August 17, 2021

Supplement to Remarketing Circular Dated August 11, 2021

$294,075,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Variable Rate Bonds

consisting of

$146,300,000 **Subseries 2005E-1**	**$147,775,000** **Subseries 2015E-1**

The Remarketing Circular dated August 11, 2021 (the Remarketing Circular) for the above-referenced Bonds is hereby supplemented to update the "SUMMARY OF TERMS" to insert the Ratings as follows:

		Fitch	*Moody's*	*S&P*
Ratings	*Subseries*	*(Long Term/Short Term)*	*(Long Term/Short Term)*	*(Long Term/Short Term)*
	2005E-1	A+/F1	Aa2/VMIG 1	AA-/A-1
	2015E-1	A+/F1	Aa2/VMIG 1	AA-/A-1
	See "RATINGS" in **Part III**.			

The Remarketing Circular is further supplemented by adding the following sentence to the end of the second paragraph under the heading "DESCRIPTION OF THE REMARKETED BONDS – General – *Payment of Remarketed Bonds Purchase Price*":

> In the case of such a failure to pay the Purchase Price of Remarketed Bonds, the Trustee shall use its best efforts to obtain funds under the related Credit Facility in accordance with the terms thereof until the failure to pay the Purchase Price has been remedied.

Please affix this Supplement to the Remarketing Circular that you have in your possession and forward this Supplement to any party to whom you delivered a copy of the Remarketing Circular.

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REMARKETING **BOOK-ENTRY-ONLY**

On August 18, 2021 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Transportation Revenue Variable Rate Bonds, Subseries 2005E-1 (the Original Subseries 2005E-1 Bonds) and Subseries 2005E-3 (the Subseries 2005E-3 Bonds) and the Transportation Revenue Variable Rate Bonds, Subseries 2015E-1 (the Original Subseries 2015E-1 Bonds) and Subseries 2015E-4 (the Subseries 2015E-4 Bonds). On the Mandatory Tender Date (i) the Original Subseries 2005E-1 Bonds, the Subseries 2005E-3 Bonds, the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be subject to mandatory tender; (ii) the Original Subseries 2005E-1 Bonds and the Subseries 2005E-3 Bonds will be consolidated and redesignated as the "Subseries 2005E-1 Bonds" (the Subseries 2005E-1 Bonds), and the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be consolidated and redesignated as the "Subseries 2015E-1 Bonds" (the Subseries 2015E-1 Bonds and, together with the Subseries 2005E-1 Bonds, the Remarketed Bonds); (iii) the irrevocable direct-pay letters of credit relating to the Original Subseries 2005E-1 Bonds, the Subseries 2005E-3 Bonds, the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be replaced with two irrevocable direct-pay letters of credit issued by Barclays Bank PLC relating to the Remarketed Bonds; (iv) the terms and provisions of the Remarketed Bonds will be amended and restated to reflect the terms and provisions described herein; and (v) the Remarketed Bonds will be remarketed at a price equal to the principal amount thereof. See "REMARKETING PLAN" herein. For a discussion of certain federal and State income tax matters with respect to the Remarketed Bonds, see "TAX MATTERS" herein.

$294,075,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Variable Rate Bonds

consisting of

$146,300,000	$147,775,000
Subseries 2005E-1	**Subseries 2015E-1**
Due: November 1, 2035	**Due: November 15, 2050**

Dated and accruing interest from: August 18, 2021 **Due: As shown above**

The Remarketed Bonds —

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

MTA has no taxing power.

The Remarketed Bonds constitute Variable Interest Rate Obligations and will bear interest from and including August 18, 2021. The Subseries 2005E-1 Bonds will bear interest in the Weekly Mode, and the Subseries 2015E-1 Bonds will bear interest in the Daily Mode, each as described herein. MTA reserves the right at any time to convert the interest rate of the Remarketed Bonds to a Commercial Paper Mode, Weekly Mode, Daily Mode, Fixed Rate Mode or Term Rate Mode. See "DESCRIPTION OF THE REMARKETED BONDS" herein. **This remarketing circular (i) is intended to provide disclosure only to the extent the Subseries 2005E-1 Bonds remain in the Weekly Mode and the Subseries 2015E-1 Bonds remain in the Daily Mode, and (ii) speaks only as of the date of this document or as of certain earlier dates specified herein.**

The payment of principal of and interest on each subseries of the Remarketed Bonds (with interest being calculated based upon 53 days of interest at a rate not to exceed 9% per annum based on a year of 365 days), and the payment of the Purchase Price (as defined herein) of each subseries of the Remarketed Bonds, on any Purchase Date or Mandatory Purchase Date (each as defined herein) is supported by a separate irrevocable direct-pay letter of credit (each a Credit Facility, and together, the Credit Facilities), issued by Barclays Bank PLC (the Credit Facility Issuer) pursuant to separate Letter of Credit and Reimbursement Agreements, each dated as of August 1, 2021 (each, a Reimbursement Agreement, and together, the Reimbursement Agreements), between MTA and the Credit Facility Issuer. Each Credit Facility is scheduled to expire on August 18, 2025, unless extended or earlier terminated pursuant to its respective terms or the terms of the applicable Reimbursement Agreement. See "DESCRIPTION OF THE REMARKETED BONDS — Credit and Liquidity Facilities" herein.

