds to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the Mandatory Purchase Date, the Tender Agent will hold any funds received for the purchase of such Subseries 2005D-1 Bonds in trust in a separate account uninvested, and will pay such funds to the former bondholders upon presentation of such Subseries 2005D-1 Bonds subject to tender. Undelivered Subseries 2005D-1 Bonds are deemed tendered and cease to accrue interest as to the former bondholders on the Mandatory Purchase Date if moneys representing the Purchase Price will be available against delivery of those Subseries 2005D-1 Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2005D-1 Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent’s satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2005D-1 Bonds will look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2005D-1 Bonds. The Tender Agent will authenticate replacement Subseries 2005D-1 Bonds for any undelivered Subseries 2005D-1 Bonds which may then be remarketed by the remarketing agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the Purchase Price of all Outstanding Subseries 2005D-1 Bonds on the Mandatory Purchase Date, (1) no purchase will be consummated on the Mandatory Purchase Date and the Tender Agent will, after any applicable grace period, (a) return all tendered Subseries 2005D-1 Bonds to the registered owners thereof and (b) return all remarketing proceeds to the remarketing agent(s) for return to the persons providing such moneys; and (2) the Subseries 2005D-1 Bonds will bear interest at 9% per annum during the period of time from and including the Mandatory Purchase Date to (but not including) the date that all of the Subseries 2005D-1 Bonds are successfully remarketed (the Delayed Remarketing Period).

On each Business Day following the failed remarketing on the Mandatory Purchase Date, MTA expects to continue to have the remarketing agent(s) use its best efforts to remarket the Subseries 2005D-1 Bonds into the Mode designated by the Trustee, at the direction of MTA (or such other Mode as the Trustee, at the direction of MTA, will thereafter designate to the remarketing agent(s) and the prospective owners thereof) or for an additional Interest Rate Period in the Term Rate Mode. Once the remarketing agent(s) has advised the Trustee that it has a good faith belief that it is able to remarket all of the Subseries 2005D-1 Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of the Subseries 2005D-1 Bonds not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on the

Subseries 2005D-1 Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that the Subseries 2005D-1 Bonds will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; (4) the purchase price of the Subseries 2005D-1 Bonds on the purchase date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply available amounts to the redemption of the Subseries 2005D-1 Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption will be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on the Subseries 2005D-1 Bonds will be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest will be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use its best efforts to cause the remarketing agent(s) to remarket the Subseries 2005D-1 Bonds, to convert the Subseries 2005D-1 Bonds to another Mode or another Interest Rate Period or to refund the Subseries 2005D-1 Bonds.

Debt Service on the Bonds

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds (other than the Remarketed Bonds), (ii) debt service on the Remarketed Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds (including the Remarketed Bonds) outstanding as of the date of the remarketing of the Remarketed Bonds.

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Table 1
Aggregate Debt Service
(\$ in thousands)⁽¹⁾

Year Ending December 31	Debt Service on Outstanding Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Subseries 2002G1-f Bonds ⁽²⁾			Subseries 2005D-1 Bonds ⁽²⁾			Aggregate Debt Service ⁽⁶⁾
		Principal	Interest	Total	Principal	Interest	Total	
2021	\$ 1,176,139	\$ 4,840	\$ 524	\$ 5,364	\$ 6,250	\$ 2,026	\$ 8,276	\$ 1,189,778
2022	1,747,930	5,035	1,058	6,093	6,500	4,613	11,113	1,765,136
2023	1,833,344	5,235	834	6,069	6,775	4,359	11,134	1,850,548
2024	1,824,787	5,445	602	6,047	7,050	4,095	11,145	1,841,979
2025	1,805,099	5,665	360	6,025	7,325	3,820	11,145	1,822,268
2026	1,827,895	2,925	119	3,044	7,625	3,534	11,159	1,842,097
2027	1,675,583	-	-	-	7,925	3,236	11,161	1,686,744
2028	1,782,113	-	-	-	8,250	2,927	11,177	1,793,289
2029	1,799,183	-	-	-	8,575	2,604	11,179	1,810,363
2030	1,798,331	-	-	-	8,925	2,270	11,195	1,809,526
2031	1,854,078	-	-	-	9,250	1,921	11,171	1,865,250
2032	1,845,817	-	-	-	9,625	1,560	11,185	1,857,002
2033	1,583,390	-	-	-	10,025	1,184	11,209	1,594,599
2034	1,547,725	-	-	-	10,425	793	11,218	1,558,943
2035	1,482,225	-	-	-	10,825	386	11,211	1,493,436
2036	1,314,856	-	-	-	-	-	-	1,314,856
2037	1,294,543	-	-	-	-	-	-	1,294,543
2038	1,322,448	-	-	-	-	-	-	1,322,448
2039	1,258,732	-	-	-	-	-	-	1,258,732
2040	1,202,714	-	-	-	-	-	-	1,202,714
2041	1,101,362	-	-	-	-	-	-	1,101,362
2042	1,048,879	-	-	-	-	-	-	1,048,879
2043	1,007,038	-	-	-	-	-	-	1,007,038
2044	1,020,449	-	-	-	-	-	-	1,020,449
2045	908,949	-	-	-	-	-	-	908,949
2046	1,009,582	-	-	-	-	-	-	1,009,582
2047	1,015,188	-	-	-	-	-	-	1,015,188
2048	986,640	-	-	-	-	-	-	986,640
2049	827,052	-	-	-	-	-	-	827,052
2050	564,263	-	-	-	-	-	-	564,263
2051	282,567	-	-	-	-	-	-	282,567
2052	282,812	-	-	-	-	-	-	282,812
2053	233,445	-	-	-	-	-	-	233,445
2054	233,687	-	-	-	-	-	-	233,687
2055	171,225	-	-	-	-	-	-	171,225
2056	63,684	-	-	-	-	-	-	63,684
2057	10,483	-	-	-	-	-	-	10,483
Total	\$42,744,240	\$29,145	\$3,496	\$32,641	\$125,350	\$39,328	\$164,678	\$42,941,559

(1) Totals may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread; Subseries 2002G-1 Bonds at an assumed rate of 4.0% plus the current fixed spread, except Subseries 2002G-1g Bonds at an assumed rate of 4.0%; Series 2011B Bonds at an assumed rate of 4.0% plus the current fixed spread; Subseries 2020B-2 Bonds at an assumed rate of 4.0%; fixed rate mandatory tender bonds at their respective fixed rates prior to the mandatory tender date; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months for variable rate bonds, floating rate notes and direct purchases.

(3) Excludes debt service on all outstanding Bond Anticipation Notes and Revenue Anticipation Notes.

(4) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Transportation Revenue Bonds; such subsidies do not constitute pledged revenues under the Transportation Resolution.

(5) Excludes debt service on the Remarketed Bonds.

(6) Figures reflect amounts outstanding as of June 30, 2021 and reflect the remarketing of the Remarketed Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this remarketing circular describes the sources of payment and security for all Transportation Revenue Bonds, including the Remarketed Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from a gross lien on the money pledged for payment under the Transportation Resolution. They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

MTA receives "transportation revenues" directly and through certain subsidiaries (currently, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus) and affiliates (currently, MTA New York City Transit and MaBSTOA), and its receipts from many of these sources are pledged for the payment of Transportation Revenue Bonds. MTA and its subsidiaries and affiliates also receive operating subsidies from MTA Bridges and Tunnels and a number of other governmental sources. The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See "Revenue Anticipation Notes Authorized by the Resolution" below. The Transportation Resolution provides that Owners are to be paid from pledged revenues prior to the payment of operating or other expenses, and as described in more detail below. MTA has covenanted to impose fares and other charges so that pledged revenues, together with other available moneys, will be sufficient to cover all debt service and operating and capital costs of the systems. See "Factors Affecting Revenues – Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses" below.

Operating Subsidies include general operating subsidies from the State and local governments under the State's Section 18-b program; special tax-supported operating subsidies (the MTF revenues and MMTOA taxes) after the payment of debt service and certain other obligations relating to MTA's Dedicated Tax Fund senior and subordinated bonds; PMT Revenues (defined below) after the payment of debt service and certain other obligations relating to senior and subordinated bonds issued under the MTA PMT Bond Resolution (as hereinafter defined) and the TBTA PMT Bond Resolution (as hereinafter defined) (see "Description of Pledged Revenues – *Additional Taxes and Fees – Expectations with Respect to Future Bonding*" below); MTA Bridges and Tunnels operating surplus; Commuter System station maintenance payments; certain mortgage recording and real property transfer taxes with respect to certain real property located within the City; and Congestion Zone Surcharges and Rapid Transit Lane Fines deposited into the General Transportation Account.

Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2020. A general description of the pledged revenues in the general categories referenced in **Table 2a** follows the table, and a more detailed description is set forth in Part 2 of the **ADS** under the heading "REVENUES OF THE RELATED ENTITIES."

Table 2a is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA, on a cash basis. The audited financial statements for MTA and MTA New York City Transit for 2019 and 2020 covered by **Table 2a** are included herein by specific cross-reference and should be read in connection with this information. The information in **Table 2a** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and the notes thereto.

Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis (\$ in millions)⁽¹⁾

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Revenues from Systems Operations</u>					
Fares from Transit System	\$ 4,414	\$ 4,487	\$ 4,454	\$ 4,592	\$ 1,939
Fares from Commuter System	1,401	1,460	1,481	1,526	517
Fares from MTA Bus	233	236	242	245	100
Other Income ⁽²⁾	<u>248</u>	<u>256</u>	<u>280</u>	<u>278</u>	<u>207</u>
Subtotal – Operating Revenues	\$6,296	\$6,439	\$6,457	\$6,641	\$2,763
<u>Non-Operating Revenues⁽³⁾</u>					
Revenues from MTA Bridges and Tunnels Surplus	\$742	\$731	\$692	\$788	\$495
State and Local General Operating Subsidies ⁽⁴⁾	\$378	\$376	\$375	\$340	\$365
NYC Transportation Assistance Fund - General Transportation Account ⁽⁵⁾	-	-	-	0	2
Special Tax-Supported Operating Subsidies					
DTF Excess ⁽⁶⁾	259	231	250	268	180
MMTOA Receipts	1,668	1,668	1,687	1,824	1,564
Urban Tax	811	585	656	668	377
Excess Mortgage Recording Taxes	25	25	25	12	12
MTA Aid Trust Account Receipts ⁽⁷⁾	300	306	273	311	249
Payroll Mobility Tax Receipts ⁽⁷⁾	1,373	1,436	1,483	1,561	1,561
Payroll Mobility Revenue Offset Funds ⁽⁸⁾	<u>309</u>	<u>244</u>	<u>244</u>	<u>244</u>	<u>195</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,745	\$4,495	\$4,617	\$4,888	\$4,139
Station Maintenance and Service Reimbursements	563	560	530	647	637
City Subsidy for MTA Bus	356	520	464	669	355
Income from Investments ⁽⁹⁾	13	24	55	50	22
Subtotal – Non-Operating Revenues	\$6,797	\$6,706	\$6,734	\$7,382	\$6,015
Total Transportation Resolution Pledged Revenues	\$13,093	\$13,145	\$13,190	\$14,023	\$8,778
Debt Service⁽¹⁰⁾	\$1,381	\$1,581	\$1,457	\$1,751	\$1,989
Debt Service Coverage from Pledged Revenues	9.5x	8.3x	9.1x	8.0x	4.4x

⁽¹⁾ Totals may not add due to rounding

⁽²⁾ Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Other income does not include Superstorm Sandy reimbursement funds. See additional information regarding 2020 in the notes following the table.

