

METROPOLITAN TRANSPORTATION AUTHORITY

**SERIES 2015X
(RRIF LOAN – POSITIVE TRAIN CONTROL PROJECT)
TRANSPORTATION REVENUE BOND
SUPPLEMENTAL RESOLUTION**

Adopted _____, 2015

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS AND STATUTORY AUTHORITY.....	1
Section 1.01. Supplemental Resolution	1
Section 1.02. Definitions.....	1
Section 1.03. Authority for this Supplemental Resolution	3
ARTICLE II AUTHORIZATION OF SERIES 2015X BONDS	3
Section 2.01. Authorized Principal Amount, Designation and Series	3
Section 2.02. Purposes	4
Section 2.03. Dates, Maturities, Principal Amounts and Interest.....	4
Section 2.04. Interest Payments	5
Section 2.05. Denominations, Numbers and Letters.....	5
Section 2.06. Places of Payment and Paying Agent	6
Section 2.07. Redemption Prices and Terms	6
Section 2.08. Transfers to Additional Holders.....	7
Section 2.09. Delegation to an Authorized Officer.....	7
Section 2.10. Forms of Series 2015X Bonds and Trustee’s Authentication Certificate.....	8
Section 2.11. Appointment of Trustee and Paying Agent	8
ARTICLE III DISPOSITION OF ADVANCES	9
Section 3.01. Disposition of Advances.....	9

Exhibit One – Form of Series 2015X Bond delivered to Additional Holders

**SERIES 2015X
(RRIF LOAN – POSITIVE TRAIN CONTROL PROJECT)
TRANSPORTATION REVENUE BOND
SUPPLEMENTAL RESOLUTION**

WHEREAS, the United States of America represented by the Secretary of Transportation (the “Transportation Secretary”) acting through the Federal Railroad Administration (the “Lender”) is authorized, pursuant to Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 *et seq.* (the “Federal Act”), to provide financial assistance for such purposes consistent with the Federal Act as may be approved by the Transportation Secretary and the Transportation Secretary has duly delegated the Transportation Secretary’s authority under the Federal Act to the Federal Railroad Administrator or the Federal Railroad Administrator’s designee (the “Administrator”);

WHEREAS, pursuant to the Federal Act, the Metropolitan Transportation Authority (the “Issuer”) has submitted an application, as updated and amended, to the Administrator requesting a loan (the “Loan”) in the amount of Nine Hundred Sixty Seven Million One Hundred Thousand Dollars (\$967,100,000);

WHEREAS, the proceeds of the Loan will finance Allowable Costs (as such term is defined in the Financing Agreement between the Issuer and the United States of America, represented by the Secretary of Transportation acting through the Federal Railroad Administrator (as the same may be amended or supplemented, the “Financing Agreement”)) incurred by the Issuer in connection with its Positive Train Control Project capital project which will install Positive Train Control on The Long Island Rail Road Company and Metro-North Commuter Railroad Company tracks as and where required by applicable laws and regulations; and

WHEREAS, the Issuer’s obligation to repay the Loan will be evidenced by the issuance of the Series 2015X Bonds hereunder and secured by a pledge of the Trust Estate on a parity basis with the holders of the Issuer’s Obligations;

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Transportation Authority, as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Supplemental Resolution. This resolution is supplemental to, and is adopted, in accordance with Article II and Article A-VIII of, a resolution of the Issuer adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations” (the “Resolution”).

Section 1.02. Definitions.

(a) All capitalized terms which are used but not otherwise defined in this Series 2015X (Positive Train Control Project) Transportation Revenue Bond Supplemental

Resolution (the “Supplemental Resolution”) shall have the same meanings, respectively, as such terms are given by Section 102 of the Resolution.

(b) The following terms shall have the meanings set forth in the Financing Agreement:

“Additional Holder”
“Administrator”
“Advance”
“Allowable Costs”
“Advance Suspension Event”
“Base Rate”
“Commitment Termination Date”
“Lender”
“Loan”
“Maximum Aggregate Principal Amount of the Loan”
“Overdue Rate”
“Ratings Downgrade Event”
“Ratings Downgrade Rate”
“RRIF Loan Obligations”

(c) In this Supplemental Resolution:

“Authorized Officer” shall include the officers of the Issuer designated as such in the Resolution, and the Chairman and Chief Executive Officer, the Chair of the Finance Committee, the Vice Chairman, the Chief Financial Officer or the Director, Finance, 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.