Each subseries of the Remarketed Bonds is subject to redemption prior to maturity and mandatory and optional tender, including mandatory tender for purchase, prior to the expiration, termination or substitution of the related Credit Facility, as described herein. Payment of the Purchase Price is not an obligation of MTA. See "DESCRIPTION OF THE REMARKETED BONDS — Credit and Liquidity Facilities" herein.

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

BARCLAYS

Price – 100%

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

Barclays Capital, Inc.
Remarketing Agent

August 11, 2021

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ORRICK, HERRINGTON & SUTCLIFFE LLP
New York, New York

BRYANT RABBINO LLP
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

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SUMMARY OF TERMS

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

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Remarketed	Transportation Revenue Variable Rate Bonds, Subseries 2005E-1 (the Subseries 2005E-1 Bonds) and Transportation Revenue Variable Rate Bonds, Subseries 2015E-1 (the Subseries 2015E-1 Bonds, and together with the Subseries 2005E-1 Bonds, the Remarketed Bonds).
CUSIP Numbers	<u>*Subseries*</u> — <u>*CUSIP Number**</u> 2005E-1 — 59261A M38 2015E-1 — 59261A M53
Maturities and Rate Modes	The Remarketed Bonds are Variable Interest Rate Obligations. The Subseries 2005E-1 Bonds will bear interest in the Weekly Mode and the Subseries 2015E-1 Bonds will bear interest in the Daily Mode, each as described herein. The Remarketed Bonds will mature as set forth on the front cover.
Denominations	$100,000 and any integral multiples of $5,000 in excess thereof.
Interest Payment Dates	The first Business Day of each month, commencing September 1, 2021.
Tender and Redemption	See "DESCRIPTION OF THE REMARKETED BONDS – Tender, Presentation and Purchase Provisions of the Remarketed Bonds During the Daily Mode and Weekly Mode" and " - Redemption Provisions" in **Part I**.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in **Part II**.
Impacts of the COVID-19 Pandemic	The impact of the COVID-19 pandemic on MTA revenues and operations in 2020 and beyond has been severe. See "SOURCES OF PAYMENT – Factors Affecting Revenues – The COVID-19 Pandemic" and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021" for a description of impacts of the COVID-19 pandemic upon MTA revenues and operations.
Credit Enhancement and Liquidity Support	The payment of principal of and interest on each subseries of the Remarketed Bonds (with interest being calculated based upon 53 days of interest at a rate not to exceed 9% per annum based on a year of 365 days), and the payment of the Purchase Price (as defined herein) of each subseries of the Remarketed Bonds, on any Purchase Date or Mandatory Purchase Date (each as defined herein) is supported by a separate irrevocable direct-pay letter of credit (each, a Credit Facility and, together, the Credit Facilities), issued by Barclays Bank PLC (the Credit Facility Issuer) pursuant to separate Letter of Credit and Reimbursement Agreements, each dated as of August 1, 2021 (each a Reimbursement Agreement and, together, the Reimbursement Agreements), between MTA and the Credit Facility Issuer. Each Credit Facility is scheduled to expire on August 18, 2025, unless extended or earlier terminated pursuant to its respective terms or the terms of the applicable Reimbursement Agreement. See "DESCRIPTION OF THE REMARKETED BONDS — Credit and Liquidity Facilities" herein.
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee, Paying Agent, and Tender Agent	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.

Ratings

<u>*Subseries*</u>	*Fitch* <u>*(Long Term/Short Term)*</u>	*Moody's* <u>*(Long Term/Short Term)*</u>	*S&P* <u>*(Long Term/Short Term)*</u>
2005E-1	A+/F1	Aa2/VMIG 1	*Applied for*
2015E-1	A+/F1	Aa2/VMIG 1	*Applied for*

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.
Remarketing Agent	Barclays Capital Inc.
Purchase Price	See "REMARKETING" in **Part III**.
Co-Counsel to the Remarketing Agent	Katten Muchin Rosenman LLP, New York, New York and the Law Offices of Joseph C. Reid, P.A., New York, New York.

