



\$4,000,000,000
METROPOLITAN TRANSPORTATION AUTHORITY
Grant Anticipation Notes, Series 2021A
(Fully Appropriated COVID Operating Grants - Federally Taxable)

DATED: Date of Delivery

DUE: as shown on inside cover

The Metropolitan Transportation Authority's (MTA) Grant Anticipation Notes, Series 2021A (Fully Appropriated COVID Operating Grants – Federally Taxable) (the Series 2021A Notes) offered hereby are issued in accordance with the terms and provisions of the Trust Indenture, dated as of November 1, 2021, as supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2021, each between MTA and the Trustee (hereinafter defined) (collectively, the Indenture). The Series 2021A Notes are being issued to (i) reimburse MTA and its Related Entities (hereinafter defined) for certain operating expenses and lost revenues since January 20, 2020, due to the COVID-19 public health emergency, and (ii) pay certain financing, legal and miscellaneous expenses. See “APPLICATION OF PROCEEDS” herein.

The Series 2021A Notes are limited obligations of MTA and are payable solely from grants to be distributed to MTA by the Federal Transit Administration (FTA) fully appropriated and authorized to be paid directly to MTA by two federal laws enacted in response to the COVID-19 public health emergency, namely, the Coronavirus Response and Relief Supplemental Appropriations Act, signed into law on December 27, 2020 (CRRSAA), and the American Rescue Plan Act of 2021, signed into law on March 11, 2021 (ARP) (such funds referred to collectively as the Grant Receipts). The revenues, funds and assets of MTA (other than the Grant Receipts) are not pledged or required to be used for the payment of the Series 2021A Notes or the interest thereon. See “SOURCES OF PAYMENT AND SECURITY FOR THE NOTES” herein.

The Series 2021A Notes are not a debt of the State of New York (the State), The City of New York (the City) or any other local government unit, and the State, the City and other local government units are not liable thereon. MTA has no taxing power.

Interest on the Series 2021A Notes is not excluded from a noteholder's federal gross income under Section 103 of the Internal Revenue Code of 1986.

In Co-Bond Counsel's opinion, under existing law, interest on the Series 2021A Notes is exempt from personal income taxes imposed by the State or any political subdivisions of the State, including the City. See “TAX MATTERS” herein for a discussion of certain federal and State income tax matters.

The Series 2021A Notes will bear interest at the rate shown on the inside cover.

The Series 2021A Notes are subject to redemption prior to maturity as described herein.

The Series 2021A Notes are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company on or about December 9, 2021.

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 Series 2021A Notes. Investors are advised to read this entire offering memorandum, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

BofA Securities

Academy Securities, Inc.

Goldman Sachs & Co. LLC

J.P. Morgan

Jefferies

Ramirez & Co., Inc.

Siebert Williams Shank & Co., LLC

December 1, 2021

\$4,000,000,000
METROPOLITAN TRANSPORTATION AUTHORITY
Grant Anticipation Notes, Series 2021A
(Fully Appropriated COVID Operating Grants – Federally Taxable)

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number[†]</u>	<u>ISIN[†]</u>
November 15, 2022	\$4,000,000,000	0.777%	100%	59261A M79	US59261AM797

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP and ISIN data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP and ISIN numbers have been assigned by an independent company not affiliated with MTA and are included solely for the convenience of the registered owners of the Series 2021A Notes. Neither MTA nor the Underwriters are responsible for the selection or uses of these CUSIP and ISIN numbers, and no representation is made as to their correctness on the applicable Series 2021A Notes or as included herein. The CUSIP and/or ISIN number is subject to being changed after the issuance of the Series 2021A Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2021A Notes.

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

John N. Leiber Acting Chair and Chief Executive Officer
Andrew B. Albert Non-Voting Member
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
Kevin S. Law Member
Robert W. Linn Member
David S. Mack Member
Haeda B. Mihaltses Member
Robert F. Mujica, Jr. Member
Harold Porr, III Member
John Samuelsen Non-Voting Member
Lawrence S. Schwartz Member
Vincent Tessitore, Jr. Non-Voting Member
Neal Zuckerman Member

Robert E. Foran Chief Financial Officer
Paige Graves Acting General Counsel
Patrick J. McCoy Deputy Chief, Financial Services

NIXON PEABODY LLP
New York, New York

D. SEATON AND ASSOCIATES, P.A., P.C.
New York, New York

Co-Bond Counsel

PUBLIC RESOURCES ADVISORY GROUP, INC.
New York, New York

ROCKFLEET FINANCIAL SERVICES, INC.
New York, New York

Co-Financial Advisors

HAWKINS DELAFIELD & WOOD LLP
New York, New York
Special Disclosure Counsel

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2021A Notes. The information in this offering memorandum, including the materials filed with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board as described herein, provides a more detailed description of matters relating to MTA and to the Series 2021A Notes. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2021A Notes being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.								
Notes Being Issued.....	Grant Anticipation Notes, Series 2021A (Fully Appropriated COVID Operating Grants – Federally Taxable) (the Series 2021A Notes).								
Denominations	Denominations of \$5,000 or any integral multiple thereof. For information on minimum unit sales for purchases outside the United States, see “INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES” following this Summary of Terms.								
Interest Payment Date	Interest on the Series 2021A Notes shall be paid at maturity. See “DESCRIPTION OF SERIES 2021A NOTES – General – Interest Payments” in Part I .								
Redemption	The Series 2021A Notes are subject to redemption prior to maturity. See “DESCRIPTION OF SERIES 2021A NOTES – Redemption Prior to Maturity” in Part I .								
Sources of Payment and Security	The Series 2021A Notes are limited obligations of MTA and are payable solely from grants to be distributed to MTA by the Federal Transit Administration (FTA), fully appropriated and authorized to be paid directly to MTA by two federal laws enacted in response to the COVID-19 public health emergency, namely, the Coronavirus Response and Relief Supplemental Appropriations Act, signed into law on December 27, 2020 (CRRSAA), and the American Rescue Plan Act of 2021, signed into law on March 11, 2021 (ARP) (such funds referred to collectively as the Grant Receipts). The revenues, funds and assets of MTA (other than the Grant Receipts) are not pledged or required to be used for the payment of the Series 2021A Notes or the interest thereof. See “SOURCES OF PAYMENT AND SECURITY FOR THE NOTES” in Part II . See Attachment 4 – “FORM OF INDENTURE.”								
Impacts of the COVID-19 Pandemic.....	The impact of the coronavirus and COVID-19 pandemic on the revenues and operating expenses of MTA and its Related Entities during 2020 and 2021 has been, and continues to be, severe. The Grant Receipts from CRRSAA and ARP (the “Acts”) are intended to reimburse MTA and its Related Entities for certain operating expenses and lost revenues as permitted by the Acts. See “BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES” in Part I of the ADS .								
Registration of the Notes.....	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a note will be delivered, except to DTC.								
Trustee and Paying Agent	The Bank of New York Mellon, New York, New York.								
Co-Bond Counsel	Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York.								
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.								
Tax Status.....	See “TAX MATTERS” in Part III .								
Ratings	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Rating Agency</u></td> <td style="text-align: center;"><u>Rating</u></td> </tr> <tr> <td style="text-align: center;">Moody’s:</td> <td style="text-align: center;">MIG 1</td> </tr> <tr> <td style="text-align: center;">S&P:</td> <td style="text-align: center;">SP-1+</td> </tr> <tr> <td colspan="2" style="text-align: center;">See “RATINGS” in Part III.</td> </tr> </table>	<u>Rating Agency</u>	<u>Rating</u>	Moody’s:	MIG 1	S&P:	SP-1+	See “RATINGS” in Part III .	
<u>Rating Agency</u>	<u>Rating</u>								
Moody’s:	MIG 1								
S&P:	SP-1+								
See “RATINGS” in Part III .									
Co-Financial Advisors.....	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.								
Underwriters.....	See cover page.								
Underwriter’s Counsel	Cozen O’Connor, New York, New York.								

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE “ISSUER” MEAN THE MTA AND REFERENCES TO “SERIES 2021A NOTES” OR “SECURITIES” MEAN THE MTA GRANT ANTICIPATION NOTES, SERIES 2021A (FULLY APPROPRIATED COVID OPERATING GRANTS – FEDERALLY TAXABLE).

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE ISSUER MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE SERIES 2021A NOTES IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE ISSUER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT THE OFFERING OR SALE OF THE SERIES 2021A NOTES, OR POSSESSION OR DISTRIBUTION OF THIS OFFERING MEMORANDUM OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE SERIES 2021A NOTES, OR ANY INFORMATION RELATING TO THE PRICING OF THE SERIES 2021A NOTES, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE SERIES 2021A NOTES WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE SERIES 2021A NOTE OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 SERIES 2021A NOTES IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE SERIES 2021A NOTES MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* OR SUBSECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*. ANY RESALE OF THE SERIES 2021A NOTES MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFERING MEMORANDUM (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 *UNDERWRITING CONFLICTS* (“NI 33-105”), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

THIS OFFERING MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (“EEA”) OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION

UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE ISSUER NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFERING MEMORANDUM.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFERING MEMORANDUM IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A “QUALIFIED INVESTOR” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN “QUALIFIED INVESTORS” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE ISSUER OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE SERIES 2021A NOTES IN THE OFFERING LOCATED WITHIN A MEMBER STATE OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

PROHIBITION OF SALES TO EEA OR THE UNITED KINGDOM RETAIL INVESTORS – THE SERIES 2021A NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2021A NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2021A NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFERING MEMORANDUM IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE

PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SERIES 2021A NOTES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFERING MEMORANDUM IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFERING MEMORANDUM OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE SERIES 2021A NOTES MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE “FINSA”), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE SERIES 2021A NOTES TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2021A NOTES (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2021A NOTES MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFERING MEMORANDUM HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE SERIES 2021A NOTES. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (“SFO”). THE SERIES 2021A NOTES MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2021A NOTES, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SERIES 2021A NOTES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE SERIES 2021A NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE “FIEA”). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN “I” OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE SERIES 2021A NOTES SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTOR AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO.14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE SERIES 2021A NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE “FSCMA”). THE SERIES 2021A NOTES MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE “FETL”)) WITHIN ONE YEAR OF THE ISSUANCE OF THE SERIES 2021A NOTES, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE SERIES 2021A NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA (“TAIWAN”) AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE SERIES 2021A NOTES MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

-
- ***No Unauthorized Offer.*** This offering memorandum is not an offer to sell, or the solicitation of an offer to buy, the Series 2021A Notes 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 offering of the Series 2021A Notes, except as set forth in this offering memorandum. No other information or representations should be relied upon.
 - ***No Contract or Investment Advice.*** This offering memorandum is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this offering memorandum, the Series 2021A Notes being offered, and anything else related to this note issue.
 - ***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 offering memorandum 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 offering memorandum.
 - ***Forward-Looking Statements.*** Many statements contained in this offering memorandum, 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 offering memorandum. 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 offering memorandum. 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 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 offering memorandum, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this offering memorandum, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this offering memorandum.
 - ***Projections.*** The projections set forth in this offering memorandum 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 offering memorandum 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 offering memorandum, which is solely the product of MTA and its other affiliates and subsidiaries as of the date of this offering memorandum, and the independent auditors assume no responsibility for its content.
 - ***No Guarantee of Information by Underwriters.*** The Underwriters have provided the following sentences for inclusion in this offering memorandum: The Underwriters have reviewed the information in this offering memorandum 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 Underwriters do not guarantee the accuracy or completeness of such information. The Underwriters do not make any representation or warranty, express or implied, as to:
 - the accuracy or completeness of information they have neither supplied nor verified, or

- the validity of the Series 2021A Notes.
 - ***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 offering memorandum for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.
-

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF TERMS	iii
INTRODUCTION	1
MTA, MTA Bridges and Tunnels and Other Related Entities.....	1
MTA Liquidity Resources	2
Information Provided in the MTA Annual Disclosure Statement.....	2
Where to Find Information	2
PART I. SERIES 2021A NOTES.....	4
APPLICATION OF PROCEEDS.....	4
DESCRIPTION OF SERIES 2021A NOTES	4
General.....	4
Redemption Prior to Maturity.....	5
PART II. SOURCES OF PAYMENT AND SECURITY FOR THE NOTES.....	7
Federal Funding Assistance for Transportation Systems Impacted by COVID-19	7
Section 5307 Program.....	7
Material Differences Between Section 5307 Program for Capital Projects Funding and for COVID-19 Operating Funding Under CRRSAA and ARP	8
Projected Schedule of Grant Receipts.....	8
SOURCES OF PAYMENT	9
General.....	9
Federal Funding Under CRRSAA and ARP Fully Appropriated	9
CRRSAA Funding	9
ARP Funding	10
Eligible Grant Purposes	10
Conditions to Receipt of CRRSAA and ARP Grants	10
Section 5307 Program – General	11
Section 5307 Program Administration.....	12
Timing of Receipt of Federal Transit Program Funding Apportionment	13
SECURITY	13
General.....	13
Grant Receipts	14
Certain Covenants Relating to Grant Receipts	14
Pledge of Security.....	15
Funds and Accounts.....	15
Additional Notes and Refunding Notes	16
Other Indebtedness	16
Events of Default and Certain Remedies of Noteholders	16
Limitation of Remedies	17
Non-Impairment and No Bankruptcy	17
PART III. OTHER INFORMATION ABOUT THE SERIES 2021A NOTES.....	18
TAX MATTERS.....	18
CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS	23
LEGALITY FOR INVESTMENT	24
LITIGATION	25
CO-FINANCIAL ADVISORS	25
UNDERWRITING	25
RATINGS	26
LEGAL MATTERS.....	26
CONTINUING DISCLOSURE.....	26
FURTHER INFORMATION	28
Attachment 1 – Book-Entry-Only System and Global Clearance Procedures	
Attachment 2 – Continuing Disclosure Under SEC Rule 15c2-12	
Attachment 3 – Form of Approving Opinions of Co-Bond Counsel	
Attachment 4 – Form of Indenture	

Information Filed with EMMA. A form of the Indenture has been filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB). See also **Attachment 4** – “FORM OF INDENTURE”.

Annual Disclosure Statement and Financial Statements Not Included by Specific Cross-reference. MTA’s 2021 Combined Continuing Disclosure Filings, dated April 30, 2021, as supplemented on June 3, 2021, and as updated by a First Quarterly Update, dated August 3, 2021, and a Second Quarterly Update, dated November 24, 2021, the 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), and MTA’s Unaudited Consolidated Interim Financial Statements as of and for the six-month period ended June 30, 2021 (excluding the auditor’s review report accompanying the interim financial information), each filed with EMMA, are not included by specific cross-reference in this offering memorandum. Though not incorporated by specific cross- reference, for convenience, copies of most of these documents can be found on EMMA and on the MTA website (www.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.

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 secured by bridge and tunnel tolls to finance the capital costs of its facilities and is empowered to issue debt obligations secured by bridge and tunnel tolls or certain other revenues transferred by the MTA to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of 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 transit and commuter operations and finance capital projects.

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**). Reference is made to such ADS, which is not included by specific cross-reference in this offering memorandum.

The following table sets forth the legal and popular names of the Related Entities. Throughout this offering memorandum, 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	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	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 Trust Indenture, dated as of November 1, 2021, as supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2021 (collectively, the Indenture), each between MTA and The Bank of New York Mellon, as Trustee thereunder (the Trustee).

MTA Liquidity Resources

As of December 1, 2021, MTA had liquidity resources in the approximate amount of \$3.957 billion, consisting of a current running cash balance of \$926 million, internal available flexible funds totaling \$1.123 billion, PMT BANs for working capital, plus interest, totaling \$1.904 billion, and applicable undrawn commercial bank lines of credit totaling approximately \$3.7 million. The current operating cash balance of \$926 million includes the use of various sources of liquidity including \$1.196 billion of commercial bank lines of credit, \$1 billion of PMT BAN MLF proceeds and other internal loans of \$1 billion. Use of these short-term liquidity resources are temporary and MTA plans to replace such funds with proceeds of the CRRSAA and ARP grants in 2022. *All liquidity resources provide a temporary “bridge” to a permanent solution to lost revenues and higher expenses. Liquidity resources from borrowing, such as the commercial bank lines of credit, the MLF issuance, and internal loans must be repaid. Permanent use of these monies would result in significant long-term deficit borrowing and a long-term debt service obligation that would constrain MTA’s ability to provide service in the future.*

The revenues, funds and assets of MTA (other than the Grant Receipts until each Principal and Interest Account is Fully Funded) are not pledged or required to be used for the payment of the Series 2021A Notes or the interest thereon.

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 MTA and the other 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 MTA and the other Related Entities and their financial condition.

Where to Find Information

Information in this Offering Memorandum. This offering memorandum 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 Series 2021A Notes.
- ***Part II*** describes the sources of payment and security for the Notes, including the Series 2021A Notes.
- ***Part III*** provides miscellaneous information relating to the Series 2021A Notes.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration and global clearance procedures to be used for the Series 2021A Notes.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2021A Notes.
- ***Attachment 3*** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Series 2021A Notes.
- ***Attachment 4*** is the form of Trust Indenture, dated as of November 1, 2021, between MTA and the Trustee.

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 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**.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

PART I. SERIES 2021A NOTES

Part I of this offering memorandum, together with the Summary of Terms, provides specific information about the Series 2021A Notes.

APPLICATION OF PROCEEDS

MTA anticipates that the proceeds of the Series 2021A Notes (the principal amount thereof), in the total amount of \$4,000,000,000.00, will be used as follows: (i) \$3,995,896,964.37 to reimburse MTA and its Related Entities for Eligible Grant Purposes (as hereinafter defined) as permitted by the Acts (as hereinafter defined), and (ii) \$4,103,035.63 to pay certain financing, legal and miscellaneous expenses.

DESCRIPTION OF SERIES 2021A NOTES

General

Book-Entry-Only System. The Depository Trust Company ("DTC") will act as securities depository for the Series 2021A Notes. The Series 2021A Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof. One fully-registered certificate will be issued for the Series 2021A Notes, in the aggregate principal amount of the Series 2021A Notes (provided that if the aggregate principal amount of the Series 2021A Notes exceeds \$500,000,000, separate certificates shall be issued for each \$500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a certificate), and will be deposited with DTC. Beneficial interests in the Series 2021A Notes may be held through DTC, Clearstream Banking, S.A. or Euroclear Bank SA/NV as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system. See **Attachment 1** – "Book-Entry-Only System and Global Clearance Procedures" for a description of DTC, Clearstream Banking, S.A., Euroclear Bank SA/NV as operator of the Euroclear System, and certain of their responsibilities, and the provisions for registration and registration of transfer of the Series 2021A Notes if the book-entry-only system of registration is discontinued.

Maturity. The Series 2021A Notes shall mature and be payable as to principal as set forth on the inside cover page of this offering memorandum.

Interest Payments. The Series 2021A Notes will bear interest accruing from the Dated Date at the per annum rate shown on the inside cover page of this offering memorandum. Interest on the Series 2021A Notes shall be paid at maturity. Interest payable on the Series 2021A Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Payment to DTC. So long as DTC is the sole registered owner of all of the Series 2021A Notes, all principal and interest payments will be paid to DTC by wire transfer of immediately available funds, and payment of principal and interest to beneficial owners will occur through the DTC Book-Entry-Only System.

Record Date. The Record Date for the payment of principal of, and interest with respect to, the Series 2021A Notes shall be fifteen days prior to the maturity date of the Series 2021A Notes.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2021A Notes, it will be the sole registered owner of the Series 2021A Notes, and transfers of ownership interests in the Series 2021A Notes will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York, is Trustee and Paying Agent with respect to the Series 2021A Notes.