“Board” shall mean the members of the Issuer acting as such pursuant to the provisions of the Issuer Act.

“Bond Counsel” shall mean Nixon Peabody LLP, Hawkins Delafield & Wood 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.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“Federal Act” shall mean Title V of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, 45 U.S.C. 821 et seq.

“Federal Government Holder” shall mean an Owner of any Series 2015X Bond that is an agency or instrumentality of the federal government.

“Financing Agreement” shall have the meaning given in the recitals hereof.

“Interest Payment Date” shall mean each May 15 and November 15 occurring after the date of issue of the Series 2015X Bonds until such Series 2015X Bonds are paid in full or, if any such day is not a Business Day, then the next succeeding Business Day.

“Principal Payment Date” shall mean each November 15 or, if any such day is not a Business Day, then the next succeeding Business Day, in the years determined as provided in Section 2.2 of the Financing Agreement.

“Transportation Secretary” shall mean the Secretary of Transportation of the United States of America, and his or her successors or assigns.

Section 1.03. Authority for this Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Issuer Act and the Resolution.

ARTICLE II

AUTHORIZATION OF SERIES 2015X BONDS

Section 2.01. Authorized Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution and in order to finance Allowable Costs, a Series of Transportation Revenue Obligations, which for purposes of this Supplemental Resolution shall collectively be referred to herein as the “Series 2015X Bonds”, constituting Taxable Bonds and Capital Cost Obligations, entitled to the benefit, protection and security of such provisions of the Resolution, are hereby authorized to be issued in an aggregate principal amount not exceeding the Maximum Aggregate Principal Amount of the Loan, the execution and delivery of the Financing Agreement being conclusive evidence of the amount of the Maximum Aggregate Principal Amount of the Loan permitted hereunder. The Series 2015 X Bonds shall be issued as evidence of the Issuer’s obligation to repay the Loan. Series 2015X Bonds shall be designated as, and shall be distinguished from the Obligations of all other Series by the title, “Transportation Revenue Bonds, Series 2015X (RRIF Loan – Positive Train Control Project)” or such other title or titles set forth in one or more Certificates of Determination.

The Series 2015X Bonds shall be initially issued as one interim bond certificate (the “Series 2015X Interim Bond”), authenticated by the Trustee, in substantially the form attached to the Financing Agreement as Exhibit G-I thereto in the Maximum Aggregate Principal Amount of the Loan, bearing interest at the Base Rate, subject to adjustment as provided in the Financing Agreement, and made payable to the Lender. The Lender is authorized to enter on the grid attached to the Series 2015X Interim Bond the amount of each Advance of the Loan made under the Financing Agreement, all as provided in the Financing Agreement.

As provided in Section 2.1 of the Financing Agreement, the Issuer shall deliver or cause to be delivered to the Administrator, in substitution for the Series 2015X Interim Bond as provided in the Financing Agreement, one final bond certificate (the “Series 2015X Final Bond”), authenticated by the Trustee, in substantially the form attached to the Financing Agreement as Exhibit G-II thereto in a principal amount equal to the aggregate outstanding principal amount of all Advances made under the Financing Agreement.

The Lender shall have the right at any time to assign its interest in the Series 2015X Bond, in whole or in part, to any Additional Holder as provided in Section 2.6 of the Financing Agreement; provided, however, that (i) the Administrator shall give the Issuer written notice of any such assignment and (ii) in the event that Lender intends to assign any interest in the Series 2015X Bond to any Additional Holders which are not a Qualified Institutional Buyers (as defined in the federal securities laws), then the Administrator shall give the Issuer not less than thirty (30) days prior written notice and shall provide such Additional Holders with any information disclosure document concerning the Issuer and the Series 2015X Bond which is delivered by the Issuer to the Administrator within such thirty-day period.