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

SUMMARY OF TERMS RELATING TO WEEKLY MODE AND DAILY MODE*

INTEREST PAYMENT DATES AND CALCULATION PERIOD	The first Business Day of each month, commencing September 1, 2021, based on actual days elapsed over a 365-day year (366 days in years when February has 29 days).
RECORD DATE	The Business Day preceding an Interest Payment Date.
OWNERS' RIGHTS TO TENDER IN THE WEEKLY MODE	On any Business Day by irrevocable written notice of tender (or by irrevocable telephonic notice, promptly confirmed in writing) of tender to the Tender Agent and the Remarketing Agent at their respective addresses specified below by 5:00 p.m., at least seven calendar days prior to the Purchase Date.
OWNERS' RIGHTS TO TENDER IN THE DAILY MODE	On any Business Day by irrevocable notice submitted by Electronic Means (promptly confirmed in writing by 11:00 a.m. on such Business Day) to the Tender Agent and the Remarketing Agent at their addresses specified below.
NOTICE OF MODE CHANGE; MODE CHANGE DATE	Trustee to mail notice to Owners not later than 15 days before the Mode Change Date, which can be any Business Day.
MANDATORY TENDER FOR PURCHASE	On each Mode Change Date, Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Tender Date, and Substitution Date.
RATE DETERMINATION DATE IN THE WEEKLY MODE	Each Wednesday, unless such Wednesday is not a Business Day, in which case the rate shall be set on the Business Day next preceding such Wednesday.
RATE ADJUSTMENT DATE IN THE WEEKLY MODE	Each Thursday.
RATE DETERMINATION AND RATE ADJUSTMENT DATE IN THE DAILY MODE	Each Business Day.
MAXIMUM RATE	9% per annum.
TRUSTEE AND TENDER AGENT'S ADDRESS FOR DELIVERY OF TENDER NOTICE	The Bank of New York Mellon 240 Greenwich Street, 7E New York, New York 10286 Attention: Global Corporate Trust - NY Muni Phone: (973) 247-4395 Fax: (732) 667-9205
REMARKETING AGENT'S ADDRESS FOR DELIVERY OF TENDER NOTICE	Barclays Capital Inc. Attn: Municipal Short-Term Trading 745 7th Avenue, 2nd Floor New York, New York 10019 Phone: (212) 528-1011 Fax: (917) 265-0750 Email: MuniVRDN@barclayscapital.com

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

- ***No Unauthorized Offer.*** **This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Remarketed Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the remarketing of the Remarketed Bonds, except as set forth in this remarketing circular. No other information or representations should be relied upon.**

- ***No Contract or Investment Advice.*** **This remarketing circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this remarketing circular, the Remarketed Bonds, and anything else related to this remarketing.**

- ***Information Subject to Change.*** **Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this remarketing circular shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this remarketing circular.**

- ***Forward-Looking Statements.*** **Many statements contained in this remarketing circular, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this remarketing circular. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this remarketing circular. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this remarketing circular.**

- ***Projections.*** **The projections set forth in this remarketing circular were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this remarketing circular are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content.**

- ***Independent Auditor.*** **Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The last completed audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2020 and 2019, which is a matter of public record, is included by specific cross-reference in this remarketing circular. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this remarketing circular, since the date of the audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this remarketing circular.**

- ***No Guarantee of Information by Remarketing Agent.*** **The Remarketing Agent has provided the following sentences for inclusion in this remarketing circular: The Remarketing Agent has reviewed the information in this remarketing circular in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents does not guarantee the accuracy or completeness of such information. The Remarketing Agent does not make any representation or warranty, express or implied, as to**
    - **the accuracy or completeness of information they have neither supplied nor verified,**
    - **the validity of the Remarketed Bonds, or**
    - **the tax-exempt status of the interest on the Remarketed Bonds.**
- ***Overallotment and Stabilization*. The Remarketing Agent may overallot or effect transactions that stabilize or maintain the market prices of the Remarketed Bonds at levels above those which might otherwise prevail in the open market. The Remarketing Agent is not obligated to do this and are free to discontinue it at any time.**
- ***Website Addresses.*** **References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this remarketing circular for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**
- ***Credit Facility Issuer Information*. Other than with respect to information concerning the Credit Facility Issuer contained in Attachment 4 herein, none of the information in this remarketing circular has been supplied or verified by the Credit Facility Issuer and the Credit Facility Issuer makes no representation or warranty, express or implied, as to the accuracy or completeness of information it has neither supplied nor verified, the validity of the Remarketed Bonds, or the tax-exempt status of the interest on the Remarketed Bonds.**

TABLE OF CONTENTS

Information Included by Specific Cross-reference. The following portions of MTA's 2021 Combined Continuing Disclosure Filings, dated April 30, 2021, as supplemented on June 3, 2021, and as updated by a First Quarterly Update, dated August 3, 2021, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the delivery date of the Remarketed Bonds, together with any supplements or amendments thereto:

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

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

- the Transportation Resolution
- Appendix A – Standard Resolution Provisions
- Form of the Interagency Agreement

On July 21, 2021, the Audit Committee of the MTA Board accepted MTA's Unaudited Consolidated Interim Financial Statements as of and for the three-month period ended March 31, 2021. MTA expects to file these documents with EMMA and post them to its website as soon as they are available.