Redemption Prior to Maturity

Optional Redemption. The Series 2021A Notes are subject to redemption prior to maturity on any date on or after April 15, 2022, at the option of MTA, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

Make-Whole Optional Redemption. The Series 2021A Notes are subject to redemption at the option of MTA, in whole or in part, on any Business Day, at a redemption price equal to the greater of:

(i) 100% of the issue price set forth on the inside cover page hereof (but not less than 100% of the principal amount) of such Series 2021A Notes to be redeemed; and

(ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2021A Notes to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2021A Notes are to be redeemed, discounted to the date on which such Series 2021A Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the “Treasury Rate” (as defined herein) plus five (5) basis points;

plus, in each case, accrued and unpaid interest on such Series 2021A Notes to be redeemed on the redemption date.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity of two years (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least one Business Day prior to the date on which notice of redemption is given, as provided below under – **Redemption Notices** (but no more than 45 calendar days prior to the redemption date) (excluding inflation indexed securities) (or, if such Federal Reserve Statistical Release is no longer published, any publicly available source of similar market data)).

City Redemption. The MTA Act provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2021A Notes, as a whole, but only in accordance with the terms upon which the Series 2021A Notes are otherwise redeemable.

Selection for Redemption. For so long as the Series 2021A Notes are registered in book entry form and DTC or a successor securities depository is the sole registered owner of such Series 2021A Notes, if fewer than all of such Series 2021A Notes are to be redeemed, the particular Series 2021A Notes to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with the operational arrangements of DTC then in effect. It is MTA’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between MTA and the beneficial owners be made on a pro rata pass-through distribution of principal basis. However, MTA can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, all Series 2021A Notes to be so redeemed will be selected for redemption in accordance with DTC procedures by lot; provided further that any such redemption must be performed such that all Series 2021A Notes remaining outstanding will be in authorized denominations.

If the Series 2021A Notes are not registered in book-entry-only form, any redemption of less than all of the Series 2021A Notes will be allocated among the registered owners of such Series 2021A Notes as nearly as practicable in proportion to the principal amounts of the Series 2021A Notes owned by each registered owner, subject to the authorized denominations applicable to the Series 2021A Notes. This will be calculated based on the formula: (principal amount to be redeemed) x (principal amount owned by owner) / (principal amount outstanding). The particular Series 2021A Notes to be redeemed will be determined by MTA, using such method as it deems fair and appropriate.

Redemption Notices. So long as DTC is the securities depository for the Series 2021A Notes, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Series 2021A Notes are not held in book-entry-only form, then the Trustee must mail redemption notices directly to Owners within the same time frame. A redemption of the Series 2021A Notes 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.

On or prior to the delivery to the Trustee of a redemption notice, MTA shall deliver to the Trustee a certificate of an Authorized Officer to the effect that (a) the amounts to be transferred on or prior to the redemption date from the Principal and Interest Account relating to such Series of Notes being redeemed to the related Redemption Account, without investment or reinvestment thereof, are sufficient to provide for such Redemption Account to be Fully Funded, as defined herein, and (b) if the other Principal and Interest Accounts (or, if the redemption is for less than all of the Series of Notes, the same Principal and Interest Account as it pertains to the remaining Series of Notes not being refunded or refinanced) were Fully Funded, such other Principal and Interest Accounts remain Fully Funded.

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2021A Notes called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2021A Notes, and any other conditions included in such notice have been satisfied, then on the redemption date the Series 2021A Notes called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2021A Notes, and a noteholder's only right will be to receive payment of the redemption price upon surrender of those Series 2021A Notes.

Please note that all redemptions are final – even if beneficial owners did not receive their notice and even if that notice had a defect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE NOTES

Part II of this offering memorandum describes the sources of payment and security for the Notes, including the Series 2021A Notes. Notes referred to herein are any notes or any other evidences of indebtedness for borrowed money issued by MTA from time to time pursuant to the Indenture. Upon issuance, the Series 2021A Notes will be the only Notes outstanding under the Indenture.

Federal Funding Assistance for Transportation Systems Impacted by COVID-19

As more fully described below, three major pieces of federal legislation have been enacted since the Spring of 2020 to provide financial support to public transportation systems impacted by the COVID-19 public health emergency:

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law in April 2020, and provided \$25 billion for transit agencies, including \$22.7 billion under the Section 5307 Program (as hereinafter defined). MTA has received \$4 billion of reimbursements under the CARES Act. The assistance received by MTA under the CARES Act is not a source of payment for the Notes, including the Series 2021A Notes.
- The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020, and appropriated \$14 billion for transit grants to eligible recipients to prevent, prepare for, and respond to the coronavirus. Of such amount, approximately \$13.26 billion has been appropriated for grants to eligible recipients, including MTA, under the Section 5307 Program.
- The American Rescue Plan Act of 2021 (ARP) was signed into law on March 11, 2021, and appropriated approximately \$30.46 billion for transit grants to eligible recipients for the same purposes as CRRSAA. Of such amount, approximately \$26.09 billion has been appropriated for grants to eligible recipients, including MTA, under the Section 5307 Program.

CRRSAA and ARP are collectively referred to herein as the Acts and the Grant Receipts referred to herein consist of all amounts expected to be received by MTA under the Section 5307 Program appropriated by the Acts and allocated to MTA thereunder.

Section 5307 Program

Section 5307 of 49 United States Code establishes a program (the Section 5307 Program) for funding transportation projects in urbanized areas of the country, generally by formulas determined by, among other factors, population. The terms and conditions of participation in the Section 5307 Program as described herein are subject to change at the discretion of Congress, and there can be no assurance that the laws and regulations now governing the Section 5307 Program, as well as the specific CRRSAA and ARP authorizations, will not be changed in the future in a manner that may adversely affect the ability of MTA to receive adequate Grant Receipts to make debt service payments on the Notes, including the Series 2021A Notes. In addition, in the event that the federal government shuts down operations for any reason or is unable to incur debt, there may not be sufficient personnel to process and administer the Section 5307 Program or moneys available to honor payments under the Section 5307 Program, even though the moneys have been appropriated and apportioned therefor. Notwithstanding the foregoing, MTA expects that, due to the time frame within which it expects to receive sufficient Grant Receipts to provide for the payment in full of principal of and interest on the Series 2021A Notes and the maturity date of the Series 2021A Notes, temporary issues relating to federal operations or funding issues would not adversely impact timely payment of the Series 2021A Notes. See “SOURCES OF PAYMENT” below.

Material Differences Between Section 5307 Program for Capital Projects Funding and for COVID-19 Operating Funding Under CRRSAA and ARP

The Section 5307 Program has historically been used virtually exclusively to assist transportation providers with funding long-term capital programs, and not operating expenses or lost revenues. The Acts incorporate the administration and funding provisions of the Section 5307 Program, but largely eliminate or reduce some of the provisions of applying for and receiving funding. The following are some of the material differences between the existing standard requirements for capital projects funding and the requirements for financial assistance under the Acts for operating expenses and lost revenue:

- unlike capital projects financial assistance which depends upon (1) the reauthorization of the legal authority to provide the capital funding, (2) the annual appropriation process by Congress, and (3) sufficient moneys being generated by certain trust funds revenues, the Acts (1) provide authorization to seek reimbursement for operating expenses and lost revenue retroactive to January 20, 2020, (2) fully appropriate all amounts necessary to fund the entire program under the Acts, and (3) fund from sources available to the federal government, including from sources other than special trust funds – there is no reauthorization risk or appropriation risk;
- the Acts eliminate the requirement for a local share, meaning the federal government is paying for the entire cost of the programs; and
- the Acts eliminate the requirement to include the programs in state or regional long-range transportation or improvement plans or other state or regional approvals.

Projected Schedule of Grant Receipts

Since the moneys to fund the grants under the Acts have been fully appropriated, those amounts need to be apportioned among intended recipients. As more fully described herein under “SOURCES OF PAYMENT,” FTA apportioned amounts to the states and regions as required under the Acts; and on November 8, 2021, apportionments within the states of New York, New Jersey and Connecticut were agreed upon for Urbanized Area 1 (UZA 1). The designated recipients represented by the New York Metropolitan Transportation Council in New York’s UZA 1, representing one of three metropolitan planning organizations (MPOs) described below, have agreed on their respective allocations and MTA currently expects to be allocated approximately \$4.1 billion under CRRSAA and approximately \$6.2 billion under ARP.

MTA is represented on the following three MPOs: the New York Metropolitan Transportation Council (covering New York City, Long Island and the lower Hudson Valley), the Dutchess County Transportation Council and the Orange County Transportation Council. Each MPO represents a geographic region for those urbanized areas in the State in which MTA operates and MTA is a voting council member of all three MPOs. Pursuant to the Acts, all regional and subregional allocations must be completed before their associated Section 5307 grants are transmitted to FTA. MTA has been allocated approximately \$10.3 billion in CRRSAA and ARP funds from the New York State subregional allocation for UZA 1 to the New York Metropolitan Transportation Council. As of November 19, 2021, MTA has submitted a \$4.1 billion CRRSAA grant request to FTA and will work with FTA to obligate the full value of its CRRSAA and ARP allocations for Eligible Grant Purposes (as hereinafter defined). While the other MPOs have yet to formally agree upon their allocations of CRRSAA and ARP funds, MTA expects that it will occur soon.

Following apportionment, FTA is required to review each recipient’s status for eligibility under the Section 5307 Program and receive a certification from the U.S. Department of Labor as to compliance with the labor provisions of the Section 5307 Program. MTA is a beneficiary of Section 5307 Program capital funding and is eligible for the receipt of funding under the Section 5307 Program.

Once the FTA determines eligibility, FTA can “obligate” the Section 5307 funds by entering into one or more grant agreements with MTA. Once the grant agreements are entered into, which MTA expects will occur in the first half of 2022, MTA will submit its requests for the reimbursement of eligible operating

expenses and lost revenue. As more fully described herein under “SOURCES OF PAYMENT – Eligible Grant Purposes,” MTA believes that it has Eligible Grant Purposes eligible for the receipt of funding, in an amount more than sufficient to pay the principal of and interest on the Series 2021A Notes in full at maturity.

MTA has previous experience with the FTA relating to its grant submission and payment system. Based on its experience utilizing the same payment process under the CARES Act, MTA expects to receive all of the reimbursements needed to provide for the payment in full of the principal of and interest on the Series 2021A Notes during the first half of 2022.

SOURCES OF PAYMENT

General

Notes issued under the Indenture, including the Series 2021A Notes, are limited obligations of MTA and are payable solely from moneys distributed or to be distributed to MTA by the FTA pursuant to the Section 5307 Program under the Acts. The revenues, funds and assets of MTA (other than the Grant Receipts until each Principal and Interest Account is Fully Funded) are not pledged or required to be used for the payment of the Notes or the interest thereon.

Federal Funding Under CRRSAA and ARP Fully Appropriated

The Acts included full appropriations for amounts administered under their programs; consequently, no additional action by Congress is necessary for the eligible recipients to receive grants thereunder for Eligible Grant Purposes, subject to Congress’ continuing authority to modify or revise the legislation at any time. Following appropriation by Congress, FTA is authorized to apportion the available funding to recipients and subrecipients under such Acts.

MTA is a designated recipient of Section 5307 Program funds. For an urbanized region with more than one designated recipient, the amounts available under the Section 5307 Program must be further suballocated among the region’s states and designated recipients. MTA, on behalf of the other Tri-State Area (including New Jersey and Connecticut) recipients of Section 5307 Program funds, calculates the sub-area allocation for all agencies based on the unit values and other information provided in the Federal Register tables. Each agency reviews the calculations and all recipients must agree to the allocation of the apportionment by agency and send a letter to the FTA stating their agreement to the apportionment split among the agencies. MTA coordinates with each agency to ensure timely submission of the agreement letters to the FTA and addresses any issues that may arise regarding the allocation.

On November 8, 2021, the states of New York, New Jersey and Connecticut reached agreement regarding the UZA 1 allocation of funds under CRRSAA and ARP. MTA expects all three MPOs to agree on the allocation of such funds in the near future, as previously described under “SOURCES OF PAYMENT AND SECURITY FOR THE NOTES – Projected Schedule of Grant Receipts.”

CRRSAA Funding

Under CRRSAA, the FTA has a national total of \$14 billion in federal funding apportionments to provide continued support for public transportation systems impacted by the COVID-19 public health emergency. Of such amount, approximately \$13.26 billion has been designated for apportionment to large and small urban areas under the Section 5307 Program, which includes MTA.

The Section 5307 Program sub-regional allocation under CRRSAA for New York State UZA 1 totals \$4,329,398,459. The designated recipients in New York’s UZA 1 have agreed on their respective allocations and MTA has been allocated CRRSAA formula funding in the amount of \$4,113,153,313 as grantee.

ARP Funding

Under ARP, FTA has a national total of approximately \$30.46 billion in federal funding apportionments to continue to support public transportation systems impacted by the COVID-19 public health emergency. Of such amount, approximately \$26.09 billion has been designated for apportionment by formula to large and small urban areas under the Section 5307 Program, which includes MTA.

The Section 5307 Program sub-regional allocation under ARP for New York State UZA 1 totals \$6,517,680,363, not including any grants that may become available under the ARP Additional Assistance Discretionary Grant, defined below. Exclusive of the ARP Additional Assistance Discretionary Grant, the designated recipients in New York's UZA 1 have agreed on their respective allocations and MTA has been allocated ARP formula funding in the amount of \$6,192,134,734 as grantee.

In addition to the national total of \$26.09 billion appropriated to the Section 5307 Program, approximately \$2.2 billion is subject to competitive designation (the ARP Additional Assistance Discretionary Grant) for recipients and subrecipients that require additional assistance for costs related to operations, personnel, cleaning and sanitization combating the spread of pathogens on transit systems, and debt service payments incurred to maintain operations and avoid layoffs and furloughs. On November 8, 2021, MTA submitted an application for an ARP Additional Assistance Discretionary Grant in the amount of \$1.71 billion, which, if awarded, would represent additional funding beyond the approximately \$6.2 billion in ARP formula grants discussed above. The ARP Additional Assistance Discretionary Grant is a competitive process and MTA is not assured that it will receive any portion of the \$1.71 billion applied for. FTA will evaluate and rate applications from November 2021 to March 2022.

Eligible Grant Purposes

The Acts authorize eligible recipients to apply for grants relating to operating expenses related to the response to the COVID-19 public health emergency, beginning on January 20, 2020, including reimbursement for operating costs to maintain service and lost revenue due to the COVID-19 public health emergency, such as the purchase of personal protective equipment, and paying the administrative leave of operations or contractor personnel due to reductions in service (the Eligible Grant Purposes).

In general, operating expenses are those costs necessary to operate, maintain and manage a public transportation system. Operating expenses typically include such costs as driver salaries, fuel and items having a useful life of less than one year, including personal protective equipment and cleaning supplies. Preventive maintenance is also considered an operating expense for these purposes. Funding may be used for administrative leave, such as leave for employees due to reductions in service, leave required for a quarantined worker, and leave for an employee to receive the COVID-19 vaccine.

MTA projects that through March 2022 it will have incurred approximately \$10.8 billion of Eligible Grant Purposes which would qualify for reimbursement under CRRSAA and ARP. Such Eligible Grant Purposes consist primarily of payroll, electric power and fuel expenses for MTA New York City Transit, MTA Bus, MTA Staten Island Railway, MTA Long Island Rail Road and MTA Metro-North Railroad, less farebox revenues received by those Related Entities. Of the \$10.8 billion, between September 2020 and March 2021, MTA has actually incurred approximately \$4.1 billion of expenditures that would qualify as Eligible Grant Purposes under the Acts. As of November 19, 2021, MTA has submitted a \$4.1 billion CRRSAA grant request to FTA and will work with FTA to obligate the full value of its CRRSAA and ARP allocations for Eligible Grant Purposes.

Conditions to Receipt of CRRSAA and ARP Grants

Consistent with the emergency exemptions from certain requirements, all programs funded by the Acts are subject only to limited provisions of the Section 5307 Program. In particular, under the Acts:

- the programs for which operating expenses are being reimbursed are not required to be included in a transportation improvement plan, long-range transportation plan, statewide transportation plan, or a statewide transportation improvement plan; and
- there is no local match – the funds can reimburse the recipient for 100% of the costs of the program. For example, there is no limit under the Acts on the amount of funds that may be used to pay for Americans with Disabilities Act paratransit service or fare-free service provided on or after January 20, 2020, even though those programs might otherwise require some local share.

One of the requirements that must be satisfied prior to FTA’s obligation of the grant is the receipt of the certification from the U.S. Department of Labor that the labor provisions of the Section 5307 Program are being complied with.

Section 5307 Program – General

The terms and conditions of participation in the Section 5307 Program (codified under 49 United States Code, Chapter III, Section 5307) as described herein are subject to change at the discretion of Congress, and there can be no assurance that the laws and regulations now governing the Section 5307 Program, as well as the specific CRRSAA and ARP authorizations, will not be changed in the future in a manner that may adversely affect the ability of MTA to receive adequate Grant Receipts to make debt service payments on the Series 2021A Notes. In addition, in the event that the federal government shuts down operations for any reason or is unable to incur debt, there may not be sufficient personnel to process and administer the Section 5307 Program or moneys available to honor payments under the Section 5307 Program, even though the moneys have been appropriated and apportioned therefor.

FTA’s Section 5307 Program apportions funds to qualified recipients, including MTA as a direct grantee, as part of the Federal Transit Program created by Congress in support of public transit in the United States. One of the purposes of the standard formula based Section 5307 Program is to provide funds for, and assist in the financing of, urban public transportation capital improvement projects, and, as with the CARES Act, for operating and other COVID-19 pandemic impacted Eligible Grant Purposes under CRRSAA and ARP.

For reference, certain Section 5307 Program features or requirements are explained or further defined where they appear below:

Authorization: All federal programs require congressional budget and contract authority before revenues may be committed and spent. Normally this authority is provided through a two-step process, with authorizing legislation describing the purposes for a specific program and setting a proposed level of spending, and appropriations legislation providing the contract authority or legal ability to spend federal revenues. However, in connection with the COVID-19 health care emergency, Congress combined the authorizing and appropriations legislation into the Acts.

Appropriation: The federal funds allocated to the programs established under the Acts have been fully appropriated.

Lapsing of Authorization: Funds made available under CRRSAA are available until expended; there is no lapse date. Funds made available under ARP must be obligated by September 30, 2024, and disbursed by September 30, 2029. Notwithstanding the foregoing limitations, MTA expects that it will be able to obligate and be reimbursed for amounts sufficient to provide for the payment of principal of and interest on the Series 2021A Notes by their maturity date.

Apportionment: An “apportionment” is the notification by the FTA of the distribution of federal transit funds to States and Urbanized Areas according to legislatively determined formulas and other relevant criteria (the Notice). Actual apportionments of various categories of funding are published in the Federal Register. The Notices relating to apportionments at the urbanized area and State levels under the Acts have been published by the Secretary of Transportation. The Governors of

the States determine the designated recipients of the urbanized area apportionments. Once the Notice is published in the Federal Register listing the amount of Section 5307 Program Funds that are available to MTA's urbanized areas (and then subsequently suballocated), MTA is allowed to prepare and submit grant applications to the FTA for reimbursement of eligible expenditures.

Contractual Obligation: Obligation is the commitment of the federal government to pay, through reimbursements to a recipient, its share of the eligible expenditures on an approved project. Under the Section 5307 Program, following submission of an application for funds by a public body, the FTA obligates federal funds for specific eligible projects and reserves those funds which remain available until expended by the grant recipient. FTA is expected to be in a position to enter into a grant agreement with recipients, including MTA, after reviewing the recipient's submissions for compliance with the applicable provisions of the Section 5307 Program, including the certification from the U.S. Department of Labor that MTA is compliant with its provisions.

Local Share Requirement: Unlike the standard Section 5307 Program, CRRSAA and ARP funds do not require a matching non-federal share of the total project costs.

Section 5307 Program Administration

After the federal grant approval process, administration of the Section 5307 Program requires a wide range of activities.

FTA has established a web application known as TrAMs that allows applicants to upload their application information for review by FTA. Information is submitted by funding source, with separate applications for CRRSAA and ARP funding. Once FTA reviews and approves the application information and receives the certification from the U.S. Department of Labor, it is authorized to enter into a funding agreement, which "obligates" the payment of the funds to the recipient. Because the eligible costs of reimbursement date back to January 20, 2020, MTA fully expects to submit a sufficient amount of Eligible Grant Purposes for review and approval by FTA to be able to pay principal of and interest on the Series 2021A Notes in full prior to maturity. Based on prior experience with reimbursement under the Section 5307 Program and the CARES Act, MTA expects that FTA will be in a position to enter into one or more grant agreements during the first half of 2022.