⁽³⁾ The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See discussion in Part 3 of the ADS under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS - TRANSPORTATION REVENUE BONDS - *Revenue Anticipation Notes Authorized by the Resolution.*”

⁽⁴⁾ State and Local General Operating Subsidies are lower in 2019 due to delay in receipt of the City’s December 18-b payment.

⁽⁵⁾ The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and the General Transportation account.

⁽⁶⁾ Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the ADS under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS.”

⁽⁷⁾ Calculated by subtracting the debt service payments on Payroll Mobility Tax Resolution Obligations from the combined PMT and MTA Aid Trust Account Receipts, which are pledged revenues for the Payroll Mobility Tax Resolution Obligations described in Part 3 of the ADS under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS.”

⁽⁸⁾ In prior Annual Disclosure Statements, Payroll Mobility Tax Revenue Offset funds were included in the PMT Receipts. Beginning with the 2021 Annual Disclosure Statement, PMT Revenue Offset revenues are presented separately because such revenues do not constitute pledged revenues under the PMT Resolutions.

⁽⁹⁾ Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.

⁽¹⁰⁾ Debt service was reduced by approximately \$54 million in each year of 2015 through 2019 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. Debt service includes payments of interest on bond anticipation notes, including \$13 million in 2016, \$13.5 million in 2017, \$101.5 million in 2018, \$188.6 million in 2019 and \$344.5 million in 2020.

The following should be noted in **Table 2a**:

- Overall, operating revenues in 2020 were lower by \$3.9 billion, compared to 2019, due to the decline in transit system, commuter rail and MTA Bus ridership during the COVID-19 pandemic, and total pledged revenues in 2020 were lower by \$5.2 billion as compared to 2019.
- CARES Act receipts are included in Other Revenue under **Table 2b** for 2020, and are not included in “Other Income” in **Table 2a** because they do not constitute pledged revenues under the Transportation Resolution. Additionally, while Internet Sales Tax and Mansion Tax receipts were made available as a resource for operating expenses for two years during the COVID-19 pandemic, they do not constitute pledged revenues under the Transportation Resolution and are not included in **Table 2a**.
- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State’s appropriation for the succeeding year advanced into the fourth quarter of MTA’s calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs.
- “Urban Tax” collection reflects the activity level of certain commercial real estate transactions in the City. Urban Tax revenues declined in 2017 due to fewer significantly large transactions (valued over \$100 million) as compared to 2016. In 2018 and 2019, MTA saw an increase in Urban Tax revenues from the prior year, as a result of both an overall stronger commercial real estate economy and an uptick in the value of significantly large transactions. In 2020, Urban Tax revenues declined significantly due to lower value of commercial real estate transactions and mortgages during the COVID-19 pandemic.
- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MTA’s service area. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters’ expenses and MTA Bus debt service. Since 2009, even though mortgage recording tax receipts have grown in seven out of the last eight years, MTA Headquarters expenses and MTA Bus debt service expenses have continued to exceed MRT receipts, resulting in no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems.
- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received. MTA received one extra monthly payment made in 2017 (only 11 payments were made in 2016) and an additional quarterly payment, which is usually reconciled in the following year. In 2018, there was a decrease in receipts for MTA Bus, resulting from the additional quarterly payment that was made in 2017. In 2019, the increase in receipts for MTA Bus is the result of higher monthly fixed payments and an additional quarterly payment made in 2019. In 2020, MTA Bus ridership and revenue experienced significant declines due to the COVID-19 pandemic, resulting in the 2020 City Subsidy for MTA Bus lower by \$314 million compared to the amount received in 2019.
- In 2016, \$45.3 million of revenues on deposit in the Transportation Revenue Bond debt service fund were replaced with proceeds of certain Transportation Revenue Bonds permitting such revenues to be used together with other available moneys to prepay outstanding 2 Broadway Certificates of Participation. As a result, 2016 Debt Service reported in **Table 2a** is lower by \$45.3 million than it would have been if such transaction had not occurred.

Table 2b is the MTA Consolidated Statement of Operations by Category. It sets forth, by major category, for the five years ended December 31, 2020, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. The information in the table has been prepared by MTA management based on MTA financial plans. The information in **Table 2b** may not be indicative of future results of operations and financial condition.

Table 2b

MTA Consolidated Statement of Operations by Category
(\$ in millions)

	Actual	Actual	Actual	Actual	Actual
Non-Reimbursable	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Operating Revenue</u>					
Farebox Revenue	\$6,170	\$6,172	\$6,155	\$6,351	\$2,623
Toll Revenue	1,912	1,912	1,976	2,071	1,640
Other Revenue	653	653	643	706	4,578
Capital and Other Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	\$8,608	\$8,737	\$8,774	\$9,128	\$8,842
<u>Operating Expense</u>					
Labor Expenses:					
Payroll	\$5,019	\$5,021	\$5,211	\$5,311	\$5,306
Overtime	934	934	1,066	974	910
Health & Welfare	1,209	1,209	1,230	1,339	1,304
OPEB Current Payment	564	564	604	666	633
Pensions	1,345	1,345	1,336	1,493	1,509
Other-Fringe Benefits	794	792	881	848	792
Reimbursable Overhead	<u>(492)</u>	<u>(492)</u>	<u>(528)</u>	<u>(470)</u>	<u>(380)</u>
Subtotal Labor Expenses	\$9,238	\$9,373	\$9,799	\$10,161	\$10,074
Non-Labor Expenses:					
Electric Power	\$430	\$430	\$482	\$444	\$385
Fuel	150	150	185	174	110
Insurance	(3)	(3)	(29)	2	(6)
Claims	515	526	438	495	237
Paratransit Service Contracts	393	393	478	477	326
Maintenance and Other Operating Contracts	692	695	678	731	774
Professional Service Contracts	506	507	544	442	451
Materials & Supplies	588	588	637	647	546
Other Business Expenses	<u>217</u>	<u>217</u>	<u>221</u>	<u>231</u>	<u>152</u>
Subtotal Non-Labor Expenses	\$3,168	\$3,505	\$3,611	\$3,642	\$2,975
Other Expense Adjustments:					
Other	\$49	\$49	\$129	149	80
General Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>170</u>
Subtotal Other Expense Adjustments	\$47	\$49	\$129	\$149	\$250
Total Operating Expense before Non-Cash Liability Adj.	\$12,454	\$12,927	\$13,539	\$13,952	\$13,298
Depreciation	\$2,600	\$2,608	\$2,805	\$2,869	\$2,991
OPEB Liability Adjustment	1,548	1,567			
GASB 75 OPEB Expense Adjustment			1,048	877	27
GASB 68 Pension Expense Adjustment	(234)	(168)	(373)	13	(58)
Environmental Remediation	13	13	106	42	(6)
Total Operating Expense after Non-Cash Liability Adj.	\$16,252	\$16,948	\$17,124	\$17,752	\$16,252
Conversion to Cash Basis: Non-Cash Liability Adj.	(\$3,927)	(\$4,021)	(\$3,585)	(\$3,801)	(\$2,954)
Debt Service (excludes Service Contract Bonds)	2,525	2,525	2,541	2,630	2,703
Total Operating Expense with Debt Service	\$14,912	\$15,452	\$16,079	\$16,582	\$16,001
Dedicated Taxes and State/Local Subsidies	\$6,429	\$6,416	\$7,177	\$7,290	\$6,686
Net Surplus/(Deficit) After Subsidies and Debt Service	\$371	(\$300)	(\$128)	(\$164)	\$148
Conversion to Cash Basis: GASB Account	0	0	0	0	0
Conversion to Cash Basis: All Other	129	174	379	277	622
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$232)	(\$126)	\$251	\$113	\$148
ADJUSTMENTS	0	0	0	0	0
PRIOR-YEAR CARRYOVER	480	248	121	372	485
NET CASH BALANCE	\$248	\$121	\$372	\$485	\$633

Table 3a sets forth the Summary of Adopted Budget 2021 and Forecast 2022. Pledged Revenues are based on the MTA 2021 Adopted Budget and the February Financial Plan 2021-2024, adopted by the MTA Board on February 18, 2021. For a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*". The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2016-2020 in **Table 2a**.

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Table 3a
Summary of Adopted Budget 2021 and Forecast 2022
(Calculated in Accordance with the Transportation Resolution)
(\$ in millions)⁽¹⁾

	Adopted Budget 2021	Forecast 2022
<u>Revenues from Systems Operations:</u>		
Fares from Transit System	\$1,262	\$2,497
Fares from Commuter System	425	842
Fares from MTA Bus	60	119
Other Income ⁽³⁾⁽⁴⁾	<u>258</u>	<u>260</u>
Subtotal – Operating Revenues	\$2,005	\$3,718
<u>Non-Operating Revenues:</u>⁽⁵⁾		
Revenues from MTA Bridges and Tunnels Surplus	\$154	\$622
State and Local General Operating Subsidies	\$439	\$376
NYC Transportation Assistance Fund – General Transportation Account ⁽⁶⁾	\$3	\$88
Special Tax-Supported Operating Subsidies		
DTF Excess ⁽⁷⁾	175	145
MTOA Receipts	2,094	1,870
Urban Tax	319	348
Excess Mortgage Recording Taxes	12	12
Aid Trust Account Receipts ⁽⁸⁾	273	305
Payroll Mobility Tax Receipts ⁽⁸⁾	1,375	1,591
Payroll Mobility Offset Funds ⁽⁹⁾	<u>273</u>	<u>232</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,522	\$4,503
Station Maintenance and Service Reimbursements	\$817	\$811
City Subsidy for MTA Bus	\$530	\$814
Income from Investments ⁽¹⁰⁾	\$41	\$41
Subtotal – Non-Operating Revenues	\$6,505	\$7,255
Total Transportation Resolution Pledged Revenues	\$8,510	\$10,973
Budgeted Debt Service⁽¹¹⁾	\$1,808	\$2,001
Debt Service Coverage from Pledged Revenues	4.7x	5.5x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*” for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects’ implementation.