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

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

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

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

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

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

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

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

Legal Name	Popular Name
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 Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

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

Where to Find Information

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

- This ***Introduction*** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Remarketed Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Remarketed Bonds.
- ***Part III*** provides miscellaneous information relating to the Remarketed Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Remarketed Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Remarketed Bonds.
- ***Attachment 3-1*** is the form of approving opinion of Hawkins Delafield & Wood LLP delivered in connection with the original issuance of the Series 2005E Bonds on November 2, 2005.
- ***Attachment 3-2*** is the form of approving opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., delivered in connection with the original issuance of the Series 2015E Bonds on September 10, 2015.
- ***Attachment 3-3*** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Subseries 2005E-1 Bonds.
- ***Attachment 3-4*** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Subseries 2015E-1 Bonds.
- ***Attachment 4*** sets forth certain information relating to the Credit Facility Issuer.
- ***Attachment 5*** sets forth a copy of the First Quarterly Update to the ADS, dated August 3, 2021.

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

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

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

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

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PART I. REMARKETED BONDS

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

REMARKETING PLAN

On August 18, 2021 (the Mandatory Tender Date), MTA is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Transportation Revenue Variable Rate Bonds, Subseries 2005E-1 (the Original Subseries 2005E-1 Bonds) and Subseries 2005E-3 (the Subseries 2005E-3 Bonds) and the Transportation Revenue Variable Rate Bonds, Subseries 2015E-1 (the Original Subseries 2015E-1 Bonds) and Subseries 2015E-4 (the Subseries 2015E-4 Bonds). On the Mandatory Tender Date (i) the Original Subseries 2005E-1 Bonds, the Subseries 2005E-3 Bonds, the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be subject to mandatory tender; (ii) the Original Subseries 2005E-1 Bonds and the Subseries 2005E-3 Bonds will be consolidated and redesignated as the "Subseries 2005E-1 Bonds" and remarketed in a Weekly Mode, and the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be consolidated and redesignated as the "Subseries 2015E-1 Bonds" and remarketed in a Daily Mode; and (iii) the irrevocable direct-pay letters of credit relating to the Original Subseries 2005E-1 Bonds, the Subseries 2005E-3 Bonds, the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds, will be replaced with two irrevocable direct-pay letters of credit issued by Barclays Bank PLC, relating to the Remarketed Bonds.

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

On the Mandatory Tender Date, the Original Subseries 2005E-1 Bonds, the Subseries 2005E-3 Bonds, the Original Subseries 2015E-1 Bonds and the Subseries 2015E-4 Bonds will be purchased by the Remarketing Agent, and the Remarketing Agent will remarket each subseries of Remarketed Bonds at a price that is not in excess of the price on the cover of this remarketing circular. Such obligations of the Remarketing Agent are subject to certain terms and conditions set forth in the Firm Remarketing Agreements with MTA.

MTA anticipates that the proceeds of the remarketing of the Remarketed Bonds will be used to pay the Purchase Price of the currently outstanding Original Subseries 2005E-1 Bonds, Subseries 2005E-3 Bonds, Original Subseries 2015E-1 Bonds and Subseries 2015E-4 Bonds. The Remarketing Agent's compensation and certain financing and legal expenses will be paid by MTA at closing from other available funds.

DESCRIPTION OF THE REMARKETED BONDS

Unless the context otherwise indicates, references in the following description to the "Remarketed Bonds" apply to the Subseries 2005E-1 Bonds and the Subseries 2015E-1 Bonds independently. Actions may be taken, or determinations made, with respect to one subseries that are not taken or made with respect to the other.

General

Record Date. The Record Date for the payment of principal of and interest on the Remarketed Bonds will be the Business Day preceding each Interest Payment Date.

Variable Rate Bonds. The Subseries 2005E-1 Bonds mature on November 1, 2035. The Subseries 2015E-1 Bonds mature on November 15, 2050. Each subseries of the Remarketed Bonds constitutes a Variable Interest Rate Obligation and is subject to mandatory sinking fund redemption as set forth below under

"Redemption Provisions". The Subseries 2005E-1 Bonds will initially bear interest at a rate to be determined on August 17, 2021, effective from and including August 18, 2021 through and including August 25, 2021, and thereafter will bear interest in the Weekly Mode, at the rates determined by the Remarketing Agent on each Wednesday, as described below. The Subseries 2015E-1 Bonds will initially bear interest at a rate to be determined on August 17, 2021, effective from and including August 18, 2021, and thereafter will bear interest in the Daily Mode, at the rates determined by the Remarketing Agent on each business day, as described below. **This remarketing circular is intended to provide disclosure only to the extent the Remarketed Bonds remain in the Daily Mode or the Weekly Mode, as applicable. In the event MTA elects to convert a subseries of the Remarketed Bonds to a different Mode other than a Daily Mode or Weekly Mode, it expects to circulate a revised disclosure document relating thereto.**