Once a grant agreement is entered into, MTA will be able to request payment of the grant awards through FTA's Electronic Clearing House Operation (ECHO)-Web, another web application established by FTA. Based on MTA's prior experience with draw requests under the CARES Act, it is anticipated that requests for payments through ECHO-Web will be limited to five requests per business day, with each request not exceeding \$99.9 million (i.e., an aggregate of \$499.5 million per business day). Funds requested by 2:00 p.m. Eastern Time on business days are usually deposited into a recipient's designated account the next business day.

MTA has previous experience drawing federal grants under the Section 5307 Program, having drawn over \$2.0 billion of Section 5307 Program grants for capital projects from 2016 through 2020, excluding the CARES Act. The application and reimbursement process for CRRSAA and ARP funds is the same as all other funds MTA receives under the Section 5307 Program. The following table sets forth MTA's Section 5307 Program drawdowns from 2016 through 2020:

MTA's Section 5307 Program Drawdowns*
(\$ Million)

Year	Spent/drawdown**
2016	\$339
2017	453
2018	349
2019	522
2020	352

Source: MTA Management

* Includes a portion of Section 5340 Program grants, but excludes CARES Act operating assistance

** Drawdowns are primarily Section 5307 Program grants active in that year, including grants obligated in prior years

Timing of Receipt of Federal Transit Program Funding Apportionment

MTA's ability to pay debt service on the Series 2021A Notes will depend on several factors, including the amount of funding provided to MTA under the Section 5307 Program and MTA's ability, pursuant to the grant application process, to use such funding. The apportioned amount of funding under the Section 5307 Program sets the upper limit on the federal government's commitment to pay for Eligible Grant Purposes.

While MTA believes that sufficient Section 5307 Program funds will be received to pay debt service in full on the Series 2021A Notes at their maturity, various factors beyond the control of MTA may affect such receipts, including, without limitation, federal budget limitations, and other possible changes in the Section 5307 Program or to CRRSAA or ARP.

SECURITY

General

The Notes are limited obligations of MTA payable solely from and secured solely by (i) all amounts received by MTA from the Grant Receipts until such time as each Principal and Interest Account in the Note Fund is Fully Funded, (ii) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, subject, however, to the use and application thereof as permitted by the Indenture, and (iii) any and all other property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Indenture for the Notes, by MTA or by anyone on its behalf with its written consent in favor of the Trustee (the Trust Estate).

"Fully Funded" means, (a) with respect to each Principal and Interest Account in the Note Fund, that there are amounts on deposit therein, without the investment or reinvestment thereof, sufficient to pay principal of and interest in full at the respective maturity date of the Series of Notes secured by such Principal and Interest Account, and (b) with respect to each Redemption Account in the Note Fund, that there are amounts on deposit therein, without the investment or reinvestment thereof, sufficient to pay the Redemption Price of, and interest to the date of redemption, on the redemption date of the Series of Notes secured by such Redemption Account.

The Notes are not a general obligation of MTA and the revenues, funds and assets of MTA (other than the Grant Receipts) are not pledged or required to be used for the payment of the Notes or the interest thereon. The Indenture creates no liens upon any physical properties of MTA or its Related Entities. The Notes do not constitute a debt, liability, or obligation of the State or any political subdivision of the State. Neither the faith and credit nor the taxing power of the State or of a political subdivision of the State is pledged to the payment of the Notes. MTA has no taxing power.

Grant Receipts

Grant Receipts consist of all amounts expected to be received by MTA under the Section 5307 Program appropriated by the Acts and allocated to MTA thereunder.

CRRSAA appropriated \$14 billion for transit grants to eligible recipients for Eligible Grant Purposes. Of such amount, approximately \$13.26 billion was appropriated for grants to eligible recipients, including MTA, under the Section 5307 Program.

ARP appropriated approximately \$30.46 billion for transit grants to eligible recipients for Eligible Grant Purposes. Of such amount, approximately \$26.09 billion was appropriated for grants to eligible recipients, including MTA, under the Section 5307 Program.

The FTA apportioned amounts to the states and regions as required under the Acts; and on November 8, 2021, apportionments within the states of New York, New Jersey and Connecticut were agreed upon. The designated recipients in New York's UZA 1 (representing one of the three MPOs) have agreed on their respective allocations and MTA currently expects to be allocated approximately \$4.1 billion under CRRSAA and approximately \$6.2 billion under ARP. In addition, on November 8, 2021, MTA submitted an application for an ARP Additional Assistance Discretionary Grant in the amount of \$1.71 billion, which if awarded, would represent additional funding beyond the approximately \$6.2 billion in ARP formula grants discussed above. The ARP Additional Assistance Discretionary Grant is a competitive process and MTA is not assured that it will receive any portion of the \$1.71 billion applied for.

See "SOURCES OF PAYMENT" herein for descriptions of the Section 5307 Program, CRRSAA and ARP funding, and the methods for determining the amount of the Grant Receipts available to MTA and the projected timing of receipt thereof.

Certain Covenants Relating to Grant Receipts

Failure to maintain general eligibility for the receipt of Grant Receipts under the specific requirements of CRRSAA and ARP or to apply for, and provide information relating to the receipt of, the Grant Receipts could prevent MTA from receiving Grant Receipts sufficient to pay debt service on the Notes when due. As described below, MTA has included the following covenants in the Indenture relating to the administration and disbursement of federal funds under the Section 5307 Program:

- MTA shall comply with the provisions of the Acts, including applicable provisions of Section 53 of Title 49 of the United States Code, in order to be eligible to receive the Grant Receipts appropriated and apportioned to MTA thereunder and to facilitate the prompt receipt by MTA of the Grant Receipts in amounts necessary in order to timely pay principal of and interest on the Notes on the respective Note Payment Dates.
- As long as any Notes are Outstanding, MTA shall take all reasonable actions as shall be necessary or desirable to facilitate the prompt payment to MTA of any and all Grant Receipts as soon as such amounts become available for transfer by MTA to the Trustee for payment of the principal or Redemption Price of and interest on the Notes then due or to become due. As long as any Notes remain Outstanding, all such moneys constituting Grant Receipts, when received by MTA shall be transferred promptly to the Trustee for deposit into the Note Fund as provided in the Indenture. Pending such transfer, MTA acknowledges that it holds all such amounts in trust in accordance with the Indenture for the benefit of the Owners.
- MTA will at all times use its best efforts to take all actions necessary to enforce the timely payment of the Grant Receipts.
- MTA will not take any action, or permit any action to be taken, or omit to take any action which will jeopardize the receipt of the Grant Receipts in the amounts and at the times contemplated by the Acts, the Notes and the Indenture.

- MTA covenants and agrees that all such Grant Receipts shall be applied for Eligible Grant Purposes strictly in accordance with the requirements of the Acts.

See **Attachment 4** - “FORM OF INDENTURE - Particular Covenants and Representations of MTA.”

Pledge of Security

The Indenture pledges the Trust Estate for the payment of the principal, premium, if any, and interest on, the Notes, in accordance with their terms and the provisions of the Indenture, and a lien is thereby granted for such purpose, subject only to the provisions of the Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

Funds and Accounts

Pursuant to the Indenture, MTA establishes the following funds:

- the Proceeds Fund, including the Project Account and the Cost of Issuance Account therein, to be held by MTA; and
- the Note Fund, including the Principal and Interest Account and the Redemption Account therein, to be held by the Trustee.

Upon the execution and delivery of the Series 2021A Notes, the net proceeds thereof allocable to costs of issuance will be deposited into the Cost of Issuance Account of the Proceeds Fund to pay for certain financing, legal and miscellaneous expenses, and the remaining net proceeds will be deposited into the Project Account of the Proceeds Fund to reimburse MTA for Eligible Grant Purposes.

Commencing immediately after the issuance of the Series 2021A Notes, MTA shall promptly transfer all Grant Receipts when received to the Trustee for deposit to the applicable Principal and Interest Account in the Note Fund until each such Principal and Interest Account is Fully Funded, all as provided in a Supplemental Indenture relating to the Series 2021A Notes and any other Series of Notes that may thereafter be issued pursuant to the Indenture.

The Trustee shall immediately upon receipt transfer to the applicable Principal and Interest Account in the Note Fund the amounts required to pay the Series 2021A Notes, Additional Notes and Refunding Notes on the next Note Payment Date.

Moneys in the Note Fund, including the Principal and Interest Accounts and the Redemption Accounts therein, may be invested and reinvested only in Defeasance Securities with maturities no later than the applicable maturity or redemption dates as directed in writing by an Authorized Officer; in the absence of such directions, the moneys in the Note Fund shall be held uninvested.

“Defeasance Security” shall mean (a) direct obligations of the United States government; (b) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the United States government; and (c) fixed-rate, non-mortgage-backed, senior debt obligations of the following United States agencies (custom or tailored securities are permitted): Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

Once each Principal and Interest Account is Fully Funded, the pledge and lien on Grant Receipts thereafter to be received by MTA shall terminate and MTA shall be permitted to apply such thereafter received Grant Receipts to any lawful purpose, including to secure additional bonds, notes or other obligations not to be issued under the Indenture.

Any amounts remaining in the applicable Principal and Interest Account of the Note Fund after payment in full of the principal or redemption price, premium, if any, and interest on the Notes shall be paid to MTA free and clear of the lien of the Indenture.

For additional information regarding these funds and accounts, see **Attachment 4** – “FORM OF INDENTURE.”

Additional Notes and Refunding Notes

One or more Series of Notes may be authorized and delivered upon original issuance for the purpose of paying or reimbursing the Eligible Grant Purposes (Additional Notes) or refunding or refinancing any Notes issued for such purposes (collectively, Refunding Notes), to pay costs and expenses incident to the issuance of such Additional Notes and Refunding Notes and to make deposits to any Fund or Account under the Indenture. Such Series of Additional Notes and Refunding Notes shall be equally and ratably secured under the Indenture with all other Notes, without preference, priority or distinction of any Note over any other Note.

The Additional Notes or Refunding Notes of any such Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by the Indenture) of the following:

(a) A certificate of MTA, dated as of the date of delivery of such Additional Notes or Refunding Notes, stating that, as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, that continues, or that, with notice or lapse of time or both, would constitute, an Event of Default by MTA under the Indenture, and

(b) A certificate of MTA, dated as of the date of delivery of such Additional Notes or Refunding Notes, stating that the principal amount of the Notes to be authenticated and delivered on such date, when added to the principal amount of all Notes previously issued and Outstanding (excluding the principal amount of any Notes being refunded or refinanced by any such Refunding Notes and defeased in accordance with the terms of the Indenture) under the Indenture does not exceed \$4 billion. See **Attachment 4** – “FORM OF INDENTURE.”

Other Indebtedness

No provision of the Indenture limits the ability of MTA to issue bonds or other obligations (1) payable from Grant Receipts on a basis junior or subordinate to the payment of principal of, premium, if any, any interest on the Series 2021A Notes, or (2) payable from thereafter received Grant Receipts after each Principal and Interest Account has been Fully Funded. See **Attachment 4** – “FORM OF INDENTURE – Subordinated Indebtedness.”

Events of Default and Certain Remedies of Noteholders

Each of the following is an “Event of Default” under the Indenture with respect to a Series of Notes:

- payment by MTA in respect of any installment of principal or interest on any Note of such Series shall not have been made in full when the same became due and payable, whether at maturity or by proceedings for redemption or otherwise; and
- MTA shall fail to observe or perform any covenant or agreement on its part under the Indenture (other than covenants relating to Tax-Exempt Notes and certain additional EMMA postings) for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to MTA by the Trustee, or to MTA and the Trustee by the Owners of at least a majority in aggregate principal amount of the Notes of a Series then Outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as MTA has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy.

Upon the occurrence and continuance of any Event of Default with respect to a Series of Notes, the Trustee shall, with the prior written consent of the Owners of not less than a majority in aggregate principal amount of the Notes of such Series, together with indemnification of the Trustee to its satisfaction therefor, proceed to protect and enforce its rights and the rights of the Owners under the Indenture, the Issuer Act and such Notes by such suits, actions or proceedings, as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the Owners of Notes;
- bring suit upon the Notes against MTA;
- by action or suit, require MTA to account as if it were the trustee of an express trust for the Owners of the Notes; or
- by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

The Notes are not subject to acceleration upon the occurrence of an Event of Default under the Indenture.

Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in aggregate principal amount of the Notes of a Series, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts or omissions to act which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Owners of each Series not making such request.

Limitation of Remedies

THE SERIES 2021A NOTES ARE LIMITED OBLIGATIONS OF MTA PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2021A NOTES DO NOT OTHERWISE CONSTITUTE A PLEDGE OF THE CREDIT OF MTA. FURTHER, THE SERIES 2021A NOTES DO NOT CONSTITUTE A PLEDGE OF THE CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, NOR DO THE SERIES 2021A NOTES CONSTITUTE A PLEDGE OF THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. MTA HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2021A NOTES.

Non-Impairment and No Bankruptcy

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 Notes.

No Bankruptcy. State law specifically prohibits MTA and its affiliates and subsidiaries from filing a bankruptcy petition under Chapter 9 of the U.S. Federal Bankruptcy Code. As long as any Notes 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.

PART III. OTHER INFORMATION ABOUT THE SERIES 2021A NOTES

Part III of this offering memorandum provides miscellaneous additional information relating to the Series 2021A Notes.

TAX MATTERS

Federal Income Taxes

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2021A Notes. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2021A Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2021A Notes as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2021A Notes at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2021A Notes should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2021A Notes.

MTA has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term “**U.S. Holder**” means a beneficial owner of Series 2021A Notes that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2021A Notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2021A Notes, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2021A Notes.

Taxation of Interest Generally

Interest on the Series 2021A Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments

received with respect to such Series 2021A Notes. In general, interest paid on the Series 2021A Notes and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a noteholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the Series 2021A Notes and capital gain to the extent of any excess received over such basis. See **Attachment 3** to this offering memorandum for the forms of opinion that each Co-Bond Counsel expects to deliver when the Series 2021A Notes are issued.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2021A Notes should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2021A Notes under the Code.

Acquisition Discount

Holders who purchase a Series 2021A Note at a price resulting in an adjusted basis that is less than its stated redemption price at maturity will have "acquisition discount" that may be included in gross income for federal tax purposes prior to the final maturity of the Series 2021A Note. If the holder is an accrual basis taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-thru entities, or if the Series 2021A Note is held primarily for sale to customers in the ordinary course of the holder's trade or business, is identified as being part of a hedging transaction or is a stripped bond or coupon held by the person who stripped the bond or coupon (or a successor in interest), the holder will be required to accrue discount either ratably or under a constant yield method based on daily compounding and include such amounts in gross income for federal tax purposes.

If a holder is a cash basis U.S. Holder, such holder will not be required to accrue discount for federal income tax purposes unless the holder elects to do so (although such a cash basis holder will generally be required to include any stated interest in income as it is received). If a holder is not required or does not elect to accrue discount in income currently for federal tax purposes, any gain realized on the sale or redemption of a Series 2021A Note will be ordinary income to the extent of the discount accrued ratably through the date of sale or redemption. However, a holder that is not required and does not elect to accrue discount and include it in income currently will be required to defer deductions for interest on borrowings allocable to the Series 2021A Notes in an amount not exceeding the deferred income until the deferred income is realized.

Holders of any Series 2021A Notes who acquire such Series 2021A Notes with acquisition discount should consult with their own tax advisors with respect to the accrual of discount and the state and local tax consequences of owning such Series 2021A Notes.

Note Premium

A holder of a Series 2021A Note who purchases such Series 2021A Note at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all taxable debt instruments held by the holder on the first day of the taxable year to which the election applies and to all taxable debt instruments thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2021A Notes who acquire such Series 2021A Notes at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2021A Notes.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax of 3.8% on the “net investment income” of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Series 2021A Notes

A noteholder’s adjusted tax basis for a Series 2021A Note is the price such holder pays for the Series 2021A Note plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2021A Note other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2021A Note, measured by the difference between the amount realized and the noteholder’s tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2021A Note is held as a capital asset (except in the case of Series 2021A Notes acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2021A Note are materially modified, in certain circumstances, a new debt obligation would be deemed “reissued”, or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2021A Note under the defeasance provisions of the Indenture could result in a deemed sale or exchange of such Series 2021A Note.

EACH POTENTIAL HOLDER OF SERIES 2021A NOTES SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2021A NOTES, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2021A NOTES WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2021A Notes by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a “**Non-U.S. Holder**”).

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act (“**FATCA**”), payments of principal by MTA or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of MTA, (2) is not a controlled foreign corporation for United States tax purposes that is related to MTA (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to MTA, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business and that also holds the Series 2021A Notes must certify to MTA or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing federal income tax treaty, if any, in force between the U.S. and the resident country of the Non-U.S.

Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide MTA or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2021A Note held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2021A Note will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2021A Note by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2021A Notes, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2021A Notes paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, noteholders or beneficial owners of the Series 2021A Notes shall have no recourse against MTA, nor will MTA be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2021A Notes. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2021A Notes.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2021A Notes are outstanding, MTA, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, MTA, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each

payment of interest or principal on the Series 2021A Notes. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by MTA, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither MTA nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2021A Note to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2021A Note to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2021A Notes, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Each Co-Bond Counsel is of the opinion that, under existing law, interest on the Series 2021A Notes is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. Each Co-Bond Counsel expresses no opinion as to other State, City or local tax consequences arising with respect to the Series 2021A Notes nor as to the taxability of the Series 2021A Notes or the income therefrom under the laws of any jurisdiction other than the State. See **Attachment 3** to this offering memorandum for the form of the opinion that each Co-Bond Counsel expects to deliver when the Series 2021A Notes are delivered.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2021A Notes for federal or state income tax purposes, and thus on the value or marketability of the Series 2021A Notes. 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), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2021A Notes. Prospective purchasers of the Series 2021A Notes should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2021A Notes.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021A NOTES.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (“Qualified Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (“Governmental Plans”), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (“Church Plans”), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2021A Notes without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties In Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2021A Notes might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of MTA were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of MTA would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an “equity interest” in MTA and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2021A Notes should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2021A Notes, including the reasonable expectation of purchasers of Series 2021A Notes that the Series 2021A Notes will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2021A Notes are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2021A Notes by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if MTA or the Trustee and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2021A Notes by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited

transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2021A Note. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2021A Notes, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2021A Note (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2021A Note (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2021A Note (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2021A Notes with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because MTA, the Trustee, the Underwriters or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2021A Notes, the purchase of the Series 2021A Notes using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2021A Notes using plan assets of a Benefit Plan should consult with its counsel if MTA, the Trustee or the Underwriters or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2021A Notes on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2021A Notes 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 Series 2021A Notes.

LITIGATION

There is no pending litigation concerning the Series 2021A Notes.

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 Series 2021A Notes. 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. Reference is made to such ADS, which is not included by specific cross-reference in this offering memorandum.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Series 2021A Notes. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the pricing of the Series 2021A Notes. The Co-Financial Advisors have not independently verified the information contained in this offering memorandum and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

The Underwriters for the Series 2021A Notes, acting through BofA Securities, Inc., as representative, have agreed, subject to certain conditions, to purchase from MTA the Series 2021A Notes described on the inside cover page of this offering memorandum at an aggregate purchase price of \$3,996,866,964.37, reflecting an underwriters' discount of \$3,133,035.63, and to reoffer such Series 2021A Notes at the public offering price set forth on the inside cover page.

The Series 2021A Notes may be offered and sold to certain dealers (including dealers depositing such Series 2021A Notes into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters' obligation to purchase the Series 2021A Notes is subject to certain conditions precedent, and they will be obligated to purchase all such Series 2021A Notes if any Series 2021A Notes are purchased.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2021A Notes at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to MTA and to persons and entities with relationships with MTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial

instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MTA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with MTA. The Underwriters and their respective 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 Series 2021A Notes. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Moody's Investors Service, Inc.	S&P Global Ratings
7 World Trade Center	55 Water Street
New York, New York 10007	New York, New York 10041
(212) 553-0300	(212) 438-2000

MTA has furnished information to each rating agency rating the Series 2021A Notes being offered, including information not included in this offering memorandum, about MTA and the Series 2021A Notes. 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 Series 2021A Notes. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2021A Notes.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the notes being offered are subject to the approval of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA. The form of the opinions of Co-Bond Counsel in connection with the issuance of the Series 2021A Notes is **Attachment 3** to this offering memorandum.