⁽³⁾ Other income for the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income for the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Includes MTA Bus Other Income.

⁽⁴⁾ Additional federal stimulus funds, as budgeted in the February Financial Plan, are included under *Adjustments* under Table 3b. Additionally, while the Internet Sales Tax and Mansion Tax have been made available as a resource for operating expenses for two years, and currently are reflected in the liquidity resources disclosed by MTA, they do not constitute pledged revenues under the Transportation Resolution and are not included in the table above.

⁽⁵⁾ The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Pledged Transportation Revenues Gross Lien” and “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SECURITY – Revenue Anticipation Notes Authorized by the Resolution”.

⁽⁶⁾ The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and a General Transportation account. See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – *2018 Additional Revenues*”. The zero amounts in 2019 reflect lower collection of For-Hire Vehicle fees, as collections were delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January 2019. See Part 1 of the **ADS**. Additionally, beginning in 2020, the City began enforcing bus lane violations and pursuant to Chapter 59 of the Laws of 2018, the fines and penalties deposit into the General Transportation Account.

⁽⁷⁾ Calculated by subtracting the debt service payments on Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the **ADS** under the caption “DEDICATED TAX FUND BONDS.”

⁽⁸⁾ See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – *2018 Additional Revenues*” in the **ADS** and “– *Expectations with Respect to Future Bonding*” herein for a description of such additional revenues and MTA’s current expectations for application of such revenues in the future. Calculated by subtracting debt service payments on Payroll Mobility Resolution Obligations from the combined PMT receipts and Aid Trust Account receipts (which are pledged revenues for Payroll Mobility Resolution Obligations). As budgeted in the February Financial Plan, debt service payments on Payroll Mobility Resolution Obligations do not begin until 2022.

⁽⁹⁾ Payroll Mobility Offset Funds are not part of the pledged revenues for the Payroll Mobility Resolution Obligations discussed in footnote (8).

⁽¹⁰⁾ Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.

⁽¹¹⁾ Net of annual Build America Bond interest credit payments on previously issued bonds of approximately \$53.1 million in 2021 and \$52.3 million in 2022. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Summary of Adopted Budget 2021 and Forecast 2022, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2021 Adopted Budget and the February Financial Plan 2021-2024. For a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*". The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2016-2020, in **Table 2b**.

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Table 3b
MTA Consolidated Statement of Operations by Category⁽¹⁾
(\$ in millions)

<u>Non-Reimbursable</u>	Adopted⁽²⁾	Forecast
	<u>Budget</u>	<u>2022</u>
	<u>2021</u>	
<u>Operating Revenue</u>		
Farebox Revenue	\$1,746	\$3,461
Toll Revenue	1,396	1,962
Other Revenue	736	813
Capital and Other Reimbursements	<u>0</u>	<u>0</u>
Total Operating Revenue	\$3,878	\$6,235
<u>Operating Expense</u>		
Labor Expenses:		
Payroll	\$5,433	\$5,592
Overtime	917	910
Health & Welfare	1,564	1,662
OPEB Current Payment	797	863
Pensions	1,443	1,451
Other-Fringe Benefits	998	1,056
Reimbursable Overhead	<u>(430)</u>	<u>(417)</u>
Subtotal Labor Expenses	\$10,723	\$11,117
Non-Labor Expenses:		
Electric Power	\$458	\$474
Fuel	145	150
Insurance	30	47
Claims	424	436
Paratransit Service Contracts	434	511
Maintenance and Other Operating Contracts	863	925
Professional Service Contracts	609	595
Materials & Supplies	681	746
Other Business Expenses	<u>170</u>	<u>200</u>
Subtotal Non-Labor Expenses	\$3,814	\$4,083
Other Expense Adjustments:		
Other	\$37	\$26
General Reserve	<u>(160)</u>	<u>\$185</u>
Subtotal Other Expense Adjustments	(\$123)	\$211
Total Operating Expense before Non-Cash Liability Adjustments	\$14,414	\$15,412
Depreciation	\$2,923	\$2,992
GASB 75 OPEB Expense Adjustment	1,760	1,860
GASB 68 Pension Expense Adjustment	(311)	(300)
Environmental Remediation	6	6
Total Operating Expense after Non-Cash Liability Adjustments	\$18,792	\$19,969
Conversion to Cash Basis: Non-Cash Liability Adjustments	(\$4,378)	(\$4,557)
Debt Service (excludes Service Contract Bonds)	2,911	3,176
Total Operating Expense with Debt Service	\$17,325	\$18,588
Dedicated Taxes and State/Local Subsidies	\$7,682	\$7,245
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$5,764)	(5,108)
Conversion to Cash Basis: GASB Account	\$0	\$0
Conversion to Cash Basis: All Other	95	324
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$5,669)	(\$4,783)
ADJUSTMENTS⁽²⁾	\$5,160	\$1,650
PRIOR-YEAR CARRYOVER	<u>514</u>	<u>\$5</u>
NET CASH BALANCE	\$5	(\$3,129)

⁽¹⁾ See "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation.

⁽²⁾ Adjustment in 2021 reflects, among other things, the anticipated receipt of \$4 billion from the Coronavirus Response and Relief Supplemental Appropriations Act. The February Financial Plan does not reflect the anticipated \$6.5 billion of funding from the American Rescue Plan Act of 2021. Such funds do not constitute pledged revenues for the Transportation Resolution.

Description of Pledged Revenues

Each of the following revenues is described in more detail in Part 2 of the ADS under the caption “REVENUES OF THE RELATED ENTITIES.” See also **Tables 2a, 2b, 3a** and **3b** above for both historical and forecasted results for each category of pledged revenues described below.

Revenues from Systems Operations.

- **Fares from the Transit and Commuter Systems.** The previously approved transit and commuter fare increases were implemented on March 19, 2017. At its February 27, 2019 meeting, the MTA Board approved transit and commuter fare increases that became effective on April 21, 2019.

The base subway, local bus and paratransit fares remained unchanged at \$2.75 per trip and the base express bus fare increased from \$6.50 to \$6.75 per trip. The Pay-Per-Ride MetroCard bonus was eliminated. Single ride subway and bus tickets remained unchanged at \$3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from \$121 to \$127, the cost of a 7-day unlimited ride MetroCard from \$32 to \$33, and the 7-day Express Bus Plus unlimited ride MetroCard from \$59.50 to \$62.

At MTA Metro-North Railroad and MTA Long Island Rail Road, all weekly and monthly passes increased 3.85% or less, and monthly tickets no more than \$15. One way tickets had a range of increases due to the need for fares to round to \$0.25 increments. One-way fares into New York City had a range of increases up to 8.00%. Other ticket types such as intermediates, half fares and other discounted tickets had larger increases up to 10%, again due to the need to round to \$0.25 increments on a low ticket price. For these one-way fares, any increase greater than 6.0% was not more than \$0.50 per ride. Increased fares also apply to UniTickets and MTA Metro-North Railroad-managed connecting services. CityTicket increased from \$4.25 to \$4.50.

- **Other Income.** MTA receives revenues from concessions to vendors and from advertising and other space it rents in subway and commuter rail cars, buses, stations and other facilities. Concession revenues from Grand Central Terminal (the main station for MTA Metro-North Railroad) and Penn Station (the main station for MTA Long Island Rail Road), however, are not included within these amounts pledged.

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs, but not including moneys deposited into the CBD Tolling Capital Lockbox Fund, as hereinafter described) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

At their February 18, 2021 meeting, the MTA Bridges and Tunnels Board approved toll increases that were implemented on April 11, 2021, as follows:

- **Cash/Tolls by Mail for Passenger Vehicles.** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by \$0.67 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to \$10.17, by \$0.50 at the Henry Hudson Bridge to \$7.50, and by \$0.34 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to \$5.09. Beginning on December 1, 2020, MTA Bridges and Tunnels began collecting tolls in both directions on the Verrazano-Narrows Bridge (the VNB) at a rate of \$9.50 in each direction. These tolls were increased by \$0.67 to \$10.17. Commercial vehicle tolls also increased.
- **E-ZPass Tolls.** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by \$0.43 (to \$6.55) at major facilities and the VNB, \$0.20 (to \$3.00) at the Henry Hudson Bridge and \$0.16 (to \$2.45) at the Rockaway Bridges.

- **Mid-Tier Tolls.** A new, mid-tier passenger car charge was introduced which applies NYCSC E-ZPass customers when their NYCSC E-ZPass tag is not properly mounted, for tolls posted to NYCSC E-ZPass accounts based on license plates, and for NYCSC third-party account providers. The Mid-Tier toll for passenger vehicles is \$8.36 at major facilities and the VNB, \$4.62 at the Henry Hudson Bridge, and \$3.77 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

- **General Operating Subsidies from the State and Local Governments.** Under the State's Section 18-b program, MTA receives:
 - subsidies for the Transit System from the State and matching subsidies from the City, and
 - subsidies for the Commuter System from the State and matching subsidies from the City and the seven counties within the MCTD.
- **Special Tax-Supported Operating Subsidies.** MTA receives subsidies from a number of sources including:
 - portions of the following dedicated taxes pledged but not ultimately needed to pay debt service on MTA's Dedicated Tax Fund senior and subordinated bonds:
 - a group of business privilege taxes imposed on petroleum businesses operating in the State, referred to as the PBT,
 - motor fuel taxes on gasoline and diesel fuel, and
 - certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees; and
 - portions of the following mass transportation operating assistance or MMTOA taxes, which State law requires first be used to pay debt service on MTA's Dedicated Tax Fund senior and subordinated bonds if the dedicated taxes described above are insufficient:
 - the regional PBT (in addition to the State-wide portion described above), which is referred to as the MMTOA PBT,
 - the sales and compensating use tax within the MCTD,
 - two franchise taxes imposed on certain transportation and transmission companies, and
 - a surcharge on a portion of the franchise tax imposed on certain corporations, banks, insurance, utility and transportation companies attributable to business activities within the MCTD; and
 - a portion of the amounts collected by the City for the benefit of the Transit System from certain mortgage transfer and recording taxes (the Urban Taxes).

Additional Taxes and Fees.

2009 Additional Taxes and Fees. On May 7, 2009, legislation was enacted in the State (the May 2009 Legislation) providing additional sources of revenues, in the form of taxes, fees and surcharges, to address the financial needs of MTA. Certain provisions of the May 2009 Legislation, principally relating to the Payroll Mobility Tax (PMT), have been substantially revised since originally enacted, including provisions exempting additional categories of taxpayers from payment of the PMT, increasing the level of payroll expense at which the PMT becomes applicable, and lowering the tax rate. The May 2009 Legislation, as amended to date, among other things, imposes:

- a PMT on payroll expenses and net earnings from self-employment within the MCTD, subject to certain limitations and exemptions;

- a supplemental fee of one dollar for each six-month period of validity of a learner’s permit or a driver’s license issued to a person residing in the MCTD;
- a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD;
- a tax on taxicab owners of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD; and
- a supplemental tax of six percent of the cost of rentals of automobiles rented within the MCTD.