At any time after the issuance of the Series 2015X Final Bond, if requested in writing by the Administrator, Issuer shall, within a reasonable period of time and at its sole expense, register the Series 2015X Final Bond (in which case the Series 2015X Final Bond may be reissued in the form of Exhibit One to this Supplemental Resolution but without change to the essential terms of the Series 2015X Bond other than the deletion of provisions thereof not applicable to any Series 2015X Bond held by an Additional Holder as provided in Section 2.7 of the Financing Agreement) with The Depository Trust Company or its nominee (or such other depository as is then being employed generally for Issuer's Obligations) as a fully-registered security so as to provide for payments under and transfers of ownership interests in the Series 2015X Final Bond through The Depository Trust Company's Book-Entry-Only System (or such equivalent system as is then in use generally with respect to Issuer's Obligations).

As provided in the Financing Agreement, certain terms and conditions of the Series 2015X Bonds held by Additional Holders are different from the terms and conditions of the Series 2015X Bonds held by a Federal Government Holder. The Issuer shall deliver to each Additional Holder a Series 2015X Bond in substantially the form of Exhibit One hereto.

Section 2.02. Purposes. The Series 2015X Bonds are being issued to evidence the Issuer's repayment of the Loan in order to finance Allowable Costs under the Financing Agreement which are Capital Costs under the Resolution, all to the extent and in the manner provided in the Financing Agreement and this Supplemental Resolution.

Section 2.03. Dates, Maturities, Principal Amounts and Interest. The Series 2015X Interim Bond shall be dated the date of execution and delivery of the Financing Agreement. Unless otherwise provided in a Certificate of Determination, the Series 2015X Final Bond shall be dated as of the first Interest Payment Date falling after the Commitment Termination Date. Unless otherwise provided in a Certificate of Determination, each Series 2015X Bond issued in exchange or replacement for the Series 2015X Final Bond or in exchange or replacement for other Series 2015X Bonds other than the Series 2015X Final Bond and the Series 2015X Interim Bond shall be dated as of the most recent Interest Payment Date to which interest has been paid in full.

The outstanding principal amount of the Series 2015X Bonds, which shall be determined in accordance with the provisions of Section 2.2 of the Financing Agreement upon the delivery of the Series 2015X Final Bond, shall be paid in twenty (20) annual installments on each Principal Payment Date commencing on the Principal Payment Date determined upon the delivery of the Series 2015X Final Bond in accordance with the provisions of the Financing

Agreement. The Series 2015X Bonds shall mature on November 15, 2037, or such later date as may be agreed to by the Lender, it being understood that the Lender is under no obligation to extend the maturity date of the Loan. Principal on the Series 2015X Bonds shall be paid on each November 15 in accordance with the schedule attached to the Series 2015X Final Bond and determined as provided in Section 2.2(b) of the Financing Agreement.

Except as provided in the next paragraph, the outstanding principal amount of the Series 2015X Bonds shall bear interest at the Base Rate.

For Series 2015X Bonds that are owned by a Federal Government Holder only, in the event that an Advance Suspension Event under Section 6.1(a) of the Financing Agreement occurs and is continuing, the outstanding principal amount of each Series 2015X Bond and any past-due amount of interest shall bear interest at the Overdue Rate commencing on the thirtieth day after the relevant payment was due and continuing until such Advance Suspension Event is cured. For Series 2015X Bonds that are owned by a Federal Government Holder only, upon the occurrence and during the continuance of a Ratings Downgrade Event, the outstanding principal amount of each Series 2015X Bond shall bear interest at the Ratings Downgrade Rate. For the avoidance of doubt, if at any time both Ratings Downgrade Rate and the Overdue Rate apply, the outstanding principal amount of each Series 2015X Bond held by a Federal Government Holder and any past-due amount of interest shall bear interest at the rate per annum equal to the Base Rate plus four percent (4.00%). The Overdue Rate and the Ratings Downgrade Rate shall be calculated as provided in Section 2.2 of the Financing Agreement. Additional Holders shall not be entitled to receive interest at either the Overdue Rate or the Ratings Downgrade Rate.

Section 2.04. Interest Payments. The Series 2015X Bonds shall bear interest from their date or dates and be payable on each Interest Payment Date. Interest on the Series 2015X Bonds shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the date of each applicable Advance or last Interest Payment Date, as the case may be, to but excluding the Interest Payment Date on which such interest is due.

In the case of Series 2015X Bonds held by a Federal Government Holder, the Record Date for the payment of principal of and interest on the Series 2015X Bonds shall be the day prior to the Interest Payment Date or the Principal Payment Date, as the case may be. In the case of Series 2015X Bonds held by an Additional Holder, the Record Date for the payment of principal of and interest on the Series 2015X Bonds shall be the November 1 or May 1 immediately preceding such payment date.