The Underwriters have appointed Cozen O'Connor as Underwriters' counsel in connection with the issuance of the Series 2021A Notes, 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 Acting 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.

In addition, MTA has undertaken under the Indenture to deliver notice to EMMA, in a timely manner not in excess of ten business days after the occurrence of each event, of the following events related to the Series 2021A Notes:

- execution of a grant agreement between MTA and FTA;
- commencement of receipt of Grant Receipts;
- MTA has submitted a request for payment of the Grant Receipts with supporting information in accordance with FTA procedures and such request has not been returned by FTA for additional information or corrections or other reasons and such request has remained unpaid for 30 days; and
- the Principal and Interest Accounts becoming Fully Funded and the release of the lien on the Grant Receipts.

The failure to timely file the notices described above shall not be an Event of Default under the Indenture and shall not give right to the Trustee or any holder of the Series 2021A Notes to exercise any remedies under the Indenture. See **Attachment 4** – “FORM OF INDENTURE – Additional Information Filings.”

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 notes or other material events affecting the tax status of the notes;
- modifications to the rights of security holders, if material;
- note calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the securities, 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.

FURTHER INFORMATION

MTA may place a copy of this offering memorandum 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

ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this ATTACHMENT 1 is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the “Clearing Systems”) currently in effect. The information in this ATTACHMENT 1 concerning the Clearing Systems has been obtained from sources believed to be reliable, but MTA does not take any responsibility for the accuracy, completeness or adequacy of the information in this ATTACHMENT 1. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. MTA will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Series 2021A Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Series 2021A Notes, as nominee for DTC, references herein and in the Indenture to the Noteholders, registered owners or owners (or similar terms) of the Series 2021A Notes shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2021A Notes.

DTC Book-Entry-Only System

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2021A Notes. The Series 2021A Notes 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 Series 2021A Note will be issued for each maturity of the Series 2021A Notes, 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 Series 2021A Notes exceeds \$500 million, one Note of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Note 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 Series 2021A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Notes on DTC’s records. The ownership interest

of each actual purchaser of each Series 2021A Note (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021A Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021A Notes, except in the event that use of the book-entry-only system for the Series 2021A Notes is discontinued.

4. To facilitate subsequent transfers, all Series 2021A Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021A Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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 Series 2021A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021A Notes, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021A Note documents. For example, Beneficial Owners of the Series 2021A Notes may wish to ascertain that the nominee holding the Series 2021A Notes 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 Series 2021A Notes 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 Series 2021A Notes 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 Series 2021A Notes 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 Series 2021A Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding 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 Series 2021A Notes 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 Series 2021A Notes 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 Series 2021A Notes 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.

Global Clearance Procedures

Beneficial interests in the Series 2021A Notes may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The Series 2021A Notes sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Series 2021A Notes, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or

indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

MTA will not impose any fees in respect of holding the Series 2021A Notes; however, holders of book-entry interests in the Series 2021A Notes may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the Series 2021A Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Series 2021A Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Series 2021A Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Series 2021A Notes against payment (value as on the date of delivery of the Series 2021A Notes). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Series 2021A Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Series 2021A Notes following confirmation of receipt of payment to MTA on the date of delivery of the Series 2021A Notes.

Secondary Market Trading. Secondary market trades in the Series 2021A Notes will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Series 2021A Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Series 2021A Notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Series 2021A Notes between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Series 2021A Notes through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Series 2021A Notes, or to receive or make a payment or delivery of the Series 2021A Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the Series 2021A Notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the Series 2021A Notes are set forth in the Summary of Terms of this Offering Memorandum.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NEITHER MTA NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters 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 Series 2021A Notes 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 Series 2021A Notes to provide or cause to be provided, either directly or through the Trustee, 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 MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA for such fiscal year. MTA's annual financial statements will be filed by MTA with EMMA.

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

1. a presentation of changes to indebtedness issued by MTA under the Indenture, as well as information concerning changes to MTA's debt service requirements on such indebtedness payable from Grant Receipts,
2. information concerning the amounts, sources, timing of receipt by MTA, material changes in and material factors affecting Grant Receipts and debt service incurred under the Indenture,
3. material litigation related to any of the foregoing, and
4. 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 Series 2021A Notes, 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 offering memorandum with respect to the Series 2021A Notes, 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 Series 2021A Notes (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 Series 2021A Notes) 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 Series 2021A Notes, 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 Series 2021A Notes 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 Indenture nor give right to the Trustee or any Owner to exercise any remedies under the Indenture. 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 Series 2021A Notes have been paid in full or legally defeased pursuant to the GAN Resolution and GAN Indenture 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.

ATTACHMENT 3

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon delivery of the Series 2021A Notes in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, propose to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Metropolitan Transportation Authority (“MTA”) and other proofs submitted to us relative to the issuance of \$4,000,000,000 aggregate principal amount of Metropolitan Transportation Authority Grant Anticipation Notes, Series 2021A (Fully Appropriated COVID Operating Grants - Federally Taxable) (the “Series 2021 Notes”).

The Series 2021 Notes are issued under and pursuant to the Constitution and statutes of the State of New York (the “State”), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (the “Issuer Act”), and under and pursuant to a resolution of the Board of MTA adopted on October 20, 2021 (the “Note Authorizing Resolution”) and a Trust Indenture dated as of November 1, 2021, between MTA and The Bank of New York Mellon (the “Trustee”), as supplemented. The Indenture, as supplemented and amended, is herein called the “Indenture”. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

The Series 2021 Notes are being issued in anticipation of the receipt of certain grants expected to be received from the United States of America, acting through the Department of Transportation, Federal Transit Administration, appropriated and authorized under each of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, Pub L. No. 116-260 (December 27, 2020) and the American Rescue Plan of 2021, Pub L. No. 117-2 (March 11, 2021). The Series 2021 Notes are dated, mature, are payable and bear interest, all as provided in the Indenture.

We have reviewed the Issuer Act, the Note Authorizing Resolution, the Indenture, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have also examined one of said Series 2021 Notes as executed and, in our opinion, the form of said Series 2021 Note 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 authorize, execute and deliver the Indenture and to issue the Series 2021 Notes. The Note Authorizing Resolution has been duly and lawfully adopted by MTA, is in full force and effect and is valid and binding upon MTA and enforceable in accordance

with its terms, and no authorization for the execution and delivery of the Indenture or the issuance of the Series 2021 Notes that has not been obtained is required.

3. The Indenture has been duly and lawfully authorized, executed and delivered by MTA, is in full force and effect and is valid and binding upon MTA and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Trust Estate. The Indenture provides that MTA may issue obligations from time to time in the future on a parity with the Series 2021 Notes to share ratably and equally in the Trust Estate upon compliance with certain requirements contained in the Indenture. The Trust Estate, including the Grant Receipts until such time as each Principal and Interest Account in the Note Fund is Fully Funded and other moneys that are part of the Trust Estate, so pledged and hereafter received by MTA, is immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against MTA, irrespective of whether such parties have notice thereof.

4. The Series 2021 Notes have been duly and validly authorized and issued by MTA in accordance with the Constitution and the statutes of the State, including the Issuer Act and the Indenture, constitute valid and binding obligations of MTA as provided in the Indenture and are entitled to the benefits of the Indenture and the Issuer Act, and are enforceable in accordance with their terms and the terms of the Indenture. The Series 2021 Notes are not secured by the revenues, funds and assets of MTA (other than the Grant Receipts). MTA has no taxing power and the Series 2021 Notes are not debt of the State or of any other political subdivision thereof.

5. The Series 2021 Notes 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, interest on the Series 2021 Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, 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 paragraph 6, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Notes. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2021 Notes.

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 2021 Notes. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum or other offering material relating to the Series 2021 Notes and express no opinion with respect thereto.

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,

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 4
FORM OF INDENTURE

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

TRUST INDENTURE

by and between

METROPOLITAN TRANSPORTATION AUTHORITY

and

THE BANK OF NEW YORK MELLON,
as Trustee

dated as of November 1, 2021

securing

Metropolitan Transportation Authority
Grant Anticipation Notes
(Fully Appropriated COVID Operating Grants)

TABLE OF CONTENTS

PAGE

ARTICLE I.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101.	Definitions.....	7
Section 102.	Rules of Construction	14
Section 103.	Parity as to Grant Receipts; Notes of a Series Equally and Ratably Secured	15
Section 104.	Priority of Lien.....	15

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF THE NOTES

Section 201.	Authorization of the Notes.....	15
Section 202.	General Provisions for the Issuance of Notes.....	15
Section 203.	Additional Notes	17

ARTICLE III.

GENERAL TERMS AND PROVISIONS OF NOTES

Section 301.	Medium and Place of Payment	18
Section 302.	Legends.....	18
Section 303.	Execution and Authentication.....	19
Section 304.	Interchangeability of Notes.....	19
Section 305.	Negotiability, Transfer and Registration.....	19
Section 306.	Provisions with Respect to Exchanges and Transfers.....	20
Section 307.	Notes Mutilated, Destroyed, Stolen or Lost.....	20
Section 308.	Book-Entry-Only System.....	20

ARTICLE IV.

REDEMPTION OF NOTES

Section 401.	Right to Redeem and Redemption Price.....	22
Section 402.	Selection of Notes to Be Redeemed.....	22
Section 403.	Notice of Redemption	22
Section 404.	Payment of Redeemed Notes	23

ARTICLE V.

REVENUES AND FUNDS

Section 501.	Creation of Funds and Accounts.....	24
Section 502.	Application of Note Proceeds	24
Section 503.	Proceeds Fund.....	24

TABLE OF CONTENTS (continued)

	PAGE
Section 504.	Application of Grant Receipts 25
Section 505.	Note Fund..... 25
Section 506.	Investment of Moneys..... 26
Section 507.	Liability of Trustee for Investments 28
Section 508.	Investment Income or Losses..... 28
Section 509.	Transfer of Excess Funds to the Issuer 28

ARTICLE VI.

COVENANTS OF THE ISSUER

Section 601.	Indenture to Constitute Contract..... 28
Section 602.	Payment of Principal and Interest; Pledge of Grant Receipts..... 28
Section 603.	Covenants Relating to Grant Receipts 29
Section 604.	Extension of Payment of Notes..... 30
Section 605.	Offices for Servicing Notes 30
Section 606.	Further Assurance 31
Section 607.	Agreement of the State; Limited Waiver by Owners..... 31
Section 608.	Performance of Covenants..... 31
Section 609.	Tax Covenants Relating to Tax-Exempt Notes 31
Section 610.	Additional Information Filings 32

ARTICLE VII.

DEFAULT AND REMEDIES

Section 701.	Events of Default 32
Section 702.	Remedies and Enforcement of Remedies under this Trust Indenture..... 33
Section 703.	Abrogation of Right to Appoint Statutory Trustee; Preservation of Statutory Rights and Remedies..... 34
Section 704.	Application of Grant Receipts and Other Moneys After Event of Default... 34
Section 705.	Remedies Not Exclusive 35
Section 706.	Remedies Vested in Trustee..... 35
Section 707.	Control of Proceedings 35
Section 708.	Individual Owner Action Restricted..... 36
Section 709.	Termination of Proceedings..... 36
Section 710.	Waiver of Event of Default..... 36
Section 711.	Notice of Event of Default..... 37
Section 712.	Limitations on Remedies 37
Section 713.	Inconsistent or Lack of Directions in Default..... 37

TABLE OF CONTENTS (continued)

	PAGE
Section 714. Funds in Event of Default	38
ARTICLE VIII.	
THE TRUSTEE	
Section 801. Acceptance of Trust; General	38
Section 802. Trustee Not Required to Take Action Unless Indemnified	39
Section 803. Employment of Experts	39
Section 804. Enforcement of Performance by Others	39
Section 805. Right to Deal in Notes and Take Other Actions	39
Section 806. Removal and Resignation of Trustee	40
Section 807. Proof of Claim.....	41
Section 808. Trustee's Fees and Expenses	41
Section 809. Reliance Upon Documents	41
Section 810. Recitals and Representations	41
Section 811. Destruction of Notes	42
Section 812. Reports	42
Section 813. Paying Agent and Registrar	42
Section 814. Merger, Conversion, Consolidation or Succession to Business	43
ARTICLE IX.	
SUPPLEMENTAL INDENTURES	
Section 901. Supplemental Indentures Not Requiring Consent of Owners.....	43
Section 902. Supplemental Indentures Requiring Consent of Owners.....	44
Section 903. Execution and Effect of Supplemental Indentures.....	46
ARTICLE X.	
MISCELLANEOUS	
Section 1001. Defeasance	46
Section 1002. Evidence of Signatures of Owners of Notes and Ownership of Notes	49
Section 1003. Money Held for Particular Notes	49
Section 1004. General Regulations as to Money and Funds	49
Section 1005. Preservation and Inspection of Documents.....	50
Section 1006. Parties Interest Herein.....	50
Section 1007. No Recourse on the Notes.....	50
Section 1008. Successors and Assigns.....	50
Section 1009. Business Days	50

TABLE OF CONTENTS (continued)

	PAGE
Section 1010. Severability of Invalid Provisions.....	51
Section 1011. Exclusion of Notes.....	51
Section 1012. Governing Law	51
Section 1013. Notices	51
Section 1014. Counterparts.....	52
Section 1015. Binding Effect.....	52
Exhibit One Form of Note.....	Exhibit One-1

THIS TRUST INDENTURE, made and entered into as of November 1, 2021 (the “Trust Indenture”), by and between the **METROPOLITAN TRANSPORTATION AUTHORITY**, a body corporate and politic constituting a public benefit corporation of the State of New York (the “Issuer”), and **THE BANK OF NEW YORK MELLON**, a state banking corporation with trust powers and having a corporate trust office in New York, New York, as Trustee (the “Trustee”),

R E C I T A L S :

WHEREAS, the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) and the American Rescue Plan Act of 2021 (“ARP”) appropriated Federal operating assistance in the form of grants to, among others, the Issuer to alleviate the Issuer’s severe and unprecedented revenue losses and increased operating costs arising from the COVID-19 public health emergency; and

WHEREAS, each of CRRSAA and ARP appropriate the available grant moneys to regions and sub-regions, and the Secretary of Transportation (the “Secretary”) provides for the apportionment to such entities within those regions and sub-regions of their allocable shares of such grant moneys; and

WHEREAS, Section 1269(1)(a) of the New York Public Authorities Law allows the Issuer to borrow “to effectuate any of its powers and purposes,” and Section 1269(1)(c) allows the Issuer to issue obligations, including notes, “payable out of any revenues, receipts, monies or other assets” of the Issuer and its affiliated entities, including Federal grant moneys; and

WHEREAS, the Board of the Issuer adopted the Note Authorizing Resolution (as defined herein) to provide for the issuance of grant anticipation notes and authorizing the issuance thereof through a trust indenture; and

WHEREAS, this Trust Indenture is being adopted for the purpose of (a) authorizing the issuance by the Issuer of obligations (the “Notes”) from time to time in Series in anticipation of the receipt of Federal operating grants expected to be received under CRRSAA and ARP, (b) pledging the Grant Receipts (as defined herein) for the payment of the Notes until such time as each Principal and Interest Account in the Note Fund is Fully Funded, and (c) making other covenants and agreements and providing other details with respect to the Notes and the Owners of such Notes, subject to and in accordance with the terms hereof; and

WHEREAS, additional terms of each Series of Notes, other than the initial Series of Notes, will be specified in a Supplemental Indenture adopted as provided herein in connection with the issuance of such Series; and

WHEREAS, the terms used and not defined in this preamble shall have the meanings given to them in Section 101 of this Trust Indenture.

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of each Series of Notes by the Owners thereof, and for the purpose of fixing and declaring the general terms and conditions upon which the Notes are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of the principal of,

premium, if any, and interest on each Series of Notes at any time issued and Outstanding hereunder according to their tenor, purport and effect, and to secure the performance and observance of all of the covenants, agreements and conditions contained herein, the Issuer does hereby grant and confirm a security interest in, and does confirm, assign, transfer, pledge and grant and convey unto the Trustee and its successors and assigns forever, for the benefit of the Owners, the following property:

A. the Grant Receipts until such time as each Principal and Interest Account in the Note Fund is Fully Funded;

B. the Funds and the Accounts created pursuant hereto and amounts from time to time deposited therein, including the earnings thereon; and

C. any and all other property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Notes, by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof (collectively, the "Trust Estate").

TO HAVE AND TO HOLD all such properties pledged, assigned and conveyed by the Issuer hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Owners from time to time of all Notes issued, authenticated, delivered and outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of such Notes over any other such Notes except to the extent otherwise provided in Section 103.

PROVIDED, HOWEVER, that if the Issuer shall pay fully and promptly when due all liabilities, obligations and sums at any time secured hereby or provide for the payment thereof in accordance with the provisions hereof, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, except for the provisions of Article X hereof, as applicable, this Trust Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

ARTICLE I.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions.

In addition to terms elsewhere defined in this Trust Indenture, the following terms, for all purposes of this Trust Indenture, shall have the following meanings unless a different meaning clearly applies from the context:

“**Account**” or “**Accounts**” means each account or all of the accounts established in any Fund created in Article V hereunder or under a Supplemental Indenture.

“**Acts**” means ARP and CRRSAA.

“**Additional Notes**” means Notes authenticated and delivered on original issuance pursuant to Section 203.

“**ARP**” means the American Rescue Plan of 2021, Pub L. No. 117-2 (March 11, 2021), as amended from time to time.

“**Authorized Investments**” shall mean and include any of the following, to the extent the same are legal for investment of the Issuer’s funds:

- (a) obligations of the State or the United States government;
- (b) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the State or the United States government;
- (c) certificates of deposit of banks or trust companies in the State, secured, if the Issuer shall so require, by obligations of the United States or of the State of a market value equal at all times to the amount of the deposit;
- (d) banker’s acceptances with a maturity of 90 days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest Rating Category of each of the Rating Agencies that then rates such banker’s acceptances;
- (e) obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within 270 days, *provided* that such obligations are rated in the highest Rating Category of each of the Rating Agencies that then rates such obligations;
- (f) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, Federal Home Loan Bank or any other United States government sponsored agency, *provided* that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in either of the two highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations;
- (g) (A) general obligation bonds and notes of any state other than the State, *provided* that such bonds and notes are rated in the highest Rating Category of each of the Rating Agencies that then rates such bonds and notes, and (B) bonds and notes of any county, town, city, village, fire district or school district of the State, *provided* that such bonds and notes are rated in either of the 2 highest Rating Categories of each of the Rating Agencies that then rates such bonds and notes;

(h) mutual funds registered with the United States Securities and Exchange Commission, whose investments are limited to obligations of the State described in clause (a) above, obligations the principal and interest of which are guaranteed by the State as described in clause (b) above, and those securities described in clause (g) above, and that are rated in the highest Rating Category of each of the Rating Agencies that then rates such funds;

(i) repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (a), (b) or (f) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (a) or (b) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed; and

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

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

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

“**Authorized Officer**” means the Chairman, the Chair of the Finance Committee, the Chief Financial Officer or the Deputy Chief, Financial Services of the Issuer, as well as any officer duly designated as “Acting” in said officer’s capacity, except that, for the purposes of any delegation set forth herein that does not expressly include any Assistant Secretary, “Authorized Officer” shall not include any Assistant Secretary of the Issuer.

“**Bank**” shall mean any (a) bank or trust company organized under the laws of any state of the United States of America, (b) national banking association, (c) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (d) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

“**Board**” means the Board of Directors of the Issuer.

“Bond Counsel” means Nixon Peabody LLP, Orrick, Herrington & Sutcliffe LLP, D. Seaton and Associates, P.A., P.C., Bryant Rabbino LLP or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

“Business Day” means, unless specified otherwise in the applicable Supplemental Indenture, any day of the week other than Saturday, Sunday or a day which shall be, in the State of New York or in the jurisdiction in which the Corporate Trust Office of the Trustee or the principal office of the Registrar is located, a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close.