Additional amendments made in 2011 to the May 2009 Legislation further provided that any reductions in aid to MTA attributable to the 2011 statutory reductions in the PMT “shall be offset through alternative sources that will be included in the state budget” (the PMT Revenue Offset).

Revenue from the PMT is not subject to appropriation, and is payable directly to MTA. The PMT Revenue Offset, however, is subject to appropriation. Beginning in State Fiscal Year 2019-2020, revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) are no longer subject to appropriation, and will be paid on a quarterly basis to MTA.

2018 Additional Revenues. In April 2018, legislation was enacted in the State (the April 2018 Legislation) providing additional sources of revenues, in the form of surcharges and fines, to address the financial needs of MTA. Among other things, the April 2018 Legislation imposed, beginning January 1, 2019, the following:

- a surcharge of \$2.75 on for-hire transportation trips (the For-Hire Transportation Surcharge) provided by motor vehicles carrying passengers for hire (or \$2.50 in the case of taxicabs that are subject to the \$0.50 tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulances and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the Borough of Manhattan (the Congestion Zone), (2) originates anywhere in the State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in the State, or (4) originates anywhere in the State, enters into the Congestion Zone while in transit, and terminates anywhere in the State;
- a surcharge of \$0.75 for each person (the Pool Vehicle Surcharge, which, together with the For-Hire Transportation Surcharge, is referred to herein collectively as the Congestion Zone Surcharges) who both enters and exits a pool vehicle (certain carpool arrangements set forth in the April 2018 Legislation) in the State and who is picked up in, dropped off in, or travels through the Congestion Zone; and
- certain fines relating to bus rapid transit lane restrictions (the Rapid Transit Lane Fines) captured by the use of stationary and mobile (on-bus) bus lane photo devices on up to ten bus rapid transit routes designated by the New York City Department of Transportation.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services.

The April 2018 Legislation also created the New York City Transportation Assistance Fund, held by MTA, and the following three accounts therein:

- Subway Action Plan Account,
- Outer Borough Transportation Account, and
- General Transportation Account.

Moneys in the Subway Action Plan Account may be used exclusively for funding the operating and capital costs of the Subway Action Plan (such plan developed by MTA New York City Transit and approved by the MTA Board). Moneys in the Outer Borough Transportation Account may be used exclusively for funding

(1) the operating and capital costs of MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels. In connection with the enactment of the State budget for Fiscal Year 2019-2020, adopted on April 1, 2019 (the 2019-2020 State Enacted Budget), moneys from the Outer Borough Transportation Account were earmarked to establish two rebate programs relating to certain toll payers of specified MTA Bridges and Tunnels crossings. Moneys in the General Transportation Account may be used to fund the operating and capital costs of MTA. In each case, moneys may be used for PAYGO or for debt service and reserve requirements.

The Congestion Zone Surcharges, together with interest and penalties thereon, will be deposited daily with the State Comptroller in trust for MTA. The State Comptroller will retain such amount as is determined to be necessary for refunds and the State Commissioner of Taxation and Finance (the Commissioner) will deduct reasonable amounts for costs incurred to administer, collect and distribute such amounts. If sufficient amounts are collected and available, then in accordance with the April 2018 Legislation, on or before the 12th day of each month, after reserving amounts for refunds and reasonable costs, the Commissioner will certify to the State Comptroller the amounts collected in the prior month and the following amounts will be transferred to the following accounts by the 15th business day of each succeeding month (except for the Rapid Transit Lane Fines, which are payable quarterly):

- to the Subway Action Plan Account, without appropriation, the first \$300 million;
- to the Outer Borough Transportation Account, without appropriation, in each year the next \$50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board (CPRB) appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2025.

Application of 2009 Additional Taxes and Fees and 2018 Additional Revenues.

- *PMT.* The revenues from the PMT and the PMT Revenue Offset (the PMT Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service on Transportation Revenue Bonds, of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Under the Transportation Resolution, the PMT Revenues constitute “Operating Subsidies” that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds to the extent not required to be applied to the payment of debt service on bonds that may be issued in the future by MTA or MTA Bridges and Tunnels (with PMT Revenues transferred by MTA) to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary, or that may be issued in the future by MTA to fund operating costs, such as the deficit bonds, and secured in whole or in part by the PMT Revenues. See “*Expectations with Respect to Future Bonding*” below.
- *Aid Trust Account Monies.* The revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit

and its subsidiary as MTA shall determine. Under the Transportation Resolution, the Aid Trust Account Monies constitute “Non-Pledged Operating Subsidies” that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses. Although MTA has allocated such monies so as to constitute Pledged Revenues in prior years, no assurances can be given that MTA will allocate any of the Aid Trust Account Monies to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses in the future.

- *Congestion Zone Surcharges and Rapid Transit Lane Fines.* The Congestion Zone Surcharges and the Rapid Transit Lane Fines may be pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used, as described above, including the payment of debt service of MTA. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Congestion Zone Surcharges and the Rapid Transit Lane Fines may be used by MTA to pay costs, including operating costs of MTA, for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used.

Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the Subway Action Plan Account and the Outer Borough Transportation Account constitute “Non-Pledged Operating Subsidies” that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or to Operating and Maintenance Expenses. Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the General Transportation Account and the Rapid Transit Lane Fines constitute “Operating Subsidies” that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds.

2019 Additional Revenues for MTA Capital Program Costs. The 2019-2020 State Enacted Budget established three additional revenue sources for MTA: (1) the Central Business District Tolling Program, (2) a portion of the collections of new real estate transfer taxes to be imposed in the City, and (3) allocated portions of the State and City sales tax collections based upon projected increases due to legislative changes to collect City-based internet sales tax allocations (appropriations for the State portion of the sales tax collections were included in the 2020-2021 State Enacted Budget). Funds from such additional revenue sources are to be deposited in a newly established CBD Tolling Capital Lockbox Fund held by MTA Bridges and Tunnels, to be used, subject to certain limitations, to fund operating, administration and other necessary expenses relating to the CBD Tolling Program, including costs incurred by MTA Bridges and Tunnels in administering the program and related costs incurred by the City Department of Transportation, and costs of MTA capital projects included in the 2020-2024 Capital Program or any successor capital program. Such funds in the CBD Tolling Capital Lockbox Fund may be:

- (i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or
- (ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis; or
- (iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis.

Notwithstanding the foregoing, however, the State in 2020 enacted legislation that allows MTA, subject to repayment as described therein, to use the moneys in the CBD Tolling Capital Lockbox Fund through 2021

to offset decreases in revenue or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the revenues and operations of MTA and its Related Entities, see “SOURCES OF REVENUE – Factors Affecting Revenues – *The COVID-19 Pandemic*” and “– *Government Assistance*” in **Part II**.

Expectations with Respect to Future Bonding. On January 13, 2020, MTA submitted to the CPRB a proposed MTA Bridges and Tunnels Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) (the MTA Bridges and Tunnels Sales Tax Bond Resolution) for review and approval. The MTA Bridges and Tunnels Sales Tax Bond Resolution was deemed approved upon completion of the statutory 15-day review period following such submission and subsequently approved by the MTA Bridges and Tunnels’ Board. The timing of the issuance of obligations under the MTA Bridges and Tunnels Sales Tax Bond Resolution for capital costs of the transit and commuter systems relating to projects in the 2020-2024 Capital Program is undetermined at this time.

Payroll Mobility Tax Obligations. The 2020-2021 State Enacted Budget created new authorization for MTA to issue a total of up to \$10 billion of bonds or notes during the three year period through 2022, to offset decreases in revenue (i.e. lost taxes, fees, charges, fares and tolls) or increases in operating costs of the MTA and its Related Entities due in whole or in part to the State disaster emergency caused by the COVID-19 pandemic.

On November 18, 2020, the MTA Board approved a Payroll Mobility Tax Resolution (the MTA PMT Bond Resolution) that authorizes MTA to issue bonds, notes and other obligations secured by the PMT (but not the PMT Revenue Offset) and the Aid Trust Account Monies for the purposes described in the preceding paragraph, as well as other working capital needs. In December 2020, MTA placed a bond anticipation note (the MLF BAN) maturing on December 15, 2023, issued under the MTA PMT Bond Resolution in the principal amount of \$2,907,280,000 with the Municipal Liquidity Facility (the MLF) under a program established by the Federal Reserve Bank to finance lost revenues and pay additional expenses of the MTA and its affiliates and subsidiaries caused by the COVID-19 pandemic. The principal of and interest on the MLF BAN may be paid solely from (i) the proceeds of rollover bond anticipation notes, (ii) take-out bonds issued under the MTA PMT Bond Resolution, and (iii) the proceeds of notes or other evidences of indebtedness or any other amounts (which other amounts are not otherwise pledged to the payment of the MLF BAN), in each case if and to the extent such amounts may lawfully be used to make such payments. The payment of principal on the MLF BAN is not secured by revenues under the MTA PMT Bond Resolution. The payment of interest on the MLF BAN, all of which is payable at maturity, is payable on a subordinate basis to senior lien obligations and parity obligations that may be issued under the MTA PMT Bond Resolution.

MTA Bridges and Tunnels has adopted a bond resolution (the TBTA PMT Bond Resolution) substantially similar to the MTA PMT Bond Resolution that authorizes MTA Bridges and Tunnels to issue obligations to fund transit and commuter capital projects secured by the PMT (but not the PMT Revenue Offset) and Aid Trust Account Monies, on parity with the MTA PMT Bond Resolution. On March 17, 2021, the TBTA PMT Bond Resolution was deemed approved by the CPRB and subsequently ratified by the Board of MTA Bridges and Tunnels. As described in the preceding paragraphs, MTA is currently permitted to issue bonds, notes and other obligations under the MTA PMT Bond Resolution for deficit financing; however, CPRB approval is required prior to the issuance by MTA under the MTA PMT Bond Resolution of obligations to fund transit and commuter capital projects. On May 5, 2021, MTA Bridges and Tunnels issued its Payroll Mobility Tax Senior Lien Bonds, Series 2021A (the Series 2021A TBTA PMT Bonds), which are the first obligations to be issued under the TBTA PMT Bond Resolution. The MTA PMT Bond Resolution, TBTA PMT Bond Resolution and related Annexes may be found on the MTA investor website under the caption “Debt Portfolio Information – Bond Resolutions and Interagency Agreements”. The provisions of the TBTA PMT Bond Resolution are substantially the same as the provisions of the MTA PMT Bond Resolution and the annexes for both resolutions are identical. No statement on MTA’s website is included by specific cross-reference herein.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May 2009

Legislation, as amended) into the State's general fund or any other fund maintained for support of another governmental purpose.