Interest on the Remarketed Bonds is paid in arrears and is computed upon the basis of a 365-day year (366 days in years when February has 29 days), for the number of days actually elapsed. The maximum rate of interest on the Remarketed Bonds (other than Bank Bonds, as hereinafter described) at any time, whether before or after the maturity thereof, is equal to the lesser of the maximum rate permitted by law and 9% per annum (the Maximum Rate). Currently, there is no maximum rate of interest under State law applicable to the Remarketed Bonds. "Bank Bonds" are Remarketed Bonds purchased by the Credit Facility Issuer as a result of a draw on the applicable Credit Facility, or any replacement thereof, to pay the principal amount plus accrued interest (if the Purchase Date is not an Interest Payment Date) on any Remarketed Bonds that have been tendered and not remarketed and may bear interest at a rate of up to 25% per annum.

MTA has appointed Barclays Capital Inc. as Remarketing Agent in connection with the remarketing of the Remarketed Bonds.

The Remarketing Agent will determine the interest rate on each subseries of the Remarketed Bonds separately and will remarket such Remarketed Bonds tendered or required to be tendered for purchase on a best efforts basis. The Remarketing Agent may be removed or replaced by MTA in accordance with the applicable Remarketing Agreement. Pursuant to each Remarketing Agreement, the Remarketing Agent may suspend its obligation to remarket the applicable subseries of Remarketed Bonds upon, among other things, the failure by the Credit Facility Issuer to honor a properly presented and conforming drawing under the related Credit Facility or the termination of the related Credit Facility securing such subseries of Remarketed Bonds.

Payment of Remarketed Bonds Purchase Price. The payment of principal of and interest on each subseries of the Remarketed Bonds, and the Purchase Price of each subseries of the Remarketed Bonds on any Purchase Date, is supported by the related Credit Facility, each issued pursuant to the applicable Reimbursement Agreement, each between MTA and the Credit Facility Issuer. For more information relating to the Credit Facility Issuer, see **Attachment 4**.

The Purchase Price of each subseries of the Remarketed Bonds is payable solely from the proceeds of the remarketing of such subseries of the Remarketed Bonds by the Remarketing Agent, and from the proceeds from draws under the related Credit Facility. Although MTA has the option to purchase Remarketed Bonds that have been neither remarketed nor paid from amounts drawn under the applicable Credit Facility, it is not obligated to do so. Payment of the Purchase Price is not an obligation of MTA, the Trustee, the Tender Agent, or the Remarketing Agent and failure to make that payment shall not constitute an Event of Default under the Transportation Resolution. See "—Source of Funds for Purchase of Remarketed Bonds" below.

Each Credit Facility is scheduled to expire on August 18, 2025 (the Expiration Date), unless extended or earlier terminated pursuant to its terms or the terms of the applicable Reimbursement Agreement. The Remarketed Bonds will be subject to mandatory tender for purchase on the second Business Day preceding the Expiration Date. See "Tender, Presentation and Purchase Provisions of the Remarketed Bonds During the Daily Mode and Weekly Mode – *Mandatory Purchase Upon Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Tender Date and Substitution Date*" below.

Credit and Liquidity Enhancement. Each Credit Facility is an irrevocable direct-pay letter of credit that provides for payment of the principal of and interest on, and the Purchase Price for, the applicable subseries of the Remarketed Bonds when due. See "Credit and Liquidity Facilities" below.

Credit Facility Draw Procedures. The Remarketing Agent will, at or before 11:45 a.m., with respect to the applicable subseries of the Remarketed Bonds, on the Purchase Date or Mandatory Purchase Date, as the case may be, notify MTA, the Trustee and the Tender Agent by Electronic Means of the amount of tendered Remarketed Bonds of the subseries that were not successfully remarketed, and confirm to the Trustee and the Tender Agent the transfer of the Purchase Price of Remarketed Bonds that were successfully remarketed to the Tender Agent in immediately available funds.

The Trustee will draw on the related Credit Facility, in accordance with the terms thereof, by 12:00 noon on the Purchase Date or Mandatory Purchase Date, as the case may be, in an amount equal to the Purchase Price of all of the applicable subseries of Remarketed Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds confirmed to the Trustee and the Tender Agent as of 11:45 a.m. and the Tender Agent by the Remarketing Agent for the applicable subseries of Remarketed Bonds and will cause the proceeds of such draw to be transferred to the Tender Agent by no later than 2:30 p.m., to enable the Tender Agent to pay the Purchase Price of Remarketed Bonds tendered or deemed tendered. Notwithstanding the foregoing, the Trustee will draw on the related Credit Facility in an amount equal to the Purchase Price of all of the applicable subseries of Remarketed Bonds tendered or deemed tendered for purchase on each Purchase Date or Mandatory Purchase Date, as the case may be, if it does not receive a confirmation from the Remarketing Agent pursuant to the preceding paragraph.

At or before 3:00 p.m. on the Purchase Date or the Mandatory Purchase Date, as the case may be, the Tender Agent will purchase the tendered Remarketed Bonds from the Owners thereof.