“Chairman” means the Chairman of the Board of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including applicable Treasury Regulations, rulings, judicial determinations, announcements, notices, and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Corporate Trust Office” means the office of the Trustee which is located in New York, New York, or such other office that may be designated in the future.

“Cost of Issuance Subaccount” means, with respect to a Series of Notes, the subaccount of that name in the Proceeds Fund created for such Series of Notes pursuant to Section 503.

“CRRSAA” means the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, Pub L. No. 116-260 (December 27, 2020), as amended from time to time.

“Defeasance Security” shall mean

- (a) direct obligations of the United States government;
- (b) obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the United States government; and
- (c) fixed-rate, non-mortgage-backed, senior debt obligations of the following United States agencies (custom or tailored securities are permitted): Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Eligible Grant Purposes” means any operating expenses or lost revenues that are eligible to be paid or reimbursed to the Issuer in accordance with the Acts.

“Event of Default” means any one or more of those events set forth in Section 601.

“**Fiscal Year**” means the fiscal year of the Issuer ending as of December 31 of each year or such other date as may be designated from time to time in writing by an Authorized Officer to the Trustee.

“**Fitch**” means Fitch, Inc. and its successors, if any, and if such Issuer shall no longer perform the functions of a securities rating agency, “**Fitch**” means any other nationally recognized rating agency designated by an Authorized Officer.

“**Fiduciary**” or “**Fiduciaries**” shall mean the Trustee, any Registrar, any Paying Agent, any tender agent or any or all of them, as may be appropriate, or any Person appointed to act as a Fiduciary as provided in this Indenture.

“**FTA**” shall mean the Federal Transit Administration of the U.S. Department of Transportation.

“**Fully Funded**” means, (a) with respect to each Principal and Interest Account in the Note Fund, that there are amounts on deposit therein, without the investment or reinvestment thereof, sufficient to pay principal of and interest in full at the respective maturity date of the Series of Notes secured by such Principal and Interest Account, and (b) with respect to each Redemption Account in the Note Fund, that there are amounts on deposit therein, without the investment or reinvestment thereof, sufficient to pay the Redemption Price of, and interest to the date of redemption, on the redemption date of the Series of Notes secured by such Redemption Account.

“**Fund**” means each Fund established and maintained hereunder or under a Supplemental Indenture.

“**Grant Receipts**” means the Federal operating grants monies received by the Issuer under the Acts.

“**Indenture**” means this Trust Indenture and, when amended or supplemented, such Indenture, as amended or supplemented from time to time.

“**Issuer Act**” shall mean the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended.

“**Moody’s**” means Moody’s Investors Service, Inc., a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “**Moody’s**” means any other nationally recognized rating agency designated by an Authorized Officer.

“**Note**” or “**Notes**” means any Notes or any other evidences of indebtedness for borrowed money issued by the Issuer from time to time pursuant to Article II and the terms of the Supplemental Indentures.

“**Note Authorizing Resolution**” means the resolution adopted by the Issuer on October 20, 2021 authorizing the issuance of one or more Series of Notes under this Trust Indenture, authorizing the execution and delivery on behalf of the Issuer of this Trust Indenture and the related Supplemental Indentures and other related agreements and approving, or duly

delegating to an Authorized Officer to approve on behalf of the Issuer, the terms and details of such Series of Notes, together with any additional resolutions adopted by the Issuer in connection with other Series of Notes. The term includes any resolution or other formal action taken on behalf of the Issuer by any person, committee or other entity acting pursuant to a delegation from the Issuer.

“Note Fund” means the Note Fund created pursuant to Section 501.

“Note Payment Date” means, with respect to each Series of Notes, each date set forth in the applicable Supplemental Indenture with respect to such Series of Notes on which principal and/or interest is payable.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Opinion of Counsel” means a written opinion of an attorney or firm or firms of attorneys acceptable to the Trustee and the Issuer, and who (except as otherwise expressly provided herein) may be counsel for the Issuer or for the Trustee.

“Outstanding” when used with reference to a Series of Notes means, as of any date of determination, all Notes of such Series theretofore authenticated and delivered except: (a) Notes of such Series theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Notes of such Series which are deemed paid and no longer Outstanding as provided in this Trust Indenture; (c) Notes of such Series in lieu of which other Notes of such Series have been issued pursuant to the provisions of this Trust Indenture relating to Notes destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Note is held by a bona fide purchaser; and (d) for purposes of any consent or other action to be taken under this Trust Indenture by the Owners of a specified percentage of principal amount of Notes of a Series or all Series, Notes held by or for the account of the Issuer.

“Owner” means the Person or Persons in whose name or names the Note shall be registered on the Register in accordance with the terms of this Trust Indenture.

“Paying Agent” means, with respect to each Series of Notes, the banks or trust companies, if any, and their successors designated in the applicable Supplemental Indenture as the paying agent for such Series of Notes.

“Paying Agent Agreement” means the agreement, if any, entered into by and between the Trustee and the Paying Agent pursuant to Section 813.

“Payment of a Series of Notes” means payment in full of all principal of, premium, if any, and interest on a Series of Notes.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency, instrumentality or political subdivision thereof.

“Principal and Interest Account” means any principal and interest account for a Series of Notes created in the Note Fund pursuant to Section 401.

“Proceeds Fund” means the Proceeds Fund created pursuant to Section 501.

“Rating Agency” or **“Rating Agencies”** means Fitch, Moody’s and/or S&P or any other nationally-recognized credit rating agencies specified in the related Supplemental Indenture.

“Record Date” means the close of business on the fifteenth (15th) day preceding each Note Payment Date, whether or not such day is a Business Day.

“Redemption Account” means any redemption account for a Series of Notes created in the Note Fund pursuant to Section 401.

“Redemption Price” shall mean, with respect to any Note, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to this Trust Indenture or any Supplemental Indenture.

“Refunding Notes” shall have the meaning set forth in Section 203.

“Register” means, with respect to each Series of Notes, the registration books of the Issuer kept to evidence the registration and registration of transfer of such Series of Notes.

“Registrar” means the entity set forth with respect to a Series of Notes in the applicable Supplemental Indenture, serving as keeper of the Register for such Series of Notes.

“Related Entity” shall mean the Issuer and any affiliate or subsidiary of the Issuer.

“Responsible Officer” means an officer of the Trustee assigned to the Trustee’s corporate trust department, including, without limitation, any Vice-President, any Assistant Vice-President, any Trust Officer, or any other officer performing functions similar to those performed by the persons who at the time shall be such officers and also means any other officer of the Trustee to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

“Series of Notes” or **“Notes of a Series”** or **“Series”** means a series of Notes issued pursuant to this Trust Indenture and the terms of a Supplemental Indenture.

“S&P” means S&P Global Ratings, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, S&P means any other nationally recognized securities rating agency designated by an Authorized Officer.

“State” means the State of New York.

“Supplemental Indenture” means an indenture supplementing or modifying the provisions of this Trust Indenture entered into by the Issuer and the Trustee in accordance with Article IX; such supplemental indenture may constitute a “Certificate of Determination” as such term is defined in the Note Authorizing Resolution.

“**Tax Certificate**” means a Tax Certificate concerning certain matters pertaining to the use of proceeds of the Tax-Exempt Notes executed and delivered by the Issuer, including any and all exhibits attached thereto.

“**Taxable Notes**” shall mean any Notes which are not Tax-Exempt Notes.

“**Tax-Exempt Notes**” shall mean any Notes the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Notes in the Supplemental Indenture authorizing such Notes.

“**Trustee**” means The Bank of New York Mellon, and any successor to its duties under this Trust Indenture.

Section 102. Rules of Construction.

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Trust Indenture:

(a) Any reference herein to the Issuer, the Board thereof or any officer thereof shall include any persons or entities succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) The use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

(c) Words importing the singular number shall include the plural number and vice versa.

(d) Words importing the redemption or calling for redemption of Notes shall not be deemed to refer to or connote the payment of Notes at their stated maturity.

(e) All references herein to particular articles or sections are references to articles or sections of this Trust Indenture.

(f) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Trust Indenture nor shall they affect its meaning, construction or effect.

(g) All references to terms such as herein, hereunder, hereto, etc. refer to this Trust Indenture, as amended or supplemented.

(h) All references herein to payment of Notes are references to payment of principal of, premium, if any, and interest on Notes.

(i) All references herein to the time of day shall mean New York, New York time.

Section 103. Parity as to Grant Receipts; Notes of a Series Equally and Ratably Secured.

1. All Notes issued hereunder and at any time Outstanding shall be equally and ratably secured, with the same right, lien and preference with respect to the Trust Estate, including, without limitation, the Grant Receipts until such time as each Principal and Interest Account in the Note Fund is Fully Funded, with all other outstanding Notes, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Notes.

2. All Notes of a particular Series shall in all respects be equally and ratably secured and shall have the same right, lien and preference hereunder established for the benefit of such Series of Notes, including, without limitation, rights to the Proceeds Fund and any related Series Account in the applicable Note Fund.

Section 104. Priority of Lien.

There is hereby created an irrevocable pledge of and lien upon the Trust Estate for the benefit of the Notes authorized herein. The pledge hereby made shall be valid and binding from and after the time of the delivery of the first Note authenticated and delivered under this Trust Indenture. Pursuant to the Act, the security so pledged and then or thereafter received by the Issuer shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Issuer with regard to the Trust Estate, to the extent provided herein, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF THE NOTES

Section 201. Authorization of the Notes.

1. The Issuer may issue Notes from time to time in one or more Series or subseries as hereinafter provided without limitation as to amount, except as may be limited by the Note Authorizing Resolution, for any of the purposes set forth in the Acts.

2. Unless otherwise provided in the Supplemental Indenture providing for the issuance of a Series of Notes, the Notes shall be designated “Metropolitan Transportation Authority Grant Anticipation Notes (Fully Appropriated COVID Operating Grants)” and shall bear an appropriate Series designation. Notes may be issued as Tax-Exempt Notes or as Taxable Notes as provided in the Supplemental Indenture providing for the issuance of a Series of Notes.

Section 202. General Provisions for the Issuance of Notes.

Upon the execution and delivery of a Supplemental Indenture providing for the issuance of a Series of Notes, the Issuer shall execute and deliver such Series of Notes to the Trustee for authentication and delivery as directed by an Authorized Officer, and the Trustee shall authenticate

such Series of Notes; *provided, however*, that, prior to delivery by the Trustee of such Series of Notes, there shall be delivered to the Trustee the following:

- (a) A certified copy of the Note Authorizing Resolution;
- (b) A certified copy of executed or true counterparts of this Trust Indenture;
- (c) A copy of the Supplemental Indenture authorizing such Series of Notes, certified by an Authorized Officer, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Notes; (ii) the purpose or purposes for which such Notes are being issued which shall be one or more of the purposes set forth in this Trust Indenture; (iii) the dates and the maturity dates of the Notes of such Series; (iv) if the Notes of such Series are interest bearing Notes, the interest rates of the Notes of such Series and the interest payment dates therefor and if the Notes of such Series are not interest bearing Notes, the manner in which and the period during which principal and interest shall be deemed to accrue on such Notes; (v) the denominations of, and the manner of dating, numbering and lettering, the Notes of such Series; (vi) the Redemption Prices, if any, and the redemption terms, if any; (vii) the forms of the Notes of such Series and of the Trustee's certificate of authentication if other than as provided in Section 301; and (viii) such other matters, not contrary to or inconsistent with this Trust Indenture, as the Issuer may deem advisable or necessary in connection with the authorization, issuance, sale, or delivery of such Series of Notes.
- (d) A written request and order by the Issuer to the Trustee to authenticate and deliver the Series of Notes, describing such Notes, designating to whom such Notes are to be delivered upon payment therefor and stating the amount to be paid therefor to the Trustee for the account of the Issuer, stating that the proceeds of such Notes will be used for Eligible Grant Purposes and a certification of an Authorized Officer to the effect that the Issuer is authorized to receive Grant Receipts under the Acts in amounts sufficient to pay the principal and Redemption Price, if any, of and interest on the Series of Notes being issued;
- (e) The amounts specified in the Supplemental Indenture for deposit to the credit of the applicable Funds and Accounts created hereunder;
- (f) An opinion or opinions of Bond Counsel to the effect that (i) the Issuer has the right and power under the Act to authorize, execute and deliver this Trust Indenture and to issue the Notes of such Series; (ii) the Note Authorizing Resolution or other resolution authorizing the Notes of such Series has been duly and lawfully adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the execution and delivery of this Trust Indenture or the issuance of the Notes of such Series that has not been obtained is required, (iii) this Trust Indenture has been duly and lawfully authorized, executed and delivered by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms; (iv) this Trust Indenture creates the valid pledge which it purports to create of the Trust Estate; and (v) the Notes of such Series have been duly and validly authorized and issued by the Issuer in accordance with the

Constitution and the statutes of the State, including the Issuer Act, and this Trust Indenture, constitute valid and binding obligations of the Issuer as provided in this Trust Indenture and are entitled to the benefits of this Trust Indenture and the Issuer Act, and are enforceable in accordance with their terms and the terms of this Trust Indenture; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(g) Any other items required by the Supplemental Indenture pursuant to which such Series of Notes is being issued; and

(h) Such other closing documents as the Issuer or the Trustee reasonably may specify.

Section 203. Additional Notes.

1. One or more Series of Additional Notes may be authorized and delivered upon original issuance for the purpose of paying or reimbursing the Eligible Grant Purposes or refunding or refinancing any Notes issued for such purposes (collectively, "Refunding Notes"), to pay costs and expenses incident to the issuance of such Additional Notes and to make deposits to any Fund or Account under this Trust Indenture. Such Series of Additional Notes and Refunding Notes shall be equally and ratably secured under this Trust Indenture with all other Notes, without preference, priority or distinction of any Note over any other Note.

2. The Additional Notes or Refunding Notes of any such Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202 hereof) of the following:

(a) A certificate of the Issuer, dated as of the date of delivery of such Additional Notes or Refunding Notes, stating that, as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, that continues, or that, with notice or lapse of time or both, would constitute, an Event of Default by the Issuer under this Trust Indenture, and

(b) A certificate of the Issuer, dated as of the date of delivery of such Additional Notes or Refunding Notes, stating that the principal amount of the Notes to be authenticated and delivered on such date, when added to the principal amount of all Notes previously issued and Outstanding (excluding the principal amount of any Notes being refunded or refinanced by any such Refunding Notes and defeased in accordance with the terms hereof) under this Trust Indenture does not exceed \$4 billion.

ARTICLE III.

GENERAL TERMS AND PROVISIONS OF NOTES

Section 301. Medium and Place of Payment.

1. The Notes shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts

2. Any Notes of a Series shall be issued only in the form of fully registered Notes without coupons. Notes, the certificate of authentication, if any, and the form of assignment shall be in substantially the form provided for in Exhibit One with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Note, or as multiple pages (with or without such a reference). Notes may be typewritten, printed, engraved, lithographed or otherwise produced.

3. Each Note shall be lettered and numbered as provided in this Trust Indenture or the Supplemental Indenture authorizing the Series of which such Note is a part and so as to be distinguished from every other Note.

4. Notes shall be dated as provided in this Trust Indenture or the Supplemental Indenture authorizing the Notes of such Series.

Section 302. Legends.

1. The Notes of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Indenture as may be necessary or desirable to comply with custom, law, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer prior to the authentication and delivery thereof.

2. All Notes issued under this Trust Indenture shall include on their face the following statement: "THE NOTES ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE NOTES DO NOT OTHERWISE CONSTITUTE A PLEDGE OF THE CREDIT OF THE ISSUER. FURTHER, THE NOTES DO NOT CONSTITUTE A PLEDGE OF THE CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, NOR DO THE NOTES CONSTITUTE A PLEDGE OF THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE NOTES."

Section 303. Execution and Authentication.

1. (a) The Notes shall be executed in the name of the Issuer by the manual or facsimile signatures of an Authorized Officer or in such other manner as may be required by law or specified in a Supplemental Indenture. In case any of the officers who shall have signed any of the Notes shall cease to be such officer before the Notes so signed shall have been actually delivered, such Notes may, nevertheless, be delivered as herein provided, and may be issued as if the Persons who signed such Notes had not ceased to hold such offices. Any Note may be signed on behalf of the Issuer by such Persons as at the actual time of the execution of such Note shall be duly authorized or hold the proper office in the Issuer, although at the date of the Notes such Persons may not have been so authorized or have held such office.

2. Notes of each Series shall bear thereon a certificate of authentication, executed manually by the Trustee. Only such Notes as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Trust Indenture and no Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this Trust Indenture and that the Owner thereof is entitled to the benefits of this Trust Indenture.

Section 304. Interchangeability of Notes.

Subject to the provisions of Section 306, any Note, upon surrender at the corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney may, at the option of the Owner and upon payment of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of fully registered Notes of the same Series, maturity, and interest rate and tenor of any other Authorized Denominations.

Section 305. Negotiability, Transfer and Registration.

1. All Notes issued under this Trust Indenture shall be negotiable, subject to the provisions for registration and registration of transfer contained in this Trust Indenture and in the Notes. So long as any of the Notes shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and registration of transfer of Notes; and, upon presentation thereof for such purpose at said office and under such reasonable regulations as it or the Registrar may prescribe, the Issuer shall register or cause to be registered therein, and permit to be transferred thereon, the registration of any Note entitled to registration or registration of transfer. So long as any of the Notes remain Outstanding, the Issuer shall make all necessary provision to permit the exchange of Notes at the office of the Registrar.

2. Each Note shall be transferable only upon the registration books of the Issuer, which shall be kept for that purpose by the Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Note, the Issuer shall issue in the name of the transferee a new Note or Notes in

Authorized Denominations of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Note. The Issuer and each Fiduciary may deem and treat the person in whose name any Note shall be registered upon the registration books of the Issuer as the absolute Owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Note and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary.

Section 306. Provisions with Respect to Exchanges and Transfers.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Notes in accordance with the provisions of this Trust Indenture. All Notes surrendered in any such exchange shall forthwith be canceled by the Trustee. For any exchange or transfer of Notes, whether temporary or definitive, the Issuer, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required (i) to exchange or transfer Notes of any Series for a period beginning on the Record Date next preceding an Interest Payment Date for the Notes of a particular Series ending on such interest payment date; or (ii) to transfer or exchange any Notes called for redemption.

Section 307. Notes Mutilated, Destroyed, Stolen or Lost.

In case any Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Note of like Series, maturity, interest rate and principal amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Trustee or Registrar evidence satisfactory to the Issuer and the Trustee or Registrar that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Issuer and the Trustee or Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Issuer, the Trustee or Registrar may prescribe and paying such expenses as the Issuer and Trustee and Registrar may incur. All Notes so surrendered to the Trustee or Registrar shall be canceled by the Trustee in accordance with Section 1205. Any such new Notes issued pursuant to this Section 307 in substitution for Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Notes so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Notes of the same Series issued under this Trust Indenture and shall be equally secured by the moneys or securities held by the Issuer or any Fiduciary for the benefit of the Owners.

Section 308. Book-Entry-Only System.

1. The Issuer may employ a book-entry-only system of registration with respect to any Notes and may utilize the procedures regarding such registration set forth in this Section 208, as such procedures may be modified or superseded pursuant to the Supplemental Indenture

authorizing such Notes. Any provisions of this Trust Indenture inconsistent with book-entry-only Notes shall not be applicable to such book-entry-only Notes.

2. Any Authorized Officer is hereby authorized to take all actions required for each Series of Notes to be eligible under the rules and regulations of The Depository Trust Company (“DTC”), 55 Water Street, New York, New York, for investment and trading as uncertificated securities. DTC is hereby appointed as the initial Securities Depository for the Notes, with Cede & Co., a nominee thereof, being the initial registered owner of the Notes. In the event that any Securities Depository resigns or is removed, any Authorized Officer may select a substitute Securities Depository. The Issuer and any Fiduciary, and any agent of the Issuer or any Fiduciary, may treat any Securities Depository in whose name any Notes is registered as the owner of such Note for all purposes under this Trust Indenture. For so long as the Securities Depository is the registered owner of the Notes, procedures with respect to the transmission of notices and the transfer of ownership of, redemption of and payment of principal or Redemption Price, if any, of and interest on such Notes so held shall be in accordance with arrangements among the Trustee, the Issuer and the Securities Depository.