Section 2.05. Denominations, Numbers and Letters. Unless otherwise provided in any Certificate of Determination, the Series 2015X Bonds shall be issued in fully registered form without coupons and, if issued to any Additional Holder, in the denomination of \$5,000 or any integral multiple thereof.

The Series 2015X Bonds shall be lettered and numbered as provided in any Certificate of Determination.

Section 2.06. Places of Payment and Paying Agent. With respect to Series 2015X Bonds owned by a Federal Government Holder, all payments of RRIF Loan Obligations shall be made, irrespective of any claim or right of counterclaim or set-off, on or before the date such payment is due by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement for such purposes (subject, in the case of payments specified in clause (a) of the definition of RRIF Loan Obligations, to any requirements of The Depository Trust Company in the event of a transfer to an Additional Holder). The Federal Government Holder shall not be required to present or surrender the Series 2015X Bonds to the Issuer, the Trustee or the Paying Agent as a condition to the payment of any RRIF Loan Obligations.

Except as otherwise provided in any Certificate of Determination, with respect to Series 2015X Bonds owned by an Additional Holder, payment of principal and Redemption Price of the Series 2015X Bonds shall be payable to the Additional Holder that is the registered owner of each Series 2015X Bond when due upon presentation of such Series 2015X Bond at the principal corporate trust office of the Trustee.

Except as otherwise provided in any Certificate of Determination, interest on the registered Series 2015X Bonds owned by Additional Holders will be paid by check or draft mailed on the Interest Payment Date by the Paying Agent, to the registered owner at his address as it appears on the registration books or, at the option of any Owner that is an Additional Holder of at least one million dollars (\$1,000,000) in principal amount of the Series 2015X Bonds, by wire transfer in immediately available funds on each Interest Payment Date to such Owner thereof upon written notice from such Owner to the Trustee, at such address as the Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) days prior to the related Interest Payment Date (such notice may refer to multiple interest payments).

Section 2.07. Redemption Prices and Terms. With respect to Series 2015X Bonds owned by a Federal Government Holder, the Series 2015X Bonds are subject to redemption in whole or in part at any time or from time to time, without penalty or premium, as provided in Section 2.4 of the Financing Agreement. With respect to each redemption, the Issuer shall deliver written notice of such redemption to the Federal Government Holder no less than ten (10) nor more than thirty (30) days prior to the date set for redemption. All partial prepayments of principal prior to the delivery of the Series 2015X Final Bond shall be recorded by the Administrator on Schedule A to the Series 2015X Interim Bond or, if made after the delivery of the Series 2015X Final Bond, shall be applied to future installments of principal due on the Series 2015X Bonds in the inverse order of maturity.

With respect to Series 2015X Bonds owned by Additional Holders, the Series 2015X Bonds are subject to redemption in whole or in part at any time or from time to time, without penalty or premium, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date. With respect to each redemption, the Issuer shall deliver written notice of such redemption to the Owners (or to the Securities Depository as provided in a Certificate of Determination) no less than twenty (20) nor more than ninety (90) days prior to the date set for redemption.

Section 2.08. Transfers to Additional Holders. Except as provided in the next sentence, neither the Series 2015X Interim Bond nor the Series 2015X Final Bond delivered to the Lender or any other Federal Government Holder will be registered with a Securities Depository. As provided in Section 2.6(b) of the Financing Agreement, the Administrator may request that the Issuer register the Series 2015X Bonds held by a Federal Government Holder with a Securities Depository.

As provided in Section 2.6 of the Financing Agreement, the Lender has the right at any time to assign its interest in the Series 2015X Bonds, in whole or in part, to any Additional Holder. In connection with the delivery of Series 2015X Bonds to Additional Holders, the Issuer may provide for the registration of such Series 2015X Bonds to a Securities Depository, as provided in a Certificate of Determination.