Station Maintenance and Service Reimbursements. MTA is reimbursed by the City and the seven counties in the MCTD with respect to commuter stations located in each respective jurisdiction for the cost of staffing the stations, maintaining the stations and appurtenant land and buildings, and insurance. In addition, the City provides for the policing of the Transit System and contributes to support MTA New York City Transit's paratransit, senior citizen and school children programs. Also, MTA Metro-North Railroad receives certain payments from the Connecticut Department of Transportation (CDOT) for its share of the operating deficits of the New Haven rail line.

City Agreement with MTA Bus. In December 2004, the MTA Board approved a letter agreement with the City (the MTA Bus Letter Agreement) with respect to MTA Bus' establishment and operation of certain bus routes (the MTA Bus System) in areas then served by seven private bus companies pursuant to franchises granted by the City. The City's payments under the MTA Bus Letter Agreement are pledged to holders of the Transportation Revenue Bonds and are reflected in **Tables 2a, 2b, 3a and 3b** above. The MTA Bus Letter Agreement with the City provides for the following:

- A lease by the City to MTA Bus of the bus assets to operate the MTA Bus System.
- The City agrees to pay MTA Bus the difference between the actual cost of operation of the MTA Bus System (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the MTA Bus System.
- If the City fails to timely pay any of the subsidy amounts due for a period of 30 days, MTA Bus has the right, after an additional 10 days, to curtail, suspend or eliminate service and may elect to terminate the agreement. The City can terminate the agreement on one year's notice.

Revenues from Investment Income and Miscellaneous. MTA earns income, as do its subsidiaries and affiliates, from the temporary investment of money held in those of MTA's various funds and accounts that are pledged to holders of Transportation Revenue Bonds.

Factors Affecting Revenues

The COVID-19 Pandemic. The COVID-19 pandemic has had a substantially adverse impact on MTA revenues, operations and the timing of its capital projects' implementation. The impacts of the COVID-19 pandemic on MTA's financial condition have been, and continue to be severe and may deteriorate further. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in Part 1 of the **ADS**, including the supplements thereto.

Ridership. The level of fare revenues depends to a large extent on MTA's ability to maintain and/or increase ridership levels on the Transit, Commuter and MTA Bus Systems. Those ridership levels are affected by safety and the quality and efficiency of systems operations, as well as by financial and economic conditions in the New York metropolitan area, and the severe impact of the COVID-19 pandemic, as noted above.

Fare Policy. MTA determines the rate or rates of fares charged to users of the Commuter System and MTA Bus System, and MTA New York City Transit and MaBSTOA, together with MTA, do the same for the Transit System. After adopting operating expense budgets and assessing the availability of governmental subsidies, each makes a determination of fares necessary to operate on a self-sustaining cash basis in compliance with State law and covenants in the Transportation Resolution. Considering the impact of increased fares on riders and on the regional economy, MTA may attempt to reduce costs or obtain additional revenues from other sources, mainly governmental sources, before increasing fares. As a result, even though MTA does not generally need other governmental approvals before setting fares, the amount and timing of fare increases may be affected by the federal, State and local government financial conditions, as well as by budgetary and legislative processes.

MTA's obligation to obtain approval of fare increases on the New Haven line from CDOT can also affect the amount and timing of fare increases.

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the Summary of the Adopted Budget 2021 and Forecast 2022 and the forecasts in the February Financial Plan 2021-2024 prepared in connection with 2022, 2023 and 2024) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the Adopted Budget 2021 and the February Financial Plan 2021-2024, the budgets of the Related Entities reflect substantial projected deficits through 2024. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

MTA Liquidity Resources. As of June 23, 2021, MTA had liquidity resources in the approximate amount of \$4.586 billion, consisting of a current running cash balance of \$553 million, internal available flexible funds totaling \$1.125 billion, PMT working capital BANs, plus interest, totaling \$2.904 billion, and applicable undrawn commercial bank lines of credit totaling approximately \$3.7 million (while total commercial bank lines of credit are \$1.2 billion, \$1.196 billion has been drawn and spent, and MTA terminated the \$950 million syndicated term facility on May 21, 2021). MTA expects to transfer \$500 million from the PMT working capital BANs to the running cash balance on June 24, 2021. *These funds provide a temporary funding "bridge" to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs. The foregoing liquidity resources do not include federal emergency funding from either the Coronavirus Response and Relief Supplemental Appropriations Act or the American Rescue Plan Act of 2021, none of which has yet been received by MTA.*

Financial Plans. The February Financial Plan 2021-2024, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the February Financial Plan 2021-2024, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Transformation Plan. The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization, reducing fixed costs and providing safe and reliable service. To that end, MTA procured the services of a management consulting firm that provided a report to MTA (the MTA Transformation Plan). The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting. The MTA Transformation Plan is central to MTA's efforts to efficiently meet the needs of its customers in a cost efficient manner without reducing service. To that end, MTA is delivering these benefits mainly by leveraging in-house competencies, reinforced by selected external hires where strictly necessary, and aggressively benchmarking performance relative to other agencies undertaking similar public service functions. MTA is evaluating and holding accountable all of its functions and agencies to rigorous value for money performance criteria. The MTA Transformation Plan and initial anticipated fiscal impacts of the report's recommendations are included in the February Financial Plan 2021-2024. Transformation leadership, reporting to the MTA Board, expects to continue providing updates, refining the Financial Plan 2021-2024 over the course of the 2021 fiscal year.

In light of the COVID-19 pandemic and the fiscal crisis it created, the MTA Transportation Plan will proceed on a different timeline than originally anticipated. The focus of the MTA Transformation Plan remains directed at (i) employee and customer health and safety, (ii) operational excellence despite the organizational and operational constraints imposed by the pandemic, and (iii) addressing immediate and longer term financial challenges through the end of 2024.

MTA Bridges and Tunnels Operating Surplus. The amount of MTA Bridges and Tunnels operating surplus to be used for the Transit and Commuter Systems is affected by a number of factors, including traffic volume, the timing and amount of toll increases, the operating and capital costs of MTA Bridges and Tunnels Facilities, and the amount of debt service payable from its operating revenues, including debt service on obligations issued for the benefit of MTA's affiliates and subsidiaries and for MTA Bridges and Tunnels' own capital needs, including its bridges and tunnels and the CBD Tolling Program as well as by the COVID-19 pandemic.

Government Assistance. The level and timing of government assistance to MTA may be affected by several different factors, such as:

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.
- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the State and the State of Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.
- The State released its Fiscal Year 2022 Executive Budget Financial Plan (the State Fiscal Year 2022 Executive Financial Plan) on January 19, 2021, in connection with the State Fiscal Year 2021-2022 Executive Budget. While the State, in its Fiscal Year 2022 Executive Financial Plan, continues to caution that the wide-ranging economic, health and social disruptions caused by the COVID-19 pandemic are having an adverse impact on the State's finances as well as aid directed to State authorities and localities, including MTA and the City, the update to its Mid-Year Financial Plan reflects improvement due to stronger than expected tax receipts through December 2020 and for the first weeks of 2021. As part of a plan to address the financial impacts of the COVID-19 pandemic, the Mid-Year State Fiscal Year 2021 Financial Plan included \$8.2 billion in recurring reductions in Aid-to-Locality disbursements. To reach this target by the end of its fiscal year, consistent with the Mid-Year Plan assumption, the State had commenced withholding 20 percent of most local aid payments. Due to the improved tax receipts, additional availability of COVID-19 pandemic relief resources and a temporarily higher federal matching rate for Medicaid, the State now expects to reduce most Aid-to-Locality disbursements by a total of 5 percent from the 2020-2021 State Enacted Budget estimates, rather than the 20 percent anticipated in the Mid-Year Update. The State plans to reconcile payments and withholdings to date, and to pay balances to the localities by the end of the final quarter of State Fiscal Year 2021. MTA received \$3.008 billion in Aid-to-Locality disbursements during the State's 2021 fiscal year, which fiscal year ended on March 31, 2021.

For further information related to the impact of the COVID-19 pandemic on government assistance and relating to the revenues and operations of MTA and its Related Entities, see "BUSINESS – UPDATE

REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES” in Part 1 of the ADS.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this remarketing circular. Such information is on file with the MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of Transportation Revenue Bonds and Notes wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of Transportation Revenue Bonds or Notes. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Remarketed Bonds, are MTA’s special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

- The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section “SOURCES OF PAYMENT,” which are, together with certain other revenues, referred to as “pledged revenues.”
- Holders of Transportation Revenue Bonds are to be paid after the payment of debt service on revenue anticipation notes and prior to the payment, from pledged revenues, of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus. However, MTA’s ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.
- Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit.
- MTA has no taxing power.

Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA. See “INTRODUCTION – Where to Find Information.”

Revenue Anticipation Notes Authorized by the Resolution

MTA and MTA New York City Transit have in the past and may, from time to time, in the future issue revenue anticipation notes (RANs) for their working capital needs and the needs of their respective affiliates and subsidiaries occasioned by delays in the receipt of subsidies or other irregularities in the timing of receipt of revenues. See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Pledged Transportation Revenues Gross Lien.” RANs issued under the Transportation Resolution are secured by a lien on Operating Subsidies (as defined in the Transportation Resolution) prior to the lien in favor of the owners of Transportation Revenue Bonds. Owners of the Transportation Revenue Bonds retain a first lien on the other Pledged Revenues, including fares. The maturity on such RANs may not exceed 18 months. While such notes can be rolled, the final maturity of the notes cannot exceed five years from the date of their original issuance.

MTA currently has two taxable revolving commercial line of credit agreements that would permit the issuance of up to \$1.2 billion of revenue anticipation notes, with \$1.196 billion drawn and outstanding as of June 23, 2021. Both agreements expire on August 24, 2022. Such agreements have been filed with EMMA, along with periodic notices regarding amounts drawn thereunder.

Operating Subsidies include general operating subsidies from the State and local governments under the State's Section 18-b program; special tax-supported operating subsidies (the MTTF revenues and MMTOA taxes) after the payment of debt service and certain other obligations relating to MTA's Dedicated Tax Fund senior and subordinated bonds; PMT Revenues after the payment of debt service and certain other obligations relating to senior and subordinated bonds issued under the MTA PMT Resolution and the TBTA PMT Bond Resolution; MTA Bridges and Tunnels operating surplus; Commuter System station maintenance payments; certain mortgage recording and real property transfer taxes with respect to certain real property located within the City referred to as the "urban taxes"; and Congestion Zone Surcharges and Rapid Transit Lane Fines deposited into the General Transportation Account. See "*Expectations with Respect to Future Borrowings*" above.