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

4. The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to any Series of Notes. Notice of such termination shall be given by the Issuer to the Trustee prior to or simultaneously with such termination. In the event the book-entry only system is discontinued with respect to the Notes, principal and Redemption Price of and interest on the Notes shall be paid as provided in this Trust Indenture.

5. Consistent with DTC book-entry provisions, one or more typewritten certificates shall be prepared for each maturity of the Notes of a Series and registered in the name of the Securities Depository. There shall be no physical distribution of bond or other certificates to beneficial owners of such Notes. In the event that the Notes do not qualify to be held by the Securities Depository or that either the Issuer determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Notes and there is no successor Securities Depository, the bond or other certificates shall be delivered in the form required by this Trust Indenture.

6. Unless otherwise directed by an Authorized Officer, “CUSIP” identification numbers will be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. As a convenience to the Owners of the Notes, the Issuer and the Trustee may use such CUSIP numbers in any notices to the Owners of the Notes, including any notices of redemption of the Notes. Failure on the part of the Issuer or the Trustee to use such CUSIP numbers in any notice to Owners of the Notes shall not constitute an Event of Default or any similar violation of the Issuer’s contract with such Owners. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE IV.

REDEMPTION OF NOTES

Section 401. Right to Redeem and Redemption Price.

1. The Notes of a Series shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided herein and in the applicable Supplemental Indenture.

2. Notes subject to redemption prior to maturity pursuant to a Supplemental Indenture shall be redeemable, upon written notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Supplemental Indenture authorizing such Notes.

Section 402. Selection of Notes to Be Redeemed. Except as may be provided otherwise in the applicable Supplemental Indenture, in the event of redemption of less than all the Outstanding Notes of like tenor, Series, maturity and interest rate, the Trustee shall select, as directed by the Issuer (as to the timing of such selection, manner of such selection or otherwise) or if no direction has been given by the Issuer, in such manner as the Trustee in its discretion shall deem appropriate and fair, the numbers of the Notes to be redeemed and portions of any thereof to be redeemed in part. Notes of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Notes in denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Note which is not redeemed is an authorized denomination). For the purposes of this Section 402, Notes, or portions thereof, which have theretofore been selected for redemption shall not be deemed Outstanding.

Section 403. Notice of Redemption.

1. If less than all Notes of a Series are to be redeemed, and subject to the provisions of subsection 2 of this Section 403, the Notes to be redeemed shall be identified by reference to the Series designation, date of issue and maturity date. Each notice of redemption shall specify: (i) the date fixed for redemption, (ii) the principal amount of Notes or portions thereof to be redeemed, (iii) the applicable Redemption Price, (iv) the place or places of payment, (v) that payment of the principal amount and premium, if any, will be made upon presentation and surrender to the Trustee or Paying Agent, as applicable, of the Notes to be redeemed, unless provided otherwise in the applicable Supplemental Indenture, (vi) that interest accrued to the date

fixed for redemption will be paid as specified in such notice, (vii) that on and after such date interest on Notes which have been redeemed will cease to accrue, and (viii) the designation, including Series, and the CUSIP and serial numbers, if any, of the Notes to be redeemed and, if less than the face amount of any such Note is to be redeemed, the principal amount to be redeemed. Notice of redemption of any Notes shall be mailed at the times and in the manner set forth in subsection 2 of this Section 403.

2. Except as may be provided otherwise in the applicable Supplemental Indenture, any notice of redemption shall be sent by the Trustee not less than 20 nor more than 60 days prior to the date set for redemption by first-class mail to the Owner of each such Note to be redeemed in whole or in part at his address as it appears on the Register. Failure to give any notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Notes with respect to which no such failure has occurred and failure to give any notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Notes with respect to which the notice is given correctly.

3. If at the time of notice of any optional redemption of the Notes there have not been deposited with the Trustee moneys available for payment pursuant to this Trust Indenture and sufficient to redeem all of the Notes called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

4. On or prior to the delivery to the Trustee of a redemption notice in accordance with subsection 2 of this Section 403, the Issuer shall deliver to the Trustee a certificate of an Authorized Officer to the effect that (a) the amounts to be transferred on or prior to the redemption date from the Principal and Interest Account relating to such Series of Notes being redeemed to the related Redemption Account, without investment or reinvestment thereof, are sufficient to provide for such Redemption Account to be Fully Funded, and (b) if the other Principal and Interest Accounts (or, if the redemption is for less than all of the Series of Notes, the same Principal and Interest Account as it pertains to the remaining Series of Notes not being refunded or refinanced) were Fully Funded, such other Principal and Interest Accounts remain Fully Funded.

Section 404. Payment of Redeemed Notes.

Notice having been given in the manner provided in Section 403, the Notes or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Notes, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to but not including the redemption date (unless otherwise provided in the Supplemental Indenture authorizing the issuance of the Series of Notes which the Notes being redeemed are part). If, on the redemption date, monies for the redemption of all the Notes or portions thereof of any like Series and maturity to be redeemed, together with interest to but not including the redemption date (unless otherwise provided in the Supplemental Indenture authorizing the issuance of the Series of Notes which the Notes being redeemed are part), shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Notes or portions

thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said monies shall not be so available on the redemption date, such Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V.

REVENUES AND FUNDS

Section 501. Creation of Funds and Accounts.

There are hereby established the following Funds and Accounts:

1. Proceeds Fund, to be held by the Issuer, which shall contain an Account with respect to each Series of Notes, and within it a Series Project Subaccount and Cost of Issuance Subaccount with respect to each Series of Notes, if provided for pursuant to the terms of the related Supplemental Indenture.

2. Note Fund, to be held by the Trustee, which shall contain the following Accounts with respect to each Series of Notes:

- (a) Principal and Interest Account; and
- (b) Redemption Account;

Section 502. Application of Note Proceeds.

Unless otherwise provided by the Supplemental Indenture providing for the issuance of a Series of Notes, all proceeds of the sale of each Series of Notes shall be paid to the Issuer, against receipt therefor, at or prior to the delivery of such Series of Notes and shall be deposited into the Proceeds Fund as provided in the Supplemental Indenture.

Section 503. Proceeds Fund.

1. Moneys in the various Accounts and subaccounts in the Proceeds Fund shall be applied to the payment or reimbursement of Eligible Grant Purposes or costs of issuance, as applicable.

2. Moneys, instruments and securities in each relevant Account in the Proceeds Fund shall be held in a separate subaccount by the Issuer. The Issuer covenants that the funds in such Accounts shall be applied in accordance with the provisions of this Section and the covenants contained in Article VI hereof; *provided, however*, that costs associated with issuing such Series of Notes shall be paid with proceeds of such Notes only out of amounts deposited in the applicable Series Cost of Issuance Subaccount.

3. After payments of, and reimbursements with respect to, all costs of issuance of a Series of Notes to be financed with proceeds of such Notes, any amounts remaining in the applicable Series Cost of Issuance Account shall be transferred to the applicable Series Project Account in the Proceeds Fund and used in accordance with the provisions of this Section.

4. Payments from the Proceeds Fund shall be made in accordance with the provisions of this Section and the covenants contained in Article VI. The Issuer shall retain records relating to all withdrawals from such Accounts.

Section 504. Application of Grant Receipts.

Commencing immediately after the issuance of the first Series of Notes pursuant to this Trust Indenture, the Issuer shall promptly transfer all Grant Receipts when received to the Trustee for deposit to the applicable Principal and Interest Account in the Note Fund until each such Principal and Interest Account is Fully Funded, all as provided in a Supplemental Indenture relating to each Series of Notes.

Once each Principal and Interest Account is Fully Funded, the pledge and lien on Grant Receipts thereafter to be received by the Issuer shall terminate and the Issuer shall be permitted to apply such thereafter received Grant Receipts to any lawful purpose, including to secure additional bonds, notes or other obligations not to be issued under this Trust Indenture.

Section 505. Note Fund.

1. As provided in Section 504, the Trustee shall immediately upon receipt transfer to the applicable Principal and Interest Account in the Note Fund the amount of principal and/or interest due on the next Note Payment Date on each Series of Notes in accordance with the terms of each Series of Notes and the Supplemental Indenture relating thereto. Amounts in each Principal and Interest Account in the Note Fund shall be used by the Trustee solely to pay the principal of and interest on the related Series of Notes when due in accordance with the terms of the Supplemental Indenture creating each Series of Notes.

2. In the event that on the Business Day preceding any Note Payment Date the amount in any Account of the Note Fund shall be less than the amount required for payment of the principal of and interest on the related Outstanding Notes, the Trustee shall withdraw the amount necessary to increase the amount on deposit in such Account in the Note Fund to the requirement therefor from the Proceeds Fund; *provided, further*, however that if the amounts to be applied to make up any such deficiency are proceeds of Tax-Exempt Obligations, such amounts shall not be so applied unless there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on any Series of Tax Exempt Obligations.

3. If on any Business Day preceding any Note Payment Date, after transferring the amount necessary to provide for the payment of principal of and interest on the Notes on the next Note Payment Date, there are amounts on deposit in such Note Fund in excess of such transfers, such excess amounts shall thereafter be transferred to the Issuer, unless otherwise provided in accordance with the terms of the Supplemental Indenture.

4. Each Principal and Interest Account and Redemption Account in the Note Fund and all amounts or investment property credited thereto have been and shall continue to be pledged to the Owners of Notes of the related Series.

5. Whenever the amount in an Account of the Note Fund is sufficient to redeem all of the Outstanding Notes of the applicable Series and to pay interest accrued to the redemption date, the Issuer may cause the Trustee to redeem all such Notes on the applicable redemption date specified by the Issuer. Any amounts remaining in the Note Fund after payment in full of the principal or Redemption Price, premium, if any, and interest on the Notes (or provision for payment thereof) and the fees, charges and expenses of the Issuer, including all amounts payable to Fiduciaries, shall be paid to the Issuer free and clear of the lien of this Trust Indenture.

6. In the event the Issuer decides to redeem Notes of any Series, the Issuer may direct the Trustee to transfer amounts in the Principal and Interest Account relating to such Series to the Redemption Account relating to such Series, consistent with the provisions of Article IV hereof, including, in particular, Section 403(4) hereof. Moneys delivered to the Trustee in contemplation of optional redemption of the Notes shall be deposited in the related Redemption Account and shall be used by the Trustee to redeem or pay the principal of and interest on such Notes (including any redemption premium thereon) in accordance with the provisions hereof and the related Supplemental Indentures. Following redemption in full of any Series of Notes, any balance in the Redemption Account for such Series may, at the option of the Issuer, be paid to the Trustee for reimbursement of costs and expenses in accordance with Section 808 or transferred to the Issuer.

Section 506. Investment of Moneys.

1. Moneys in the Note Fund, including the Principal and Interest Accounts and the Redemption Accounts therein, may be invested and reinvested only in Defeasance Securities with maturities no later than the applicable maturity or redemption dates as directed in writing by an Authorized Officer; in the absence of such written direction from an Authorized Officer, the moneys in the Note Fund shall be held uninvested. Moneys in the other Funds and Accounts (other than the Note Fund) shall be invested as soon as practicable upon receipt in Authorized Investments by the Trustee as directed in writing by an Authorized Officer; *provided* that (i) the maturity date or the date on which such Authorized Investments may be redeemed at the option of the registered owner of such Authorized Investments shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof, and (ii) in the absence of written direction from an Authorized Officer, money in such Funds and Accounts shall be held uninvested.

2. For purposes of subsection (1) of this Section, moneys in the Note Fund, including the Principal and Interest Accounts and the Redemption Accounts therein, shall be invested only in Defeasance Securities, maturing or redeemable at the option of the registered owner, including the Trustee, of such Defeasance Securities, not later than the respective following dates: (i) Principal and Interest Account, the next Note Payment Date on which such moneys are needed; and (ii) Redemption Account, the next date on which Notes of the applicable Series are to be redeemed.

3. Investment of amounts in any Fund or Account shall be made in the name of such Fund or Account.

4. Amounts credited to a Fund or Account (other than the Note Fund) may be invested, together with amounts credited to one or more other Funds or Accounts (other than the Note Fund), in the same Authorized Investment; *provided, however*, that (i) each such investment complies in all respects with the provisions of subsection (1) of this Section as they apply to each Fund or Account for which the joint investment is made, (ii) separate records are maintained for each Fund and Account and such investments are accurately reflected therein and (iii) amounts credited to the Proceeds Fund may not be invested together with amounts credited to any Funds or Accounts held by the Issuer.

5. The Trustee may make any investment permitted by this Section through or with its own commercial banking or investment departments, unless otherwise directed by the Issuer.

6. Except as otherwise specifically provided herein, in computing the amount in any Fund or Account, Authorized Investments purchased as an investment of moneys therein shall be valued at the current market value thereof or at the redemption price thereof, if then redeemable at the option of the registered owner of such Authorized Investments, in either event inclusive of accrued interest.

7. The registered owner of an investment shall sell at the market price, or present for redemption, any Authorized Investment whenever it shall be necessary to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made; *provided* that no such sale shall result in the amount in any Account in the Note Fund that was Fully Funded being less than Fully Funded after such sale, unless the Issuer shall deposit in such Account an amount sufficient to make the Account Fully Funded.

8. The Issuer shall not knowingly use or direct or permit the use of any moneys of the Issuer in its possession or control in any manner which would cause any Tax-Exempt Note to be an "arbitrage bond" within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

9. Any transfer to or deposit in any Fund or Account required by this Trust Indenture may be satisfied by transferring or depositing an investment (limited to Defeasance Securities in the case of the Note Fund and Authorized Investments in the case of the Proceeds Fund) with a market value equal to the required transfer or deposit in lieu of transferring or depositing cash.

10. Notwithstanding any provision of this Trust Indenture, the Issuer and the Trustee shall observe their covenants and agreements contained herein, to the extent that and for so long as such covenants and agreements are required by law.

11. Although the Issuer recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer hereby agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 507. Liability of Trustee for Investments.

The Trustee shall not be liable for making any investment authorized by the provisions of this Article in the manner provided in this Article or for any loss resulting from any such investment so made, except for its own negligence, willful misconduct or self-dealing constituting a breach of trust under applicable law.

Section 508. Investment Income or Losses.

Unless otherwise specified herein or in the applicable Supplemental Indenture, all investment income or losses on all Funds and Accounts shall be credited to the Fund or Account on which such amount was earned or lost. The Issuer shall keep records of all such investment income or losses and the applicable Fund or Account which is the source of the income or losses for purposes of determining any rebate amount with respect to each Series.

Section 509. Transfer of Excess Funds to the Issuer.

Subject to the provisions of any Supplemental Indenture, any amounts remaining in any Account of any Note Fund, after payment of the principal of, premium, if any, and accrued interest on all Notes and payment to each Owner of any and all other obligations payable to the Owners, the fees and expenses of the Fiduciaries, and all other amounts required to be paid hereunder, shall be transferred to the Issuer free and clear of the lien of this Trust Indenture.

ARTICLE VI.

COVENANTS OF THE ISSUER

Section 601. Indenture to Constitute Contract.

In consideration of the purchase and acceptance of Notes by those who shall hold the same from time to time, the provisions of this Trust Indenture and any Supplemental Indenture shall be a part of the contract of the Issuer with the Owners of Notes and shall be deemed to be and shall constitute a contract by and between the Issuer and the Trustee, and the Owners, from time to time, of the Notes. The Issuer covenants and agrees with the Owners of Notes and the Trustee that it will faithfully perform all of the covenants and agreements contained in this Trust Indenture and in the Notes.

Subject always to the condition that any obligation of the Issuer hereunder shall only be payable from the Trust Estate pledged pursuant to this Trust Indenture, the Issuer shall duly and punctually pay or cause to be paid from the Trust Estate the principal of every Note and the interest thereon, at the dates and places and in the manner provided in the Notes, according to the true intent and meaning thereof.

Section 602. Payment of Principal and Interest; Pledge of Grant Receipts.

1. Without limiting the generality of the granting clauses set forth above, the Issuer is duly authorized under the Issuer Act, the Note Authorizing Resolution and all applicable laws to issue the Notes and to execute and deliver this Trust Indenture and to pledge the Grant Receipts

and the other moneys, securities and funds constituting the Trust Estate and pledged by this Trust Indenture and to grant the lien granted by this Trust Indenture thereon in the manner and to the extent provided in this Trust Indenture, including the termination of the pledge and lien on thereafter received Grant Receipts after each Principal and Interest Account is Fully Funded. The Grant Receipts, and other moneys, securities and funds so pledged, constituting the Trust Estate and subject to the lien of this Trust Indenture, are and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Trust Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Notes and the provisions of this Trust Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their terms and the terms of this Trust Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws or legal principles affecting conditions, rights or remedies of creditors and the availability of equitable remedies. The Issuer covenants that upon the date of issuance of any of the Notes, all conditions, acts and things required by the Constitution and laws of the State and this Trust Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Notes shall exist, have happened and have been performed. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Grant Receipts and other moneys, securities and funds constituting the Trust Estate and pledged under this Trust Indenture and all the rights of the Owners under this Trust Indenture against all claims and demands

2. Subject always to the condition that any obligation of the Issuer hereunder shall only be payable from the Trust Estate pledged pursuant to this Trust Indenture, the Issuer covenants and agrees that it will pay or cause to be paid as and when due the principal of, premium, if any, interest on, and other payments with respect to each Note issued hereunder at the place, on the dates and in the manner provided herein and in the applicable Supplemental Indenture and in such Fund according to the terms thereof but solely from the sources pledged to such payment or from such other sources or revenues as may be used for such payment. The Issuer has no obligation to make any payment of principal of or interest on any Note from any assets used in or revenues derived from the operation of the Issuer or any other funds of the Issuer.

3. The Issuer covenants and agrees that it will not create any pledge, lien or encumbrance upon, or permit any pledge, lien or encumbrance to be created on, the Trust Estate, including the Grant Receipts until each Principal and Interest Account is Fully Funded, equal or superior to the pledge, lien and encumbrance created hereby for the benefit of the Owners of the Notes.

4. The Notes shall not be a debt of the State or the City and neither the State nor the City shall be liable thereon, nor shall Notes be payable out of any funds other than those of the Issuer as provided in this Trust Indenture.

Section 603. Covenants Relating to Grant Receipts.

1. The Issuer shall comply with the provisions of the Acts, including applicable provisions of Section 53 of Title 49 of the United States Code, in order to be eligible to receive the Grant Receipts appropriated and apportioned to the Issuer thereunder and to facilitate the prompt

receipt by the Issuer of the Grant Receipts in the amounts necessary in order to timely pay principal of and interest on the Notes on the respective Note Payment Dates.

2. As long as any Notes are Outstanding, the Issuer shall take all reasonable actions as shall be necessary or desirable to facilitate the prompt payment to the Issuer of any and all Grant Receipts as soon as such amounts become available for transfer by the Issuer to the Trustee for payment of the principal or Redemption Price of and interest on the Notes then due or to become due. As long as any Notes remain Outstanding, all such moneys constituting Grant Receipts, when received by the Issuer, shall be transferred promptly to the Trustee for deposit into the Note Fund as provided in Article V. Pending such transfer, the Issuer acknowledges that it holds all such amounts in trust in accordance with this Trust Indenture and the Supplemental Indentures for the benefit of the Owners.

3. The Issuer will at all times use its best efforts to take all actions necessary to enforce the timely payment of the Grant Receipts.

4. The Issuer will not take any action, or permit any action to be taken, or omit to take any action which will jeopardize the receipt of the Grant Receipts in the amounts and at the times contemplated by the Acts, the Notes, the Note Authorizing Resolution and this Trust Indenture, including all Supplemental Indentures.

5. The Issuer further covenants and agrees that all such Grant Receipts shall be and applied for Eligible Grant Purposes strictly in accordance with requirements of the Acts.

Section 604. Extension of Payment of Notes.