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

Book-Entry-Only System. The Remarketed Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC), which will act as securities depository for the Remarketed Bonds. During the period the Remarketed Bonds bear interest in the Daily Mode or the Weekly Mode, individual purchases will be made in book-entry-only form, in the principal amount of $100,000 or any integral multiple of $5,000 in excess thereof (Authorized Denominations). So long as DTC is the registered owner of the Remarketed Bonds, all payments on the Remarketed Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Interest Payments. Interest on each subseries of the Remarketed Bonds is payable on the first Business Day of each month, commencing September 1, 2021. So long as DTC is the sole registered owner of all of the Remarketed Bonds, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC's participants will be responsible for payment of interest to beneficial owners. All Remarketed Bonds will be fully registered in Authorized Denominations.

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

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

Terms Relating to the Daily Mode and Weekly Mode

Determination of Interest Rate in the Daily Mode. The interest rate for the subseries of the Remarketed Bonds in a Daily Mode will be determined by the Remarketing Agent on or before 10:00 a.m. on each Business Day (each, a Daily Rate Determination Date) as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Remarketed Bonds on such Daily Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. With respect to any day that is not a Business Day, the interest rate will be the same rate as the interest rate established for the immediately preceding Business Day. The Remarketing Agent will make the rate determined by such Remarketing Agent on each day of the week available by Electronic Means to MTA and the Trustee by

10:30 a.m., on (i) each Monday (or, if such Monday is not a Business Day, on the immediately succeeding Business Day), (ii) each Purchase Date and each Mandatory Purchase Date and (iii) the Business Day immediately preceding each Interest Payment Date.

Determination of Interest Rate in the Weekly Mode. The interest rate for the subseries of the Remarketed Bonds in a Weekly Mode shall be determined by the Remarketing Agent on each Wednesday or, if such Wednesday is not a Business Day, the Business Day next preceding such Wednesday (the Weekly Rate Determination Date). The interest rate shall be the rate of interest per annum determined by such Remarketing Agent on and as of the applicable Weekly Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of such subseries of the Remarketed Bonds on such Weekly Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The interest rate shall be effective on Thursday and shall continue in effect through the next succeeding Wednesday (the Interest Rate Period), provided that if any subseries of Remarketed Bonds subject to a Weekly Mode shall be converted to another Mode prior to such Wednesday, such Weekly Mode for such subseries of Remarketed Bonds shall continue in effect only until the day preceding the applicable Mode Change Date.

Failure to Determine Interest Rate for Remarketed Bonds During the Daily Mode or Weekly Mode. In the event the Remarketing Agent fails to determine the interest rate on a subseries of Remarketed Bonds or the method of determining the interest rate is held to be unenforceable by a court of law of competent jurisdiction, the applicable subseries of Remarketed Bonds will bear interest at the Alternate Rate (defined below) for subsequent Interest Rate Periods until such time as the Remarketing Agent again makes such determination or until there is delivered to MTA and the Trustee a Favorable Opinion of Bond Counsel.

The Alternate Rate is 100% of:

- the SIFMA Index (The Securities Industry and Financial Markets Association Municipal Swap Index released by Municipal Market Data to its subscribers), or
- if the SIFMA Index is no longer published, the S&P Municipal Bond 7 Day High-Grade Index (the rate determined on the basis of the S&P Municipal Bond 7 Day High-Grade Index announced on Wednesday or the next preceding Business Day and as published by S&P), or
- if neither the SIFMA Index nor the S&P Municipal Bond 7 Day High-Grade Index is published, an index or a rate selected or determined by the Remarketing Agent and consented to by MTA and the Credit Facility Issuer.

If there has been a failure to pay the Purchase Price of a subseries of the Remarketed Bonds tendered or deemed tendered for purchase, the Remarketing Agent may elect to continue to use its best efforts to remarket such subseries of the Remarketed Bonds and may set an interest rate up to the Maximum Rate. If an interest rate is not set by the Remarketing Agent, the interest rate will be the Alternate Rate.

No Remarketed Bond of any subseries (other than a Bank Bond) may at any time bear interest at a rate that is in excess of the Maximum Rate. No Bank Bond may at any time bear interest at a rate that is in excess of 25% per annum.

Binding Effect. Determination of the interest rate for each subseries of the Remarketed Bonds, as provided herein, will, in the absence of manifest error, be conclusive and binding upon the Owners of the Remarketed Bonds, MTA, the Remarketing Agent, the Tender Agent, the Credit Facility Issuer and the Trustee.