Pledge Effected by the Resolution

The Transportation Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Transportation Revenue Bonds and Parity Debt, in accordance with their terms and the provisions of the Transportation Resolution the following, referred to as the "Trust Estate":

- all pledged revenues as described above;
- the net proceeds of certain agreements pledged by MTA to the payment of transit and commuter capital projects;
- the proceeds from the sale of Transportation Revenue Bonds, until those proceeds are paid out for an authorized purpose;
- all funds, accounts and subaccounts established by the Transportation Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt); and
- the Amended and Restated Interagency Agreement dated as of April 1, 2006, among MTA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA New York City Transit, MaBSTOA and MTA Bus.

The Trustee may directly enforce an undertaking to operate the Transit System, the Commuter System or the MTA Bus System to ensure compliance with the Transportation Resolution.

Under the Transportation Resolution, the operators of the Transit, Commuter and MTA Bus Systems are obligated to transfer to the Trustee for deposit into the Revenue Fund virtually all pledged revenues as soon as practicable following receipt or, with respect to revenues in the form of cash and coin, immediately after being counted and verified. The pledge of money located in the State of Connecticut may not be effective until that money is deposited under the Transportation Resolution.

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee),
- Debt Service Fund (held by the Trustee), and
- Proceeds Fund (held by MTA).

Subject to the payment from the operating subsidies of debt service on RANs, the Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

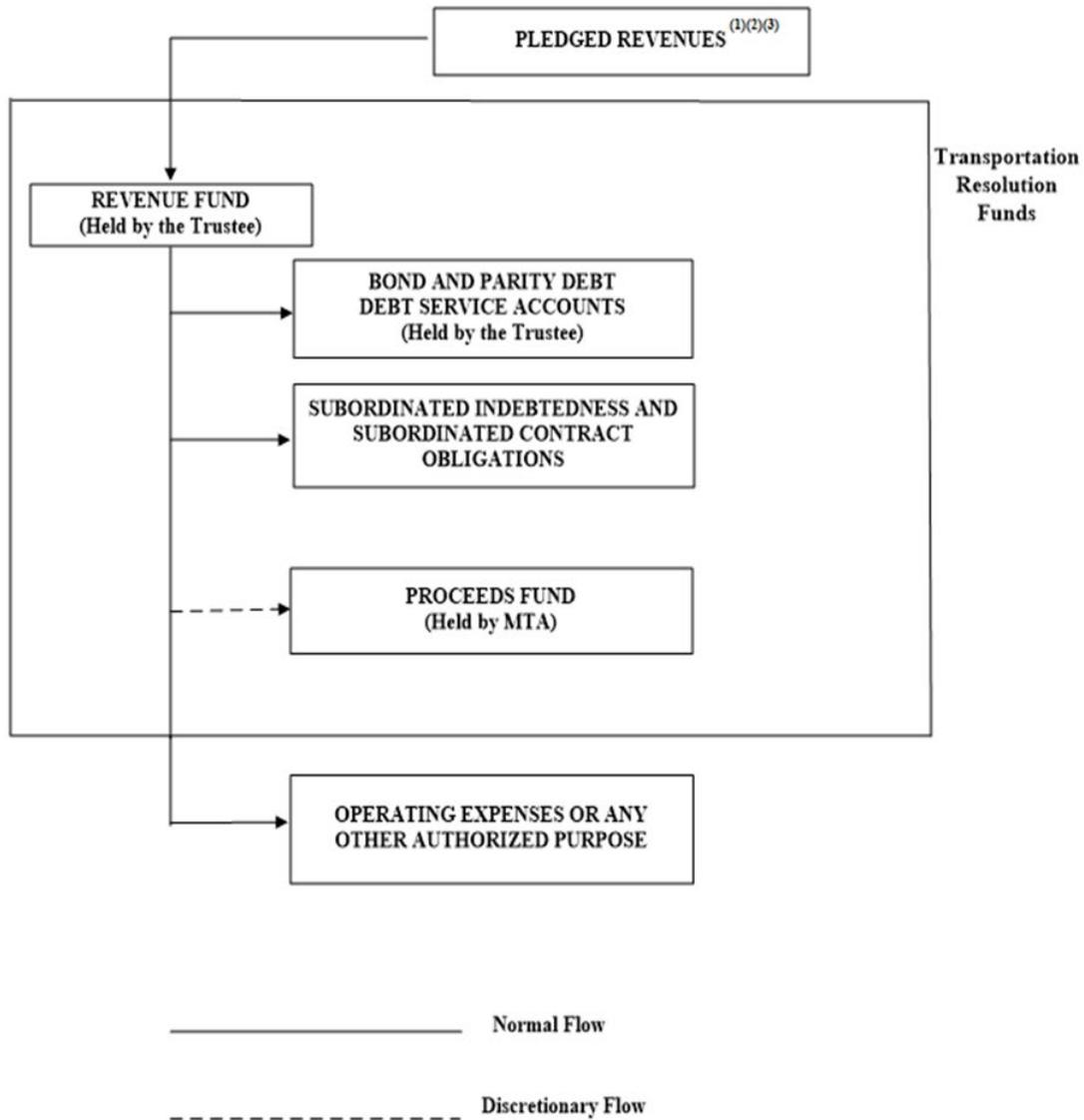
- to the debt service accounts, the net amount, if any, required to make the amount in the debt service accounts equal to the accrued debt service for Transportation Revenue Bonds and Parity Debt to the last day of the current calendar month;
- to pay, or accrue to pay, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation;
- to MTA for deposit in the Proceeds Fund, as directed by one of MTA's authorized officers, to fund Capital Costs of the Transit, Commuter and MTA Bus Systems; and
- to accounts held by MTA or any of the Related Transportation Entities for payment of operating expenses or any other authorized purpose.

All amounts paid out by MTA or the Trustee either for an authorized purpose (excluding transfers to any other pledged fund or account) or under the last bullet point above are free and clear of the lien and pledge created by the Transportation Resolution.

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The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



⁽¹⁾ Includes "Operating Subsidies" pledged to the payment of RANs prior to the payment of principal and interest on Transportation Revenue Bonds.

⁽²⁾ MTA has issued the MLF BAN under the MTA PMT Bond Resolution, the Series 2021A TBTA PMT Bonds under the TBTA PMT Bond Resolution and expects that it may continue to issue additional obligations secured by the PMT (but not the PMT Revenue Offset) and the Aid Trust Account Monies. See "Description of Pledged Revenues – *Additional Taxes and Fees - Expectations with Respect to Future Bonding*".

⁽³⁾ MTA is authorized to issue deficit bonds payable from numerous sources, including PMT Revenues and Aid Trust Account Monies.

Covenants

Rate Covenants. MTA must fix the transit and commuter fares and other charges and fees to be sufficient, together with other money legally available or expected to be available, including from government subsidies:

- to pay the debt service on all the Transportation Revenue Bonds;
- to pay any Parity Debt;
- to pay any Subordinated Indebtedness and amounts due on any Subordinated Contract Obligations; and
- to pay, when due, all operating and maintenance expenses and other obligations of its transit and commuter affiliates and subsidiaries.

See “SOURCES OF PAYMENT – Factors Affecting Revenues” above.

Operating and Maintenance Covenants.

- MTA, MaBSTOA, MTA New York City Transit, MTA Metro-North Railroad, MTA Long Island Rail Road and MTA Bus are required at all times to operate, or cause to be operated, the systems properly and in a sound and economical manner and maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept in good repair, working order and condition.
- Nothing in the Transportation Resolution prevents MTA from ceasing to operate or maintain, or from leasing or disposing of, all or any portion of the systems if, in MTA’s judgment it is advisable to do so, but only if the operation is not essential to the maintenance and continued operation of the rest of the systems and this arrangement does not materially interfere with MTA’s ability to comply with MTA’s rate covenants.

Additional Bonds. The Transportation Resolution permits MTA to issue additional Transportation Revenue Bonds and to issue or enter into Parity Debt, from time to time, to pay or provide for the payment of qualifying costs, without meeting any specific debt-service-coverage level, as long as MTA certifies to meeting the rate covenant described above for the year in which the additional debt is being issued. Under the Transportation Resolution, MTA may only issue additional Transportation Revenue Bonds if those bonds are issued to fund projects pursuant to an approved MTA Capital Program, if an approved capital program is then required.

There is no covenant with Owners limiting the aggregate principal amount of revenue anticipation notes or additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current State law that covers the Transportation Revenue Bonds and certain other securities. See Part 3 of the **ADS** under the caption “GENERAL – Financing of Capital Projects and Statutory Ceiling” for a description of the current statutory cap.

Refunding Bonds. MTA may issue Transportation Revenue Bonds to refund all or any portion of outstanding Transportation Revenue Bonds or Parity Debt. Transportation Revenue Bonds may also be issued to refund any pre-existing indebtedness of any Related Entity issued to fund transit and commuter projects. The MTA Board has adopted a refunding policy which must be complied with prior to the issuance of any refunding Bonds.

Non-Impairment. Under State law, the State has pledged to MTA that it will not limit or change MTA’s powers or rights in such a way that would impair the fulfillment of MTA’s promises to holders of the Transportation Revenue Bonds.

No Bankruptcy. State law specifically prohibits MTA, its Transit System affiliates, its Commuter System subsidiaries or MTA Bus from filing a bankruptcy petition under Chapter 9 of the U.S. Federal Bankruptcy Code. As long as any Transportation Revenue Bonds are outstanding, the State has covenanted not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the Transportation Resolution that, subject to certain exceptions, would be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Transportation Resolution with respect to Transportation Revenue Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA designated as constituting 'Parity Debt' in a certificate of an Authorized Officer delivered to the Trustee.

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PART III. OTHER INFORMATION ABOUT THE REMARKETED BONDS

Part III of this remarketing circular provides miscellaneous additional information relating to the Remarketed Bonds.

TAX MATTERS

General

On November 20, 2002, the date of original issuance of the Series 2002G Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-1**. On October 3, 2013, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** (the Subseries 2002G-1f Reissuance Opinion) related to the remarketing on that date of the Subseries 2002G-1f Bonds, which remarketing was deemed a reissuance for federal tax purposes. On November 2, 2005, the date of original issuance of the Series 2005D Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-3** (the Subseries 2005D-1 Approving Opinion). Each of the foregoing opinions speaks only as of its respective date and only as to the matters expressly stated and none of such opinions is being re-delivered or reissued.