If the maturity of any Note or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Note or installment of interest shall not be entitled, in case of any default under this Trust Indenture, to the benefit of this Trust Indenture or to payment out of Grant Receipts or Funds and Accounts established by this Trust Indenture or moneys held by Fiduciaries or Depositories (except moneys held in trust for the payment of such Note or installment of interest) until the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Issuer to issue Refunding Notes and such issuance shall not be deemed to constitute an extension of the maturity of Notes.

Section 605. Offices for Servicing Notes.

The Issuer shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Notes may be presented for payment. The Issuer hereby appoints the Trustee as Registrar and the Trustee shall at all times maintain one or more agencies where Notes may be presented for registration of transfer and where notices, demands and other documents may be served upon the Issuer in respect of the Notes or of this Trust Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services. The Issuer hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Notes.

Section 606. Further Assurance.

The Issuer covenants and agrees that, to the extent permitted by law, the Issuer from time to time shall make, do, execute, adopt, acknowledge and deliver, and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests in the Trust Estate or assigned, or intended so to be, or which the Issuer may become bound to pledge or assign to secure or provide for the payment of the principal, premium, if any, and interest on the Notes in the manner and to the extent contemplated herein.

Section 607. Agreement of the State; Limited Waiver by Owners. In accordance with Section 1271 of the Issuer Act, the Issuer does hereby include the pledge and agreement of the State with the Owners of the Notes that the State will not limit or alter the denial of authority under subdivision 9 of Section 1269 of the Issuer Act, or the rights vested in the Issuer by the Issuer Act to fulfill the terms of any agreement made with such Owners, or in any way impair the rights and remedies of such Owners until such agreements, bonds, notes and obligations with such Owners, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses for which the Issuer is liable in connection with any action or proceeding by or on behalf of such Owners, are fully met and discharged.

Section 608. Performance of Covenants.

The Issuer covenants that it shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of this Trust Indenture and in any Supplemental Indenture, in each and every Note executed, authenticated and delivered hereunder, and in all proceedings of the Issuer pertaining thereto and, to the extent material to the interests of Owners, the Issuer Act; *provided* that the Issuer's payment obligations under this Trust Indenture and the Notes shall be solely from the Trust Estate.

Section 609. Tax Covenants Relating to Tax-Exempt Notes.

1. The Issuer covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Notes issued as Tax-Exempt Notes, the Issuer will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Issuer agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to continually comply with the provisions of any "Arbitrage and Use of Proceeds Certificate" or "Tax Certificate" to be executed by the Issuer in connection with the execution and delivery of any Notes issued as Tax-Exempt Notes, as amended from time to time.

2. Notwithstanding any other provision of this Trust Indenture to the contrary, upon the Issuer's failure to observe, or refusal to comply with the covenant set forth in Section 609(1) hereof, the Owners of the Tax-Exempt Notes of a Series, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Trustee under Section 702 of this Trust Indenture, but such failure to observe, or refusal to comply, shall not constitute an Event of Default hereunder.

Section 610. Additional Information Filings.

1. Upon the occurrence of the following events, the Issuer shall promptly, and in any event within ten (10) Business Days of the occurrence thereof, file with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board a notice detailing the following events:

(a) the execution of each grant agreement between the Issuer and the FTA relating to the Grant Receipts;

(b) the commencement of the receipt by the Issuer of the Grant Receipts;

(c) the Issuer has submitted a request for payment of the Grant Receipts with supporting information in accordance with FTA procedures and such request has not been returned by the FTA for additional information or corrections or other reasons and such request has remained unpaid for 30 days; and

(d) the Principal and Interest Accounts becoming Fully Funded and the release of the lien on the Grant Receipts.

2. The filing required by this Section 610 is not an obligation required by SEC Rule 15c2-12.

3. The failure to timely file the notices required by this Section 610 shall not be an Event of Default under this Trust Indenture. Failure to comply with any provision of this Section 610 shall not give right to the Trustee or any Owner to exercise any remedies under this Trust Indenture.

4. If the Issuer shall fail to comply with any provision described in this Section 610, then any Owner (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 Notes) may enforce, for the equal benefit and protection of all Owners similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against the Issuer and any of its officers, agents and employees, and may compel the Issuer or any of its officers, agents or employees to perform and carry out their duties hereunder; *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 Owner, may recover monetary damages hereunder under any circumstances.

ARTICLE VII.

DEFAULT AND REMEDIES

Section 701. Events of Default.

Each of the following is hereby declared an “Event of Default” hereunder with respect to a Series of Notes:

(a) if payment by the Issuer in respect of any installment of principal or interest on any Note of such Series shall not have been made in full when the same became due and payable, whether at maturity or by proceedings for redemption or otherwise; and

(b) if the Issuer shall fail to observe or perform any covenant or agreement on its part under this Trust Indenture (other than Sections 609 and 610 hereof) for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Owners of at least a majority in aggregate principal amount of Notes of a Series then Outstanding; *provided, however*, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Issuer has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy.

Section 702. Remedies and Enforcement of Remedies under this Trust Indenture.

1. Upon the occurrence and continuance of any Event of Default with respect to a Series of Notes, the Trustee shall, with the prior written consent of the Owners of not less than a majority in aggregate principal amount of the Notes of such Series, together with indemnification of the Trustee to its satisfaction therefor, proceed to protect and enforce its rights and the rights of the Owners under this Trust Indenture, the Issuer Act, the Acts and such Notes by such suits, actions or proceedings, as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(a) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the Owners of Notes;

(b) bring suit upon the Notes against the Issuer;

(c) by action or suit, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Notes; or

(d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

2. Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in aggregate principal amount of the Notes of a Series, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts or omissions to act which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Owners of Notes of each Series not making such request.

3. Notwithstanding anything else in this Section, the remedies provided herein with respect to using the moneys on deposit in the Funds or the Accounts hereunder shall be limited to the Funds or Accounts hereunder pledged to the applicable Series of Notes; provided, however,

that the Trustee or the Owners of the Obligations shall not have the right to declare any of the Notes to be immediately due and payable.

Section 703. Abrogation of Right to Appoint Statutory Trustee; Preservation of Statutory Rights and Remedies.

Any right of the Owners of Notes appoint a trustee under the Issuer Act is hereby abrogated. Subject to the foregoing sentence of this Section 703, the Owners of Notes and the Trustee acting on behalf of the Owners of Notes shall be entitled to all of the rights and remedies provided or permitted by law.

Section 704. Application of Grant Receipts and Other Moneys After Event of Default.

1. During the continuance of an Event of Default with respect to any Series of Notes, all moneys held in trust and pledged hereunder and received by the Trustee with respect to such Series of Notes pursuant to any right given or action taken under the provisions of this Article shall, after payment of the expenses and advances incurred or made by the Trustee, including reasonable costs and expenses of Trustee's counsel, and any Owner or Owners with respect thereto, including reasonable costs and expenses of their counsel, be applied according to the accrued debt service deposits or payments with respect to each such Series as follows; provided, however, that amounts held in Accounts in any Note Fund shall be applied solely to pay interest or principal, as applicable, on the related Series of Notes:

First: To the payment of all installments of interest then due on any Notes in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment of the amounts due on such date ratably, without any discrimination or preference;

Second: To the payment of any principal or Redemption Price of any Notes which shall have become due, whether at maturity or by call for redemption or otherwise pursuant to the terms of the Supplemental Indenture providing for the issuance of such Notes, and, if the amount available shall not be sufficient to pay in full all Notes and any related obligations described above due on any particular date, then to the payment of the amounts due on such date ratably, without any discrimination or preference; and

Third: To the extent any other amounts remain unpaid, to the payment in full of such other amounts.

2. Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine in accordance with this Trust Indenture, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Note Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue if so paid. The Trustee shall give such notice as it may deem appropriate in accordance with this Trust Indenture of the deposit with it of any such moneys and

of the fixing of any such date, and shall not be required to make payment to the Owner of any Note until such Note shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

3. Whenever all installments of interest then due on the Outstanding Notes and all unpaid principal amounts of any Outstanding Notes that shall have become due have been paid under the provisions of this Section and all expenses and charges of the Fiduciaries have been paid, if any, the Issuer shall resume making the transfers to the Trustee in the amounts and according to the priority set forth in Article V.

Section 705. Remedies Not Exclusive.

No remedy by the terms hereof conferred upon or reserved to the Trustee or the Owners or any Owner is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute, including the Acts, on or after the date hereof.

Section 706. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) hereunder or under any of the Notes may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee may be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Notes. Subject to the provisions of Section 602, any recovery or judgment shall be for the equal benefit of the Owners of the Outstanding Notes.

Section 707. Control of Proceedings.

1. The Owners of a majority in aggregate principal amount of Notes of a Series then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken with respect to funds or assets solely securing such Series in connection with the enforcement of the terms and conditions hereof, *provided* that such direction (i) is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and (ii) shall not impair the right of the Trustee in its discretion to take any other action hereunder which it may deem proper in accordance with this Trust Indenture and which is not inconsistent with such direction by Owners.

2. If an Event of Default with respect to all Series of Notes shall have occurred and be continuing, the Owners of a majority in aggregate principal amount of all Notes then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to the Grant Receipts or other assets securing all Notes in connection with the enforcement of the terms and conditions hereof, *provided* that such direction is in accordance with law and the provisions hereof (including indemnity to the Trustee as provided herein) and shall not impair the right of the Trustee in its discretion to take any other action hereunder which it may deem proper in accordance with this Trust Indenture and which is not inconsistent with such direction by Owners.

Section 708. Individual Owner Action Restricted.

1. No Owner of any Note of any Series shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder unless:

(a) an Event of Default has occurred with respect to such Series of which the Trustee is deemed to have notice;

(b) the Owners of at least a majority in aggregate principal amount of Notes of such Series then Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted herein or to institute such action, suit or proceeding in its own name;

(c) such Owners shall have offered the Trustee indemnity as provided in Section 702;

(d) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity; and

(e) during such 60-day period no direction inconsistent with such written request has been delivered to the Trustee by the Owners of a majority in aggregate principal amount of Notes of such Series then Outstanding in accordance with Section 707.

2. No one or more Owners of Notes of such Series shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Owners of all Notes of such Series then Outstanding.

Section 709. Termination of Proceedings.

In case any proceeding taken by the Trustee on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to the Owners, then the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Owners shall continue as if no such proceeding had been taken.

Section 710. Waiver of Event of Default.

1. No delay or omission of the Trustee, of any Owner of the Notes or, if provided by Supplemental Indenture, any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and the Owners of the Notes may be exercised from time to time and as often as may be deemed expedient by them.

2. The Trustee, with the written consent of any Owner, if provided by Supplemental Indenture, may waive any Event of Default with respect to the Notes, that in its opinion, shall have been remedied at any time, regardless of whether any suit, action or proceeding has been instituted, before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

3. Notwithstanding anything contained herein to the contrary, the Trustee, upon the written request of (i) Owners of at least a majority of the aggregate principal amount of Notes of a Series then Outstanding with respect to any Event of Default which applies only to such Series, or (iii) Owners of at least a majority of the aggregate principal amount of Notes then Outstanding with respect to any Event of Default which applies to all Notes, shall waive any such Event of Default hereunder and its consequences; *provided, however*, that a default in the payment of the principal amount of, premium, if any, or interest on any such Note, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Owners of all the Notes then Outstanding of such Series to which an Event of Default applies.

4. In case of any waiver by the Trustee of an Event of Default hereunder, the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to any one for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 711. Notice of Event of Default.

Promptly, but in any event within 15 days after the occurrence of an Event of Default with respect to a Series of Notes of which the Trustee has actual notice, the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to the Issuer and each Owner of Notes of such Series then Outstanding.

Section 712. Limitations on Remedies.

It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Owners which lawfully may be granted pursuant to the provisions of the Issuer Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Owners shall be entitled to every other right and remedy provided in this Trust Indenture and by law. The Issuer has no obligation to make any payment of any Note or the interest thereon from any assets used in or revenues derived from the operation of the Related Entities or any other funds of the Issuer.

Section 713. Inconsistent or Lack of Directions in Default.

Notwithstanding anything else herein to the contrary, if any applicable Owners or Owners of separate Series in default do not direct remedies or proceedings to be taken pursuant to this Article, the Trustee shall take whatever action, if any, pursuant to Section 706 it deems to be in the best interest of Owners.

Section 714. Funds in Event of Default.

Upon the occurrence of an Event of Default and at all times thereafter while such default shall continue, the Trustee shall take possession of the Proceeds Fund from the Issuer.

ARTICLE VIII.

THE TRUSTEE

Section 801. Acceptance of Trust; General.

By execution hereof or by authenticating one or more Notes, the Trustee shall evidence its acceptance of the powers, duties and obligations of the Trustee only as are specifically set forth herein. The Trustee shall have no duty, responsibility or obligation for the issuance of Notes or for the validity or exactness hereof, or of any other document relating to such issuance. The Trustee shall have no duty, responsibility or obligation for the payment of Notes except for payment in accordance with the terms and provisions hereof from, and to the extent of, funds which are held in trust by the Trustee for the purpose of such payment. The Trustee's permissive rights hereunder shall not be construed as duties.

Prior to an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. The Trustee shall have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Trustee shall be determined solely by the express provisions hereof, and no implied powers, duties or obligations of the Trustee shall be read into this Trust Indenture.

During an Event of Default, the Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

Notwithstanding any other provision hereof, the Trustee shall have no liability for any (a) error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or (b) action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of Notes then Outstanding, then existing relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee hereunder.

Section 802. Trustee Not Required to Take Action Unless Indemnified.

Except as expressly required herein (including the requirements of the next sentence) the Trustee neither shall be required to institute any suit or action or other proceeding in which it may be a defendant, nor to take any steps to enforce its rights and expose it to liability, nor shall the Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its satisfaction, against any and all reasonable costs, expenses, outlays, counsel and other fees, other disbursements including its own reasonable fees and against all liability and damages. The Trustee nevertheless, may begin suit, or appear in and defend suit, or do anything else which in its judgment is proper to be done by it as the Trustee, without prior assurance of indemnity, and in such case the Issuer shall reimburse the Trustee for all reasonable costs, expenses, outlays, counsel and other fees, and other reasonable disbursements including its own fees, and for all liability and damages suffered by the Trustee in connection therewith, except for the Trustee's own negligent action, its own negligent failure to act, its own willful misconduct or self-dealing constituting a breach of trust under applicable law. If the Trustee begins, appears in or defends such a suit, the Trustee shall give reasonably prompt notice of such action to the Issuer and shall give such notice prior to taking such action if possible. If the Issuer shall fail to make reimbursement, the Trustee may reimburse itself for any such costs and expenses in accordance with Section 503.

Section 803. Employment of Experts.

The Trustee is hereby authorized to employ as its agents such attorneys at law, and other qualified independent consultants (who are not employees of the Trustee), as it may deem necessary to carry out any of its obligations hereunder, and shall be reimbursed by the Issuer for all reasonable expenses and charges in so doing. The Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Trustee. The Trustee may consult with legal counsel selected by it and shall be entitled to conclusively rely upon the opinion of such counsel in taking or omitting to take any action.

Section 804. Enforcement of Performance by Others.

It shall not be the duty of the Trustee, except as herein specifically provided, to seek the enforcement of any duties and obligations herein imposed upon the Issuer.

Section 805. Right to Deal in Notes and Take Other Actions.

The Trustee may in good faith buy, sell or hold and deal in any Notes with like effect as if it were not such Trustee and may commence or join in any action which a Owner is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Trustee to engage in such business with the Issuer or any Owner. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby, constitute a breach of trust on the part of the Trustee.

Section 806. Removal and Resignation of Trustee.

The Trustee may resign at any time. Written notice of such resignation shall be given to the Issuer and such resignation shall take effect upon the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days after the date notice of resignation is given, the Trustee or the Issuer may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

In addition, the Trustee may be removed at any time by the Issuer but only for cause by Supplemental Indenture so long as (a) no Event of Default shall have occurred and be continuing and (b) the Issuer determines, in such Supplemental Indenture, that the removal of the Trustee shall not have an adverse effect upon the rights or interests of the Owners.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Issuer shall be entitled to appoint a successor Trustee acceptable to a majority of the Owners. In such event, the successor Trustee shall cause notice to be mailed to the Owners of all Notes then outstanding in such manner deemed appropriate by the Issuer. If the Trustee resigns, the resigning Trustee shall pay for such notice. If the Trustee is removed, is dissolved, or otherwise becomes incapable of acting as Trustee, the Issuer shall pay for such notice.

Any Trustee appointed under the provisions of this Section 806 in succession to the Trustee shall be a Bank that is organized under the laws of the State, or, if organized under the laws of another state, authorized to do business in the State of New York, or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and which at the time of selection meets all thresholds for being well capitalized or adequately capitalized under the prompt corrective action framework applicable to insured depository institutions under Section 38 of the Federal Deposit Insurance Act as in effect from time to time or all thresholds for substantially equivalent categories in any successor legislation, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Indenture.

Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee promptly shall deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Each successor Trustee, not later than 10 days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Owner of a registered Note.

Section 807. Proof of Claim.

The Trustee shall have the right and power to act in its name or in the name and place of the Issuer or Owners to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all the Owners of Notes Outstanding.

Section 808. Trustee's Fees and Expenses.

The Issuer hereby agrees to pay fees to and expenses of the Trustee for its services hereunder as agreed to by the Issuer and the Trustee pursuant to the terms of a separate agreement. Any provision hereof to the contrary notwithstanding, if the Issuer fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any Fund or Account held by it, other than any amounts in any Note Fund.

Section 809. Reliance Upon Documents.

In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon and shall be protected in acting or refraining from acting in reliance upon any document, including but not limited to any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper officials of the Issuer, the Owners or agents or attorneys of the Owners; *provided*, in the case of any such document specifically required to be furnished to the Trustee hereby, the Trustee shall be under a duty to examine the same to determine whether it conforms to the requirements hereof. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document submitted to the Trustee; *provided, however*, the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may deem prudent. Whenever in the administration hereof, the Trustee shall deem it desirable that a matter be provided or established prior to taking or not taking any action hereunder, the Trustee (unless other evidence be specifically prescribed herein) may rely upon any document provided for in this Trust Indenture.

Except where other evidence is required hereby, any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by a certified copy of such request executed by an Authorized Officer.

Section 810. Recitals and Representations.

The recitals, statements and representations contained herein or in any Note shall be taken and construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same other than the Trustee's certification of authentication of any Notes as to which it is the Trustee.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Trustee shall not be responsible or liable for any loss suffered in connection with the investment of any funds made by it in accordance with the provisions hereof. Except with respect to Events of Default described in Section 801(a), the Trustee shall have no duty of inquiry with respect to any default which constitutes or with notice or lapse of time or both would constitute an Event of Default without actual knowledge of a Responsible Officer or receipt by the Trustee of written notice of a default which constitutes or with notice or lapse of time or both would constitute an Event of Default from the Issuer or any Owner. The Trustee shall not be responsible for any statements not made or provided by the Trustee in any offering document.

Section 811. Destruction of Notes.

Upon payment of or surrender to the Trustee for cancellation of any Note, the Trustee shall destroy or register the cancellation of such Note. At least annually the Trustee shall deliver a certificate of such destruction or cancellation to the Issuer. Upon surrender of any Note to a Paying Agent for payment, such Note shall be cancelled by the Paying Agent and delivered to the Trustee for destruction or register of cancellation.

Section 812. Reports.

The Trustee monthly shall prepare and submit to the Issuer reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report.

Section 813. Paying Agent and Registrar.

The Issuer may appoint a Paying Agent and a Registrar with respect to a Series of Notes in the Supplemental Indenture pursuant to which such Series is issued. Each Paying Agent and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it hereunder and under such Supplemental Indenture by written instrument of acceptance delivered to the Issuer and the Trustee. In addition, the Trustee is authorized and directed to enter into a Paying Agent Agreement with each Paying Agent as to such Paying Agent's rights and duties.

Each Paying Agent shall exercise its duties in accordance with the terms of and shall have the protection provided to the Trustee in this Trust Indenture.