Any Additional Holders of an interest in the Series 2015X Bonds shall have only the rights and benefits conferred on Owners by the Resolution, this Supplemental Resolution and the related Certificates of Determination, and the Series 2015X Bonds, and shall have none of the additional rights and benefits conferred by the Financing Agreement (including, without limitation, those conferred under Articles IV, V and VI of the Financing Agreement and any right to receive the Ratings Downgrade Rate or the Overdue Rate). The additional rights and remedies under the Financing Agreement shall belong to and be exercisable solely by and for the benefit of Lender and the Administrator and the other Federal Government Holders. Nothing contained in this Supplemental Resolution or the Financing Agreement shall confer upon any Additional Holder any such rights or remedies under the Financing Agreement or the right to enforce any such rights or remedies. Interest on the Series 2015X Bonds payable to any Additional Holder shall not be excludable from gross income for federal income tax purposes.

Section 2.09. Delegation to an Authorized Officer. (a) There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Resolution, the following powers with respect to the Series 2015X Bonds:

(i) to execute and deliver for and on behalf and in the name of the Issuer, to the extent determined by such Authorized Officer to be necessary or convenient, the Financing Agreement, substantially in the form presented to the Board at this meeting, with such changes, omissions, insertions and revisions as such officer shall deem advisable, said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions;

(ii) to determine the terms and conditions relating to the Loan and the issuance of the Series 2015X Bonds as evidence of the obligation of the Issuer to repay the Loan, including the Maximum Aggregate Principal Amount of the Loan, and to take all steps necessary or convenient to satisfy the conditions precedent necessary to close the Loan, including the determination by the Chairman and Chief Executive Officer or the Vice Chairman of the amount of the credit risk premium, if any, that may be assessed against the Issuer in order to make the total cost of the Loan to the Issuer economically beneficial when compared to the cost of other available borrowings for the Allowable Costs; such determination by the Chairman and Chief Executive Officer or the Vice Chairman to be evidenced by a certificate of such officer attached to the Certificate of Determination.

(iii) to determine the amortization of the principal of the Loan and the Series 2015X Bonds consistent with the requirements of Section 2.2 of the Financing Agreement; and

(iv) to take all actions required for the Series 2015X Bonds to be eligible, where appropriate under the terms of the Financing Agreement, under the rules and regulations of The Depository Trust Company (“DTC”) for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Resolution, to include in any Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2015X Bonds issuable in fully registered form.

(b) Any Authorized Officer shall execute any Certificate of Determination evidencing the determinations made pursuant to this Supplemental Resolution and such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. More than one Certificate of Determination may be delivered to the extent necessary or advisable from time to time to comply with the provisions of the Financing Agreement, or other authority is exercised under this Supplemental Resolution from time to time and each such Certificate of Determination shall be delivered to the Trustee prior to the authentication and delivery of the respective Series 2015X Bonds by the Trustee or other documentation. Determinations set forth in any Certificate of Determination shall have the same effect as if set forth in this Supplemental Resolution. Any such Authorized Officer may exercise any authority delegated under this Supplemental Resolution from time to time following issuance of any Series 2015X Bonds, as appropriate for any purposes.

(c) Any Authorized Officer shall take all steps necessary or convenient to comply with the terms and conditions of the Loan and the Financing Agreement through the termination thereof, including the submission of the documentation necessary to request Advances and complying with the covenants set forth in the Financing Agreement.

Section 2.10. Forms of Series 2015X Bonds and Trustee’s Authentication Certificate. The forms of the Series 2015X Interim Bond and the Series 2015X Final Bond, and the Trustee’s certificate of authentication, shall be substantially the forms set forth as Exhibit G-I and Exhibit G-II, respectively, of the Financing Agreement. Subject to the provisions of the Resolution, the form of registered Series 2015X Bonds delivered to Additional Holders, and the Trustee’s certificate of authentication, shall be substantially in the form set forth in Exhibit One to the Resolution including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Resolution or any Certificate of Determination.

Section 2.11. Appointment of Trustee and Paying Agent. Unless otherwise provided by Certificate of Determination, The Bank of New York Mellon, as successor in interest to JPMorgan Chase Bank, N.A., shall be the Trustee under the Resolution and the Paying Agent for the Series 2015X Bonds.