The Subseries 2002G-1f Reissuance Opinion and the Subseries 2005D-1 Approving Opinion each concluded that, under then existing law, as of its respective date, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Subseries 2002G-1f Bonds and the Subseries 2005D-1 Bonds, respectively, was:

- excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, and
- not a preference item for a bondholder under the federal alternative minimum tax, although it is included in the adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.*

Each of the Subseries 2002G-1f Reissuance Opinion and the Subseries 2005D-1 Approving Opinion also concluded that, under then existing law, as of its respective date, interest on the Subseries 2002G-1f Bonds and the Subseries 2005D-1 Bonds, respectively, was exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

On the Mandatory Tender Date, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA for the remarketing of the Remarketed Bonds, will deliver opinions in the forms set forth hereto as **Attachment 3-4** and **Attachment 3-5** that the mandatory tender and remarketing of the respective subseries of Remarketed Bonds on such Mandatory Tender Date and the amendment of the terms and provisions of such subseries of Remarketed Bonds as described herein will not, in and of themselves, adversely affect the exclusion of interest on the respective subseries of Remarketed Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986.

The Remarketed Bonds

The Internal Revenue Code of 1986 imposes requirements on the Remarketed Bonds that MTA must continue to meet after the Remarketed Bonds were originally issued (or reissued for federal tax purposes). These requirements generally involve the way that Remarketed Bond proceeds must be invested and ultimately used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Remarketed Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

* The Tax Cuts and Jobs Act of 2017, Public Law No. 115-97, eliminated the alternative minimum tax in respect of corporations for taxable years commencing after December 31, 2017.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Remarketed Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Remarketed Bonds.

If an Owner is in any of these categories, it should consult its tax advisor.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. Although it is not possible to predict, as of the respective dates of delivery of such opinions, it is possible that something may have happened or may happen in the future that could change the tax treatment of the interest on the Remarketed Bonds or affect the market price of the Remarketed Bonds. See also “Miscellaneous” below under this heading.

Co-Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Remarketed Bonds or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Remarketed Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Remarketed Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner’s tax basis in that Remarketed Bond will be reduced. The Owner of a Remarketed Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Remarketed Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Remarketed Bond with bond premium, even though the Remarketed Bond is sold for an amount less than or equal to the Owner’s original cost. If an Owner owns any Remarketed Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Remarketed Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Remarketed Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Remarketed Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Remarketed Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Remarketed Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Remarketed Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an impact on the federal or state income tax treatment of holders of the Remarketed Bonds may occur. Prospective purchasers of the Remarketed Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Remarketed Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of the remarketing of the Remarketed Bonds may affect the tax status of interest on the Remarketed Bonds.

Prospective Owners should consult their own tax advisors regarding the foregoing matters.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Remarketed Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

- all public officers and bodies of the State and all municipalities and political subdivisions in the State,
- all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business,
- all administrators, guardians, executors, trustees and other fiduciaries, and
- all other persons whatsoever who are now or who may hereafter be authorized to invest in the obligations of the State.

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Remarketed Bonds.

LITIGATION

There is no pending litigation concerning the Remarketed Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to MTA, or its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Remarketed Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the **ADS** under the caption "LITIGATION," as that filing may be amended or supplemented to date.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Backstrom McCarley Berry & Co., LLC are MTA's Co-Financial Advisors for the Remarketed Bonds. The Co-Financial Advisors have provided MTA advice on the remarketing plan and reviewed the pricing of the Remarketed Bonds. The Co-Financial Advisors have not

independently verified the information contained in this remarketing circular and do not assume responsibility for the accuracy, completeness or fairness of such information.

REMARKETING

The Remarketed Bonds are being purchased and remarketed by the remarketing agents shown on the cover hereof (the Remarketing Agents), acting through Jefferies LLC, as Representative, at prices that are not in excess of the prices stated on the cover of this remarketing circular. The Remarketing Agents will be paid \$450,774.26 as compensation for services rendered in connection with the remarketing of the Remarketed Bonds.

In addition, certain of the Remarketing Agents have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Remarketing Agents) for the distribution of the Remarketed Bonds at the original issue prices. Such agreements generally provide that the relevant Remarketing Agent will share a portion of its compensation or selling concession with such broker-dealers.

The Remarketing Agents and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Remarketing Agents and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Remarketing Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Remarketing Agents and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Remarketed Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks, criteria methodology or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings Hearst Tower 300 W. 57th Street New York, New York 10019 (212) 908-0500	Kroll Bond Ratings Agency, Inc. 805 Third Avenue, 29th Floor New York, New York 10022 (212) 702-0707
Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA has furnished information to each rating agency rating the Remarketed Bonds, including information not included in this remarketing circular, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or

withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the Remarketed Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Remarketed Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Remarketed Bonds. On November 20, 2002, the date of original issuance of the Series 2002G Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the approving opinion set forth in **Attachment 3-1**. On October 3, 2013, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** related to the remarketing of the Subseries 2002G-1f Bonds, which remarketing was deemed a reissuance for federal tax purposes. On November 2, 2005, the date of original issuance of the Series 2005D Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the approving opinion set forth as **Attachment 3-3**. The foregoing opinions speak only as of their respective dates, only as to the matters expressly stated and none of the foregoing opinions is being re-delivered.

On the delivery date for the Remarketed Bonds, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA, will each deliver opinions substantially in the forms set forth as **Attachment 3-4** and **Attachment 3-5**.

The Remarketing Agents have appointed Cozen O'Connor as counsel to the Remarketing Agents in connection with the remarketing of the Remarketed Bonds, which firm will pass on certain legal matters.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, Special Disclosure Counsel to MTA.

Certain legal matters regarding MTA will be passed upon by its General Counsel.

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, MTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA's annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA has undertaken to file such information (the Annual Information) with EMMA.

MTA has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA is also obligated to deliver, in a timely manner not in excess of ten business days after the occurrence of each event, notices of the following events to EMMA:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Remarketed Bonds or other material events affecting the tax status of the Remarketed Bonds;
- modifications to the rights of security holders, if material;

- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the Remarketed Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation, or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA, any of which reflect financial difficulties.

MTA has not failed to comply, in any material respect, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

MTA is not responsible for any failure by EMMA or any nationally recognized municipal securities information repository to timely post disclosure submitted to it by MTA or any failure to associate such submitted disclosure to all related CUSIPs.

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FURTHER INFORMATION

MTA may place a copy of this remarketing circular on MTA's website at <https://new.mta.info/investors>. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA assumes no liability or responsibility for errors or omissions contained on any website. Further, MTA disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Deputy Chief, Financial Services

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ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Remarketed Bonds. The Remarketed Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Remarketed Bond will be issued for each maturity of the Remarketed Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Remarketed Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

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

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from

time to time. Beneficial Owners of Remarketed Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Remarketed Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Remarketed Bond documents. For example, Beneficial Owners of the Remarketed Bonds may wish to ascertain that the nominee holding the Remarketed Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Remarketed Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT MTA BELIEVES TO BE RELIABLE, BUT MTA TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Remarketing Agent in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Remarketed Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2021 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Remarketed Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2021, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

The required Annual Information shall consist of at least the following:

1. a description of the systems operated by the Related Transportation Entities and their operations,
2. a description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities,
3. operating data of the Related Transportation Entities, including data of the type included in the MTA Annual Disclosure Statement (the ADS) under the following captions:
 - a. "TRANSIT SYSTEM,"
 - b. "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership,"
 - c. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA New York City Transit and MaBSTOA,"
 - d. "COMMUTER SYSTEM,"
 - e. "RIDERSHIP AND FACILITIES USE – Commuter System Ridership,"
 - f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Commuter System,"
 - g. "MTA BUS COMPANY,"
 - h. "RIDERSHIP AND FACILITIES USE – MTA Bus Ridership," and

- i. “EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA Bus.”
4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in the **ADS** under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”
5. a presentation of the financial results of the Related Transportation Entities prepared in accordance with GAAP for the most recent year for which that information is then currently available (currently, MTA New York City Transit prepares consolidated financial statements and MTA prepares consolidated financial statements),
6. a presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from pledged revenues,
7. information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution,
8. financial information of the type included in this remarketing circular in **Table 2a** and **Table 2b** under the caption “SOURCES OF PAYMENT—Pledged Transportation Revenues” and included in the **ADS** under the caption “REVENUES OF THE RELATED ENTITIES,”
9. material litigation related to any of the foregoing, and
10. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Related Entities.

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific cross-reference to any other documents which have been filed with (a) EMMA or (b) the Securities and Exchange Commission (the SEC). Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to EMMA.

MTA will undertake, for the benefit of holders of the Remarketed Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this remarketing circular with respect to the Remarketed Bonds, and
2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of any of the Related Transportation Entities.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Remarketed Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Remarketed Bonds) may enforce, for the equal benefit and protection of all holders

similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Remarketed Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Remarketed Bonds at the time outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Remarketed Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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ATTACHMENT 3-1

**FORM OF OPINION DELIVERED ON NOVEMBER 20, 2002
BY HAWKINS DELAFIELD & WOOD
IN CONNECTION WITH THE ISSUANCE OF THE
SERIES 2002G BONDS**

**THE BELOW OPINION IS NOT BEING REISSUED
AND SPEAKS ONLY AS OF ITS DATE**

November 20, 2002

Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the "MTA") and other proofs submitted to us relative to the issuance of \$400,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Series 2002G (the "Series 2002G Bonds").

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2002G Bonds are issued under and pursuant to the Constitution and statutes of the State (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations," as supplemented by a resolution of said members adopted on March 26, 2002 (collectively, the "Resolution").

The Series 2002G Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

A portion of the proceeds of the Series 2002G Bonds is being used to refund certain outstanding bond anticipation notes (the "Refunded Notes") of the Triborough Bridge and Tunnel Authority (the "TBTA") that were issued pursuant to the 1980 Revenue Bond Resolution adopted by the TBTA on July 23, 1980, as supplemented and amended (collectively, the "TBTA Resolution"). A portion of the proceeds of the Series 2002G Bonds, together with any other amounts made available by the MTA (collectively, the "Defeasance Deposit") has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal of and interest due and to become due on said Refunded Notes (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under an escrow agreement, dated November 20, 2002 (the "Escrow Agreement"), by and among the TBTA, MTA and U.S. Bank Trust National Association, as escrow agent thereunder and as trustee under the TBTA Resolution (the "Prior Trustee"). The MTA has certified that it has reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Subseries 2002G Bonds in order that interest on the Series 2002G Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Arbitrage

and Use of Proceeds Certificate”), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2002G Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002G Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Series 2002G Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Series 2002G Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2002G Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Series 2002G Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2002G Bonds as executed and, in our opinion, the form of said Series 2002G Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. We express no opinion as to the effectiveness of the pledge of moneys located in the State of Connecticut until such moneys are deposited in the Revenue Fund.

3. The Series 2002G Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2002G Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2002G Bonds.

4. The Interagency Agreement has been duly and lawfully authorized, executed and delivered by MTA and the other parties thereto, is in full force and effect, is valid and binding upon MTA and other parties thereto, and is enforceable in accordance with its terms.