If any Paying Agent or Registrar shall resign or be removed, the Issuer shall designate a successor. If the Issuer shall designate a successor, then, upon the Trustee's receipt of the written designation and the written acceptance of such designated successor, such entity shall thereupon, without further action by the Issuer, be appointed as successor Paying Agent and Registrar.

In the event that any Paying Agent or Registrar shall resign or be removed, or be dissolved, or if the property or affairs of any Paying Agent or Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and no successor shall have been appointed, the Trustee shall, ipso facto be deemed to be any Paying Agent or Registrar, until the appointment of a successor.

Any corporation into which any Paying Agent or Registrar may be merged or converted or with which it may be consolidated, or any corporation resulting from any such merger, consolidation or conversion, or succeeding to the corporate trust business of Paying Agent or Registrar, shall be the successor of the Paying Agent and the Registrar if such successor corporation is otherwise eligible under this Section, without the execution or filing of any further act on the part of the Trustee or the entity serving as Paying Agent and the Registrar or such successor corporation.

Section 814. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, *provided* such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE IX.

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Not Requiring Consent of Owners.

The Issuer and the Trustee may, without the consent of or notice to any of the Owners, enter into one or more Supplemental Indentures for one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission herein;
- (b) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder that shall not materially adversely affect the interests of the Owners;
- (c) to grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;
- (d) to secure additional revenues or provide additional security or reserves for payment of the Notes;

(e) to preserve the excludability of interest on any Tax-Exempt Notes from gross income for purposes of federal income taxes pursuant to an Opinion of Bond Counsel that such action will not affect adversely such excludability;

(f) to remove the Trustee in accordance with the second paragraph of Section 806;

(g) to evidence the succession of a new Trustee;

(h) to modify, alter, amend or supplement this Trust Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Notes for sale under the securities laws of any of the states of the United States of America and, if the Issuer and the Trustee so determine, to add to this Trust Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;

(i) to issue the initial Series of Notes and any additional Series of Notes pursuant to Article II, to provide additional Funds and Accounts relating such additional Notes, to authorize different authorized denominations of the Notes and to make correlative amendments and modifications to this Trust Indenture regarding exchangeability of Notes of different authorized denominations, redemptions of portions of Notes of particular authorized denominations and similar amendments and modifications of a technical nature; and

(j) to modify, alter, amend or supplement this Trust Indenture in any other respect which in the judgment of the Trustee is not inconsistent with this Trust Indenture and which is not materially adverse to the interests of the Owners.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 901, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Issuer Act and is authorized under this Trust Indenture, that such supplemental indenture will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Tax-Exempt Notes for federal income tax purposes.

Section 902. Supplemental Indentures Requiring Consent of Owners.

1. Other than Supplemental Indentures referred to in Section 901 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding may consent to or approve, from time to time, which consent or approval shall be in writing and shall not be withheld unreasonably, anything contained herein to the contrary notwithstanding, the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Trust Indenture; *provided*, that if any Supplemental Indenture modifying, altering, amending, adding to or rescinding any of the terms and provisions

of this Trust Indenture contains provisions which affect the rights and interests of less than all Series of Notes and Section 901 is not applicable, then such Supplemental Indenture shall require the consent only of the Owners of a majority in Outstanding principal amount of the Series of Notes so affected; and provided, further, that nothing in this Section shall permit or be construed as permitting a Supplemental Indenture which would:

(a) extend the stated maturity of or time for paying the interest on any Note or reduce the principal amount of or the redemption premium or rate of interest payable on any Note without the consent of the Owner of such Note;

(b) prefer or give a priority to any Note over any other Note without the consent of the Owner of each Note then Outstanding not receiving such preference or priority; or

(c) reduce the aggregate principal amount of Notes then Outstanding the consent of the Owners of which is required to authorize such Supplemental Indenture without the consent of the Owners of all Notes then Outstanding.

2. If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture pursuant to this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Trust Indenture to be mailed by first class mail, postage prepaid, to all Owners of Notes of any affected Series then outstanding at their addresses as they appear on the registration books herein provided for. The Trustee, however, shall not be subject to any liability to any Owner by reason of its failure to mail, or the failure of such Owner to receive, the notice required by this Section, and any such failure shall not affect the validity of any Supplemental Indenture when consented to and approved as provided in this Section. Such notice shall set forth briefly the nature of the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Trust Indenture and shall state that copies thereof are on file at the office of the Trustee for inspection by all Owners. It shall not be required that Owners approve the final form of such Supplemental Indenture, but it shall be sufficient if such Owners approve the substance thereof.

3. If within such period as shall be prescribed by the Issuer, following the first giving of a notice as provided in subsection 2 of Section 902 above, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than the aggregate principal amount or number of Notes specified in subsection 2 of Section 902 for the Supplemental Indenture in question which instrument or instruments shall refer to the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Trust Indenture described in such notice and shall specifically consent to and approve the execution of a Supplemental Indenture or Supplemental Indentures effecting such changes, thereupon, the Trustee may execute any such Supplemental Indenture without liability or responsibility to any Owner of any Note, regardless of whether such Owner shall have consented thereto.

4. Any such consent shall be irrevocable for a period of one year (or such longer period as shall be set forth in such consent) and shall be binding upon the Owner of the Note giving such consent and upon any subsequent Owner of such Note and of any Note issued in exchange therefor (regardless of whether such subsequent Owner thereof has notice thereof), unless after

such one year (or longer) period, such consent is revoked in writing by the Owner of such Note giving such consent or by a subsequent Owner thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplemental Indenture, such revocation. At any time after the Owners of the required principal amount or number of Notes shall have filed their consents to the execution of such a Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

5. If the Owners of the required principal amount or number of the Notes Outstanding shall have consented to and approved the proposed modifications, alterations, amendments, additions to or rescissions of the provisions of this Trust Indenture and the execution of such Supplemental Indenture as herein provided, no Owner of any Note shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Issuer from executing the same or taking any action pursuant to the provisions thereof.

Section 903. Execution and Effect of Supplemental Indentures.

1. In executing any Supplemental Indenture permitted by this Article, the Trustee shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted hereby. The Trustee may but shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities.

2. Upon the execution and delivery of any Supplemental Indenture in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplemental Indenture shall form a part hereof for all purposes and every Owner of a Note theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

3. Any Note authenticated and delivered after the execution and delivery of any Supplemental Indenture in accordance with this Article may, and if required by the Issuer or the Trustee shall, bear a notation in form approved by the Issuer and Trustee as to any matter provided for in such Supplemental Indenture. If the Issuer shall so determine, new Notes so modified as to conform in the opinion of the Trustee and the Issuer to any such Supplemental Indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for and upon surrender of the Notes then Outstanding.

ARTICLE X.

MISCELLANEOUS

Section 1001. Defeasance.

1. If the Issuer shall pay or cause to be paid to the Owners of all Notes then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Trust Indenture, then, at the option of the Issuer, expressed in an instrument in writing signed by an Authorized Officer and delivered to the

Trustee, the covenants, agreements and other obligations of the Issuer to the Owners of Notes shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Issuer all money, securities and funds held by them pursuant to this Trust Indenture which are not required for the payment or redemption of Notes not theretofore surrendered for such payment or redemption.

2. Outstanding Notes or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Paying Agent shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 1001. Outstanding Notes or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section either (A) with respect to the defeasance of Taxable Notes or Tax-Exempt Notes, as provided in the Supplemental Indenture authorizing their issuance or (B) if (a) in case any of said Notes are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, as provided in Article IV hereof or as provided in the related Supplemental Indenture, notice of redemption on said date of such Notes, (b) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either, the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Notes or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Notes are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Notes that the deposit required by (b) above has been made with the Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Redemption Price, if applicable, on such Notes. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Notes; provided, however, that any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Notes or otherwise existing under this Trust Indenture, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Notes on and prior to such redemption date or maturity date thereof, as the case may be. The Trustee shall, at the direction of the Issuer, select the Notes or portions thereof that are deemed to have been paid in advance of the redemption of such Notes.

3. Anything in this Trust Indenture to the contrary notwithstanding, any money held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Notes which remains unclaimed for 2 years after the date when such principal, Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Fiduciary at such date, or for 2 years after the date of deposit of such money if deposited with the Fiduciary after the date when such principal, Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Notes shall look only to the Issuer for the payment of such principal, Redemption Price, or interest, respectively. Notwithstanding the foregoing or anything in this Trust Indenture to the contrary, any money held by a Fiduciary in trust for the payment and discharge of any Notes which remains unclaimed after such money was to be applied to the payment of such Notes in accordance with this Trust Indenture may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Notes shall look only to the Issuer or the Comptroller of the State for the payment of such Notes. Before being required to make any such payment to the Issuer or to apply such money in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Owners entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such money then unclaimed will be returned to the Issuer or applied in accordance with the Abandoned Property Law of the State, as the case may be.

4. In the event the Issuer shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in this Trust Indenture, all or less than all Outstanding Notes issued as Tax-Exempt Notes and the provisions of Section 609 hereof shall then be of any force or effect, then, notwithstanding the provisions of this Section 1001 of this Trust Agreement, the Notes issued as Tax-Exempt Notes which the Issuer then seeks to pay or cause to be paid shall not be deemed to have been paid within the meaning and with the effect expressed in Section 1001 of this Trust Indenture unless (i) the Issuer has confirmed in writing that the Owners of the Notes issued as Tax-Exempt Notes which the Issuer then seeks to pay or cause to be paid will continue, after such action, to have the benefit of a covenant to the effect of the covenant of the Issuer contained in Section 609 hereof or (ii) there shall have been delivered to the Trustee an Opinion of Bond Counsel to the effect that non-compliance thereafter with the applicable provisions of the Code will not affect the then current treatment of interest on the Series of Notes issued as Tax-Exempt Notes in determining gross income for Federal income tax purposes.

5. Prior to any defeasance becoming effective as provided in Section 1001, there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Bond Counsel to the effect that interest on any Tax-Exempt Notes being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant(s) or nationally recognized verification firm (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or

Defeasance Securities are sufficient, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Notes to be defeased.

Section 1002. Evidence of Signatures of Owners of Notes and Ownership of Notes.

1. Any request, consent, revocation of consent or other instrument which this Trust Indenture may require or permit to be signed and executed by the Owners of Notes may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners of Notes in Person or by their attorneys-in-fact appointed in writing or by such electronic or other means as may be recognized pursuant to applicable law. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Notes shall be sufficient for any purpose of this Trust Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate of a signature guarantor, or of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a Issuer or association or a member of a partnership, on behalf of such Issuer, association or partnership such certificate or affidavit shall also constitute sufficient proof of his authority;

(b) The ownership of Notes and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

2. Any request or consent by the Owner of any Note shall bind all future Owners of such Note in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

Section 1003. Money Held for Particular Notes. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of Notes entitled thereto.

Section 1004. General Regulations as to Money and Funds.

1. Each of the Funds and Accounts established by this Trust Indenture shall be a trust fund for the purposes thereof.

2. All amounts of the Issuer held or set aside under this Trust Indenture shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in this Trust Indenture, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under this Trust Indenture shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and

effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of this Trust Indenture. Such deposits shall be continuously secured by the Notes of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

3. Unless otherwise specified in a Supplemental Indenture authorizing the issuance of Notes, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the Notes of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

Section 1005. Preservation and Inspection of Documents. All documents received by a Fiduciary under the provisions of this Trust Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, any other Fiduciary, and any Owners of at least 5% aggregate principal amount of Notes and their agents and their representatives, any of whom may make copies thereof.

Section 1006. Parties Interest Herein. Nothing in this Trust Indenture expressed or implied is intended or shall be construed to confer upon, or to give to any Person, other than the Issuer, the Fiduciaries, the Owners of Notes, any right, remedy or claim under or by reason of this Trust Indenture or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in this Trust Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Owners of Notes.

Section 1007. No Recourse on the Notes. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Notes or for any claim based thereon or on this Trust Indenture against any member, officer, or employee of the Issuer or any Person executing the Notes.

Section 1008. Successors and Assigns. Whenever in this Trust Indenture the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Trust Indenture contained by or on behalf of the Issuer shall bind and ensure to the benefit of its successors and assigns whether so expressed or not.

Section 1009. Business Days. Except as otherwise provided pursuant to a Supplemental Indenture, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the

same force and effect as if made or done on the nominal date provided in this Trust Indenture and no interest shall accrue during the intervening period with respect to any payment so deferred.

Section 1010. Severability of Invalid Provisions. If any term or provision of this Trust Indenture shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever, and such term and provision shall be valid and enforced to the fullest extent permitted by law.

The invalidity of any one or more phrases, sentences, clauses or Sections of this Trust Indenture shall not affect the remaining portions of this Trust Indenture, or any part hereof.

Section 1011. Exclusion of Notes. Notes owned or held by or for the account of the Issuer or any Related Entity shall not be deemed Outstanding for the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Notes Outstanding, and the Issuer or any Related Entity shall not be entitled with respect to such Notes to give any such consent or to take, or direct the taking of, any such action. At the time of any such consent or action, the Issuer shall furnish to the Trustee a certificate of an Authorized Officer, upon which the Trustee may conclusively rely, describing all Notes so to be excluded.

Section 1012. Governing Law. This Trust Indenture shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

Section 1013. Notices.

1. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

- (a) If to the Issuer, addressed to:

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004
Attention: _____
With a Copy to: _____

- (b) If to the Trustee, sent by registered or certified mail addressed to:

The Bank of New York Mellon
[Address]
[Address]

(c) If to the registered Owner of a Note, addressed to such Owner at the address shown on the books of the Registrar kept pursuant hereto.

2. The Issuer and the Trustee may from time to time by notice in writing to all parties to this Trust Indenture designate a different address or addresses for notice hereunder.

3. Additionally, the Trustee shall have the right to accept and act upon instructions or directions (“Instructions”) given pursuant to this Trust Indenture and delivered using Electronic Means (as defined below), provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing the Authorized Officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Issuer understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Issuer and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 1014. Counterparts.

This Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 1015. Binding Effect.

This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and on its behalf and attested by its duly authorized officers, and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Name:
Title:

EXHIBIT ONE
FORM OF NOTE

THE NOTES ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE NOTES DO NOT OTHERWISE CONSTITUTE A PLEDGE OF THE CREDIT OF THE ISSUER. FURTHER, THE NOTES DO NOT CONSTITUTE A PLEDGE OF THE CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, NOR DO THE NOTES CONSTITUTE A PLEDGE OF THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE NOTES.

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

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

No. R- _____ \$ _____

METROPOLITAN TRANSPORTATION AUTHORITY
GRANT ANTICIPATION NOTE, SERIES 2021A
(FULLY APPROPRIATED COVID OPERATING GRANTS – FEDERALLY TAXABLE)

NO. _____ \$ _____

Interest Rate	Maturity Date	Dated Date	CUSIP
Registered Owner:	CEDE & CO.		
Principal Amount:			

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “Issuer”), a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Trust Estate defined below, upon presentation and surrender of this Bond at the office or agency of the Issuer designated for such payment in the Borough of Manhattan, City and State of New York, or, at the option of the Registered Owner hereof, at any other office or agency of Issuer designated by the Issuer for such payment, the Principal Amount identified above on the Maturity Date specified above, and to pay, but solely from the Trust Estate defined below, interest on said Principal Amount from the later of the Dated Date of this Series 2021A Note (as defined below) or the most recent date to which interest has been paid or provided for. Interest on this Series 2021A Note (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable at maturity.

The Series 2021A Notes are limited obligations of the Issuer payable solely from and secured solely by (i) all amounts received by the Issuer from the Grant Receipts until such time as each Principal and Interest Account in the Note Fund is Fully Funded, (ii) amounts on deposit in certain funds and accounts established under the Trust Indenture, including investment earnings thereon, subject, however, to the use and application thereof as permitted by the Trust Indenture, and (iii) any and all other property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Trust Indenture for the Series 2021A Notes, by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee (collectively, the “Trust Estate”).

Principal of this Series 2021A Note is payable in lawful money of the United States of America at the corporate trust office of The Bank of New York Mellon, or its successor in trust, as Trustee and Paying Agent (“Trustee”), and payment of the interest hereon shall be made to the person in whose name this Series 2021A Note is registered at the close of business on the fifteenth (15th) day preceding each interest payment date (“Record Date”) by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner’s address as it appears on the registration books of the Issuer maintained by the Trustee, as Registrar (“Registrar”) or, at the option of a Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2021A Notes, by wire transfer of immediately available funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar.

This Grant Anticipation Note is one of a duly authorized issue of Notes (as hereinafter defined) of the Issuer designated as its “Grant Anticipation Notes (Fully Appropriated COVID Operating Grants)” issued under and pursuant to the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “Issuer Act”), and under and pursuant to a Resolution of the Issuer adopted on October 20, 2021, and a Trust Indenture of the Issuer dated as of November 1, 2021, entitled “Trust Indenture securing Metropolitan Transportation Authority Grant Anticipation Notes (Fully Appropriated COVID Operating Grants)”, as supplemented. Said Indenture, as supplemented and amended, is herein called the “Trust Indenture”. This Grant Anticipation Note is one of a series of Notes designated as “Grant Anticipation Notes, Series 2021A (Fully Appropriated COVID Operating Grants – Federally Taxable)” (herein called the “Series 2021A Notes”), issued in the aggregate principal

amount of \$ _____ under said Trust Indenture in anticipation of the receipt of certain grants expected to be received from the United States of America, acting through the Department of Transportation, Federal Transit Administration, under the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act of 2021 (collectively, the “Acts”). All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Trust Indenture.

Copies of the Trust Indenture are on file at the office of the Issuer and at the principal corporate trust office of The Bank of New York Mellon, as Trustee under the Trust Indenture, or its successor as Trustee (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York, and reference to the Trust Indenture and any and all supplements thereto and modifications and amendments thereof and to the Issuer Act and the Acts is hereby made for a complete description of the pledge and covenants securing the Series 2021 Notes, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series 2021A Notes with respect thereto, and the terms and conditions upon which the Series 2021A Notes are issued and may be issued thereunder.

As provided in the Trust Indenture, the Notes are limited obligations of the Issuer payable solely from and secured by a pledge, subject only to the provisions of the Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Indenture, of and lien on the Trust Estate, including the Grant Receipts, as defined and described in the Trust Indenture, and amounts on deposit in certain Funds and Accounts established pursuant to the Trust Indenture. The Trust Indenture provides that Additional Notes and Refunding Notes may be issued from time to time in the future on a parity with the Series 2021A Notes to share ratably and equally in the Trust Estate upon compliance with certain requirements contained in the Trust Indenture (such Series 2021A Notes and any additional Notes and Refunding Notes from time to time outstanding are referred to collectively as the “Notes”).

The aggregate principal amount of Notes which may be issued and outstanding under the Trust Indenture is limited to \$4 billion as provided in the Trust Indenture and the Issuer Act, and all Series of Notes issued and to be issued under the Trust Indenture are and shall be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Trust Indenture.

To the extent and in the manner permitted by the terms of the Trust Indenture, modification or amendment of the Trust Indenture and of the rights and obligations of the Issuer and of the Owners of the Notes may be made by a Supplemental Indenture, in certain instances without the written consent of the Owners of the Notes. Reference is made to the Trust Indenture for the terms and provisions thereof relating to amendments and supplements.

The Series 2021A Notes are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Trust Indenture. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this Note, as the owner of this Note for all purposes, including payments of principal of and Redemption Price and interest on this Note, notices and voting. In the event the Series 2021A

Notes are no longer held in book-entry-only form, the Series 2021A Notes would be issuable in the form of fully registered notes without coupons in Authorized Denominations.

The Series 2021A Notes are subject to redemption prior to maturity as provided in the Supplemental Indenture relating to the Series 2021A Notes.

The Issuer Act provides that neither the members of the Issuer nor any person executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Trust Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of the Series 2021A Notes, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of New York.

This Series 2021A Note shall not be entitled to any benefit under the Trust Indenture or be valid or become obligatory for any purpose until this Series 2021A Note shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION AUTHORITY has caused this Series 2021A Note to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Series 2021A Note is one of the Notes described in the within mentioned Indenture.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication:

ASSIGNMENT

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

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

[PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE]

the within Bond of the Metropolitan Transportation Authority and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

In the Presence of:

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

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