ARTICLE III

DISPOSITION OF ADVANCES

Section 3.01. Disposition of Advances. Any proceeds of the Advances under the Financing Agreement, if not immediately used to reimburse the Issuer for Allowable Costs under the Financing Agreement that are Capital Costs under the Resolution previously paid, shall be deposited, simultaneously with the delivery of the proceeds of the Advance, in the Proceeds Account which is deemed to be established for the Series 2015X Bonds in the Proceeds Fund to be applied to the payment of Allowable Costs under the Financing Agreement that are Capital Costs under the Resolution.

Exhibit One

**FORM OF SERIES 2015X FINAL BOND
DELIVERED TO ADDITIONAL HOLDERS**

**THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE
OF NEW YORK OR THE CITY OF NEW YORK AND NEITHER
THE STATE NOR THE CITY SHALL BE LIABLE THEREON.**

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 Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution to the contrary, a portion of the principal amount of this Series 2015X Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Series 2015X Bond 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 Resolution.

**METROPOLITAN TRANSPORTATION AUTHORITY
TRANSPORTATION REVENUE BOND, SERIES 2015X
(RRIF Loan – Positive Train Control Project)**

NO. 15X-RRIF-R-__

Principal Amount: \$__

Interest Rate

Base Rate

Maturity Date

November 15, 2037

Dated Date

____, 20__

Registered Owner:

Principal Amount: ____ Dollars

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the “MTA”), 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, as provided in the hereinafter defined Financing Agreement, the Principal Amount set forth above, as such Principal Amount may be decreased as provided in the Financing Agreement, 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, and to pay to the Registered Owner hereof interest on such Principal Amount, such payment to be made by The Bank of New York Mellon, as Paying Agent, from the Interest Payment Date (as defined in the hereinafter defined Financing Agreement) immediately preceding the date hereof at the Base Rate, payable on each Interest Payment Date until the MTA's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Series 2015X Bond shall be calculated based on a 365-day or 366-day year, as appropriate, and the actual number of calendar days elapsed from and including the last Interest Payment Date to but excluding the Interest Payment Date on which such interest is due.

INTEREST PAID UNDER THIS SERIES 2015X BOND IS NOT EXCLUDABLE FROM GROSS INCOME FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

“Financing Agreement” means the Financing Agreement, dated as of ____, 2014, between MTA and the United States of America (the “Lender”), represented by the Secretary of Transportation, acting through the Federal Railroad Administrator (the “Administrator”).

“Interest Payment Date” means each May 15 and November 15 occurring after the Dated Date set forth above.

“Base Rate” means the rate of ____% per annum.

Payments of principal and interest will be paid by wire transfer of immediately available funds in accordance with written payment instructions provided by the Administrator from time to time under the Financing Agreement.

This Bond is one of a duly authorized issue of obligations of the MTA designated as its “Transportation Revenue Obligations” (herein called the “Bonds”) issued under and pursuant to the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “MTA Act”), and under and pursuant to a resolution of the MTA adopted on March 26, 2002, entitled “General Resolution Authorizing Transportation Revenue Obligations,” as supplemented. Said resolution, as supplemented and amended, is herein called the “Resolution.” This Bond is one of a series of Bonds designated as “Transportation Revenue Bonds, Series 2015X” (herein called the “Series 2015X Bonds”), issued in the principal amount of \$____ under said Resolution. All capitalized terms used but not otherwise defined herein or in the Financing Agreement have the respective meanings ascribed by the Resolution.

Copies of the Resolution are on file at the office of the MTA and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as Trustee (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof and to the MTA Act is hereby

made for a complete description of the pledge and covenants securing the Series 2015X Bond, 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 2015X Bond with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond is a special obligation of the MTA, secured by a pledge, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, of all right, title and interest of the MTA in the "Trust Estate," being (i) all Revenues and Net Proceeds of Qualified Agreements, (ii) the proceeds of the sale of the Obligations, (iii) all Funds, Accounts and Subaccounts established by the Resolution (subject to specified provisions of the Resolution) including the investments, if any, thereof, (iv) the Interagency Agreement, and (v) all funds, moneys and securities and any and all other rights and interest in property, whether tangible or intangible, from time to time hereafter received by the Trustee as additional security under the Resolution.