5. The Series 2002G Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and

all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2002G Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2002G Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

7. Under existing statutes, interest on the Series 2002G Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

8. The Escrow Agreement has been duly authorized, executed and delivered by the MTA and the TBTA and, assuming the due authorization, execution and delivery of the Escrow Agreement by the Prior Trustee, the Escrow Agreement is a valid and binding obligation of the MTA and the TBTA, enforceable in accordance with its terms. The Refunded Notes have been paid within the meaning and with the effect expressed in the TBTA Resolution, and the covenants, agreements and other obligations of the TBTA to the holders of the Refunded Notes have been discharged and satisfied.

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2002G Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2002G Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2002G Bonds.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or 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 future actions, 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 reason whatsoever.

Very truly yours,

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ATTACHMENT 3-2

**FORM OF OPINION DELIVERED ON OCTOBER 3, 2013
BY HAWKINS DELAFIELD & WOOD LLP
IN CONNECTION WITH THE REMARKETING OF THE
SUBSERIES 2002G-1f BONDS**

**THE BELOW OPINION IS NOT BEING REISSUED
AND SPEAKS ONLY AS OF ITS DATE**

October 3, 2013

Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017

Ladies and Gentlemen:

On November 20, 2002, in connection with the issuance by the Metropolitan Transportation Authority (“MTA”) of its \$194,100,000 aggregate principal amount of its Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1 (the “Original Subseries 2002G-1 Bonds”), Hawkins Delafield & Wood LLP delivered their opinion as bond counsel for MTA. On October 9, 2008, Nixon Peabody LLP delivered their opinion as bond counsel for MTA related to the remarketing of the Subseries 2002G-1 Bonds and termination of a bond insurance policy and substitution of the standby letter of credit relating to the Original Subseries 2002G-1 Bonds with an irrevocable direct-pay letter of credit issued by the Bank of Nova Scotia, acting through its New York Agency (the “Scotiabank Facility”)

The Original Subseries 2002G-1 Bonds were issued pursuant to the MTA Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the “Original General Resolution”), as amended and supplemented to the date of issuance thereof, including by a resolution adopted on March 26, 2002 (collectively with the Original General Resolution, the “Original Resolution”), along with a Certificate of Determination relating to the Original Subseries 2002G-1 Bonds, as amended October 9, 2008 (the “Original Certificate of Determination” and, collectively with the Original Resolution, the “Resolution”).

All capitalized terms used in this opinion shall have the respective meanings set forth in the Resolution unless otherwise defined herein.

On the date hereof, MTA intends to terminate the Scotiabank Facility and will (i) further amend the Original Certificate of Determination (the “Amended Certificate of Determination”), to provide for, among other things, the redesignation of the Subseries 2002G-1 Bonds in seven subseries consisting of Subseries 2002G-1a (Floating Rate Tender Notes) (the “Subseries G-1a Bonds”), Subseries 2002G-1b (Floating Rate Tender Notes) (the “Subseries G-1b Bonds”), Subseries 2002G-1c (Floating Rate Tender Notes) (the “Subseries G-1c Bonds”), Subseries 2002G-1d (Floating Rate Tender Notes) (the “Subseries G-1d Bonds”), Subseries 2002G-1f (Floating Rate Tender Notes) (the “Subseries G-1f Bonds”), Subseries 2002G-1g (Floating Rate Tender Notes) (the “Subseries G-1g Bonds”) and Subseries 2002G-1h (Floating Rate Tender Notes) (the “Subseries G-1h Bonds”); (ii) modify the terms and provisions of the Subseries G-1a Bonds, the Subseries G-1b Bonds, the Subseries G-1c Bonds, the Subseries G-1d Bonds, the Subseries G-1f Bonds, the Subseries G-1g Bonds and the Subseries G-1h Bonds relating to the Term Rate Mode; and (iii) convert the Subseries 2002G-1 Bonds from a Weekly Mode to a Term Mode (as further described in the Amended Certificate of Determination).

In order for MTA to effectuate the mode change and the other changes described above, MTA was required to provide to the Trustee a Mandatory Tender Notice pursuant to Section A-406 of Appendix A to the Original Certificate of Determination (the “Mandatory Tender Notice”). In accordance with such requirement, the Trustee disseminated the Mandatory Tender Notice to the owners of the Original Subseries 2002G-1 Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the mandatory tender and remarketing of the Subseries 2002G-1 Bonds; the termination of the Scotiabank Facility; the change in mode from the Weekly Mode to the Term Mode with interest at a floating rate based on 67% of USD-LIBOR BBA (one-month) and the amendment of the terms and provisions of the Subseries 2002G-1 Bonds to reflect the terms and provisions described herein, will result in a reissuance for tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Subseries 2002G-1 Bonds in order that interest on the Subseries 2002G-1 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Subseries 2002G-1 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Subseries 2002G-1 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Subseries 2002G-1 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Subseries 2002G-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Subseries 2002G-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in the following paragraphs, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Subseries 2002G-1 Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We are further of the opinion that, under existing statutes and court decisions and assuming continued compliance with certain tax covenants described herein, (i) interest on the Subseries 2002G-1 Bonds, as reissued, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Subseries 2002G-1 Bonds, as reissued, is not treated as a preference item in calculating the alternative minimum tax imposed on individual and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

In addition, we are of the opinion that interest on the Subseries 2002G-1 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in the preceding paragraphs, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Subseries 2002G-1 Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Subseries 2002G-1 Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2002G-1 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

ATTACHMENT 3-3

**FORM OF OPINION DELIVERED ON NOVEMBER 2, 2005
BY HAWKINS DELAFIELD & WOOD LLP
IN CONNECTION WITH THE ISSUANCE OF THE
SERIES 2005D BONDS**

**THE BELOW OPINION IS NOT BEING REISSUED
AND SPEAKS ONLY AS OF ITS DATE**

November 2, 2005

Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the "MTA") and other proofs submitted to us relative to the issuance of \$250,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Bonds, Series 2005D (Auction Rate Securities) (collectively, the "Series 2005D Bonds").

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2005D Bonds are issued under and pursuant to the Constitution and statutes of the State (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations", as supplemented by a resolution of said members adopted on July 29, 2004, as amended and restated in its entirety on January 27, 2005 (collectively, the "Resolution").

The Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2005D Bonds in order that interest on the Series 2005D Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Tax Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2005D Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2005D Bonds and the investment of certain funds. The Tax Certificate obligates the MTA to take certain actions necessary to cause interest on the Series 2005D Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Series 2005D Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2005D Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Tax Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Series 2005D Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Tax Certificate as to such tax matters.

We have also examined one of said Series 2005D Bonds as executed and, in our opinion, the form of said Series 2005D Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. We express no opinion as to the effectiveness of the pledge of moneys located in the State of Connecticut until such moneys are deposited in the Revenue Fund.

3. The Series 2005D Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2005D Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2005D Bonds.

4. The MTA, the holders of the Series 2005D Bonds, or the holders of any evidence of indebtedness of the MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iii) the taxes or moneys deposited therein.

5. The Series 2005D Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2005D Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2005D Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

7. Under existing statutes, interest on the Series 2005D Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2005D Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Bonds.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or 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 future actions, 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 reason whatsoever.

Very truly yours,

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ATTACHMENT 3-4

**FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP
AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED
ON THE DATE THE SUBSERIES 2002G-1f BONDS ARE REMARKETED**

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On November 20, 2002, Metropolitan Transportation Authority (“MTA”) issued its Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G (the “Subseries 2002G Bonds”) pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the “Original Resolution”), as amended and supplemented to the date of issuance thereof, including by a Multiple Restructuring Series Transportation Revenue Bond Supplemental Resolution adopted by the Board of MTA on March 26, 2002 (collectively with the Original Resolution, the “Transportation Resolution”), along with the Certificate of Determination relating to the Subseries 2002G Bonds, dated as of November 20, 2002, as subsequently amended and restated (the “Certificate of Determination” and, together with the Transportation Resolution, the “Resolution”). Subsequent to the initial issuance of the Subseries 2002G Bonds, MTA re-designated the Subseries 2002G Bonds as multiple subseries, including the Subseries 2002G-1f Bonds (the “Remarketed Bonds”). All capitalized terms used in this opinion have the respective meanings set forth in the Resolution unless otherwise defined herein.

On the date hereof, MTA intends to (i) effect the mandatory tender and remarketing of the Remarketed Bonds in a Term Rate Mode bearing interest at the Adjusted SOFR Rate (the “Remarketing”), and (ii) further amend and restate the Certificate of Determination, to provide for, among other things, the Remarketing. In order to effectuate the Remarketing, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Remarketed Bonds pursuant to the Certificate of Determination. In accordance with the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Remarketed Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the Remarketing is authorized under the Resolution, and all conditions to the Remarketing have been satisfied. Based on the foregoing, we are further of the opinion that the Remarketing and the amendment of the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein and in the remarketing circular for the Remarketed Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Remarketed Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Remarketed Bonds were applied in accordance with the Resolution and the applicable tax certificate of MTA delivered in connection with the issuance and reissuance of the Remarketed Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Remarketed Bonds, or to so comply, could adversely affect the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes. No opinion is expressed

herein as to whether interest on the Remarketed Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Remarketed Bonds. We are also expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Remarketed Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

ATTACHMENT 3-5

**FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP
AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED
ON THE DATE THE SUBSERIES 2005D-1 BONDS ARE REMARKETED**

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On November 2, 2005, Metropolitan Transportation Authority (“MTA”) issued its Transportation Revenue Variable Rate Bonds, Subseries 2005D-1 (the “Remarketed Bonds”) pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the “Original Resolution”), as amended and supplemented to the date of issuance thereof, including by a Multiple Series Transportation Revenue Bond Supplemental Resolution adopted by the Board of MTA on July 29, 2004, as amended and restated (collectively with the Original Resolution, the “Transportation Resolution”), along with the Certificate of Determination relating to the Series 2005D Bonds, dated as of November 2, 2005, as subsequently amended and restated (the “Certificate of Determination” and, together with the Transportation Resolution, the “Resolution”). All capitalized terms used in this opinion have the respective meanings set forth in the Resolution unless otherwise defined herein.

On the date hereof, MTA intends to (i) effect the mandatory tender and remarketing of the Remarketed Bonds in a Term Rate Mode bearing interest at the Adjusted SOFR Rate (the “Remarketing”), and (ii) further amend and restate the Certificate of Determination, to provide for, among other things, the Remarketing. In order to effectuate the Remarketing, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Remarketed Bonds pursuant to the Certificate of Determination. In accordance with the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Remarketed Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the Remarketing is authorized under the Resolution, and all conditions to the Remarketing have been satisfied. Based on the foregoing, we are further of the opinion that the Remarketing and the amendment of the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein and in the remarketing circular for the Remarketed Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Remarketed Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Remarketed Bonds were applied in accordance with the Resolution and the applicable tax certificate of MTA delivered in connection with the issuance and reissuance of the Remarketed Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Remarketed Bonds, or to so comply, could adversely affect the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Remarketed Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Remarketed Bonds. We are also expressing no opinion herein as to whether any

matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Remarketed Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,



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