Tender, Presentation and Purchase Provisions of the Remarketed Bonds During the Daily Mode and Weekly Mode

Purchase on Demand of Owners of Remarketed Bonds in Daily Mode. Any Remarketed Bonds of a subseries (or portions thereof in Authorized Denominations) in the Daily Mode that are not Bank Bonds are subject to purchase, on the demand of the Owner thereof, at a price (the Purchase Price) equal to the principal amount so tendered plus accrued interest (if the Purchase Date is not an Interest Payment Date) on any Business Day (the Purchase Date) (such purchase to be made on the Business Day upon which such demand is made), upon irrevocable notice (the Tender Notice) submitted by Electronic Means to the Tender Agent and the Remarketing Agent (promptly confirmed in writing to the Tender Agent and the Remarketing Agent by 11:00 a.m. New York City time, at their respective principal offices) which states the number and principal amount of such Remarketed Bond being tendered and the Purchase Date. The Tender Notice, once transmitted to the Tender Agent and the Remarketing Agent, will be irrevocable with respect to the tender for which such Tender Notice was delivered and that tender will occur on the Purchase Date specified in that Tender Notice. The Tender Agent will, as soon as practicable, notify the Trustee and the Credit Facility Issuer of the principal amount of the Remarketed Bond being tendered. The contents of any Tender Notice will be conclusive and binding on all parties.

Purchase on Demand of Owners of Remarketed Bonds in Weekly Mode. Any Remarketed Bonds of a subseries (or portions thereof in Authorized Denominations) in the Weekly Mode that is not a Bank Bond is subject to purchase, on the demand of the Owner thereof, on a Business Day at a price (the Purchase Price) equal to the principal amount so tendered plus accrued interest (if the Purchase Date is not an Interest Payment Date). Owners must deliver a written notice of tender (the Tender Notice), or telephonic notice of tender to the Tender Agent and the Remarketing Agent, promptly confirmed in writing, to the Tender Agent and the Remarketing Agent at their respective principal offices not later than 5:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by the Owner. The Tender Notice, once transmitted to the Tender Agent and the Remarketing Agent, will be irrevocable with respect to the tender for which such Tender Notice was delivered and that tender will occur on the Purchase Date specified in that Tender Notice. The Tender Agent will notify the Trustee and the Credit Facility Issuer by the close of business on the next succeeding Business Day of the receipt of any Tender Notice.

Remarketed Bonds Registered in the Name of DTC. During any period that a subseries of Remarketed Bonds is registered in the name of DTC or a nominee thereof pursuant to the Transportation Resolution,

- any Tender Notice delivered as described in the immediately preceding paragraphs will identify the DTC Participant through whom the beneficial owner will direct transfer,
- on or before the Purchase Date, the beneficial owner must direct (or if the beneficial owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Remarketed Bond on the records of DTC, and
- it will not be necessary for Remarketed Bonds to be physically delivered on the date specified for purchase thereof, but such purchase will be made as if such Remarketed Bonds had been so delivered, and the Purchase Price thereof will be paid to DTC.

In accepting a Tender Notice as provided above, the Trustee and the Tender Agent may conclusively assume that the person providing that Tender Notice is the beneficial owner of Remarketed Bonds tendered and therefore entitled to tender them. The Trustee and Tender Agent assume no liability to anyone in accepting a Tender Notice from a person whom it reasonably believes to be such a beneficial owner of Remarketed Bonds.

Mandatory Purchase on any Mode Change Date. Except for Bank Bonds, the Remarketed Bonds of a subseries to be changed to any Mode from any other Mode are subject to mandatory tender for purchase on the Mode Change Date at the Purchase Price thereof.

Mandatory Purchase Upon Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Tender Date and Substitution Date. Except for Bank Bonds, the Remarketed Bonds of a subseries are subject to mandatory tender for purchase on:

- the second Business Day preceding the Expiration Date of the applicable Credit Facility, which second Business Day is hereinafter referred to as an “Expiration Tender Date”;
- the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of the applicable Credit Facility, which fifth calendar day is hereinafter referred to as a “Termination Tender Date”;
- the fifth calendar day (or if such day is not a Business Day, the first Business Day after such fifth calendar day) following the receipt by the Trustee of a written, electronic or telephonic notice

(promptly confirmed in writing) from the Credit Facility Issuer that the interest component of the applicable Credit Facility will not be reinstated to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Remarketed Bonds of such subseries, which fifth calendar day (or first Business Day after such fifth calendar day, if applicable) is hereinafter referred to as a "Interest Non-Reinstatement Tender Date"; and

- the Substitution Date for the applicable Credit Facility.

"Liquidity and Credit Amount" means an amount equal to the principal of the Remarketed Bonds of a subseries then outstanding plus an interest amount equal to fifty-three (53) days' interest thereon calculated at 9% on the basis of a 365 day year for the actual number of days elapsed (366 days in years when February has 29 days).

A "Substitution Date" means:

- the date that is specified in a written notice given by MTA to the Trustee, the Remarketing Agent and the Tender Agent as the date on which an Alternate Credit Facility is to be substituted for the then-existing applicable Credit Facility (even if the substitution fails to occur on that date), and
- the second Business Day preceding the date that is specified in a written notice given to the Trustee, the Remarketing Agent and the Tender Agent in accordance with the applicable Credit Facility as the date on which the assignment of the obligation of the Credit Facility Issuer under its applicable Credit Facility is effective (even if the assignment fails to occur on that date).