Any Additional Holders of an interest in this Series 2015X Bond shall have only the rights and benefits conferred on owners by the Resolution, and shall have none of the additional rights and benefits conferred by the Financing Agreement (including, without limitation, those conferred under Articles IV, V and VI of the Financing Agreement and any right to receive the Ratings Downgrade Rate and the Overdue Rate, as each is defined in the Financing Agreement). The additional rights and remedies under the Financing Agreement shall belong to and be exercisable solely by and for the benefit of Lender and the Administrator and other federal government holders. Nothing contained in the Financing Agreement shall confer upon any Additional Holder any such rights or remedies under the Financing Agreement or the right to enforce any such rights or remedies.

"Additional Holder" means any individual or entity other than an agency or instrumentality of the federal government, to which all or a portion of this Series 2015X Bond may be transferred by the Lender or by any transferee of Lender.

To the extent provided in the Resolution, the Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

The events specified in the Resolution as such shall constitute Events of Default and the Trustee and the Owners shall have the rights and remedies provided by the Resolution. Neither the Trustee nor the Owners of the Bonds shall have the right to declare all of the Bonds to be immediately due and payable in the event of a default with respect to the Resolution or any of the Bonds.

To the extent provided in the Resolution, Parity Debt, secured on a parity basis with the Bonds with respect to all right, title and interest of the MTA in the Trust Estate, may be issued or

entered into by the MTA. The aggregate principal amount of Parity Debt which may be issued or entered into under the Resolution is not limited except as provided in the Resolution.

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

The registration of this Bond is transferable, as provided in the Resolution, only upon the books of the MTA kept for that purpose at the above mentioned office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new registered Series 2015X Bond or Series 2015X Bonds in the same aggregate principal amount, interest rate and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The MTA and each Fiduciary, including the Trustee and any Paying Agent, may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Series 2015X Bond may be transferred in accordance with the provisions of Section 2.6 of the Financing Agreement.

The Series 2015X Bond is subject to redemption prior to maturity on any date, at the option of MTA, in whole or in part, without penalty or premium, upon not less than twenty (20) nor more than ninety (90) calendar days' prior written notice to the owners, at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date. Any partial payments of principal shall be applied to future installments due on this Series 2015X Bond in the inverse order of maturity, and Schedule A hereto shall be revised to reflect such redemption.

Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2015X Bond, prior to maturity, as a whole, on any Interest Payment Date not less than twenty years after the date of issue of the Series 2015X Bond, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2015X Bond in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2015X Bond, as a whole, but only in accordance with the terms upon which the Series 2015X Bond is otherwise redeemable.

If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2015X Bond will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the Series 2015X Bond, then on the redemption date the Series 2015X Bond will become due and payable. If on the redemption date the Trustee holds money to pay the Series 2015X Bond, thereafter, no interest will accrue on the

Series 2015X Bond, and the bondholder's only right will be to receive payment of the redemption price upon surrender of the Series 2015X Bond.

The MTA Act provides that neither the members of the MTA nor any person executing the Bonds shall be liable personally on the Bonds 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 Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Series 2015X Bond, together with all other indebtedness of the MTA, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond 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 Bond 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: _____
Director of Finance

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 20__

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.

Schedule A

Schedule of Redemptions or Payments of Principal

<u>Interest Payment Date</u>	<u>Beginning Balance</u>	<u>Interest Amount</u>	<u>Principal Amount</u>	<u>Total Amount Due</u>	<u>Ending Balance</u>
5/15/2018			--		
11/15/2018					
5/15/2019			--		
11/15/2019					
5/15/2020			--		
11/15/2020					
5/15/2021			--		
11/15/2021					
5/15/2022			--		
11/15/2022					
5/15/2023			--		
11/15/2023					
5/15/2024			--		
11/15/2024					
5/15/2025			--		
11/15/2025					
5/15/2026			--		
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5/15/2031			--		
11/15/2031					
5/15/2032			--		
11/15/2032					
5/15/2033			--		
11/15/2033					
5/15/2034			--		
11/15/2034					
5/15/2035			--		
11/15/2035					

5/15/2036			--		
11/15/2036					
5/15/2037			--		
11/15/2037					

FINANCING AGREEMENT

dated as of [●], 2015

between

The METROPOLITAN TRANSPORTATION AUTHORITY,
a public benefit corporation of the State of New York

and

The UNITED STATES OF AMERICA,
represented by the
SECRETARY OF TRANSPORTATION
acting through the
FEDERAL RAILROAD ADMINISTRATOR

Positive Train Control Project

PO#: RRIF-2015-0036