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to the Expiration Tender Date with respect to a subseries of Remarketed Bonds, give notice to the Owners of such subseries of Remarketed Bonds of the mandatory tender for purchase on that Expiration Tender Date if it has not theretofore received confirmation that the Expiration Date has been extended.

Upon receipt of a written notice from the Credit Facility Issuer or MTA that the related Credit Facility supporting a subseries of the Remarketed Bonds will terminate or the obligation of the Credit Facility Issuer to purchase the subseries of Remarketed Bonds will terminate prior to its Expiration Date, the Trustee will within two (2) Business Days give notice to the Owners of the applicable subseries of Remarketed Bonds of the mandatory tender of such subseries of the Remarketed Bonds that is to occur on such Termination Tender Date if it has not theretofore received from such Credit Facility Issuer or MTA a notice stating that the event which resulted in the Credit Facility Issuer or MTA giving a notice of the Termination Date has been cured and that such Credit Facility Issuer or MTA has rescinded its election to terminate the applicable Credit Facility. Notwithstanding anything to the contrary described below, that notice will be given by Electronic Means capable of creating a written notice. Any notice given substantially as described in this paragraph will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

Upon receipt of a written notice from the Credit Facility Issuer that the related Credit Facility supporting a subseries of Remarketed Bonds will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the related subseries of Remarketed Bonds, the Trustee will within two (2) Business Days of such receipt give notice to the Owners of the applicable subseries of Remarketed Bonds of the mandatory tender of such subseries of Remarketed Bonds which mandatory tender will occur on such Interest Non-Reinstatement Tender Date, unless, prior to the giving of such notice to the Owners, the Trustee will have received a written notice from the Credit Facility Issuer stating that the applicable Credit Facility has been reinstated to an amount equal to the interest component of the Liquidity and Credit Amount. Notwithstanding anything to the contrary described below, such notice will be given by Electronic Means capable of creating a written notice. Any notice given substantially as described in this paragraph will be conclusively presumed to have been duly given, whether or not actually received by each Owner.

The Trustee will, at least fifteen (15) days prior to any Mode Change Date or Substitution Date, give notice to the owners of the applicable subseries of Remarketed Bonds of the mandatory tender for purchase of such subseries of Remarketed Bonds that is to occur on the Mode Change Date or Substitution Date, as applicable.

So long as DTC is the Securities Depository for the Remarketed Bonds, such notice will be given to DTC. If the Remarketed Bonds are not held in book-entry-only form, such notice will be given directly to the bondholders.

Except as provided in the third and fourth immediately preceding paragraphs, notice of any mandatory tender of Remarketed Bonds will be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of Remarketed Bonds of a subseries at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Remarketed Bond, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Remarketed Bonds of a subseries will in addition specify the conditions that have to be satisfied pursuant to the Transportation Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

In the event a mandatory tender of a subseries of Remarketed Bonds will occur at or prior to the date on which an optional tender for purchase is scheduled to occur, the terms and conditions of the applicable mandatory tender for purchase will control. Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Remarketed Bond of such subseries receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption would not affect the obligation of the Tender Agent to purchase the Remarketed Bonds of such subseries subject to mandatory tender for purchase on the Mandatory Purchase Date.

Changes in Mode

General. Any Remarketed Bonds of a subseries may be changed to any other Mode at the times and in the manner as summarized below.

Notice of Mandatory Tender for Purchase on a Mode Change Date. The Trustee will, at least fifteen (15) days prior to any Mode Change Date, give notice to the Owners of the applicable subseries of Remarketed Bonds of the mandatory tender for purchase of such subseries of Remarketed Bonds on the Mode Change Date.

General Provisions Applying to Changes from One Mode to Another.

1. The Mode Change Date must be a Business Day.
2. On or prior to the date MTA provides the notice to the Notice Parties, MTA will deliver to the Trustee (with a copy to all other Notice Parties) a letter from Co-Bond Counsel addressed to the Trustee to the effect that it expects to be able to deliver a Favorable Opinion of Co-Bond Counsel on the Mode Change Date.
3. No change in Mode will become effective unless all conditions precedent thereto have been met and the following items have been delivered to the Trustee and the Remarketing Agent by 10:00 a.m., or such later time as is acceptable to MTA, the Trustee and such Remarketing Agent, on the Mode Change Date:
    - a Favorable Opinion of Co-Bond Counsel dated the Mode Change Date,

- o unless the existing Tender Agency Agreement and Remarketing Agreement are effective on the Mode Change Date, a Tender Agency Agreement and a Remarketing Agreement if required for the New Mode, and
- o a certificate of an authorized officer of the Tender Agent to the effect that all of the applicable subseries of Remarketed Bonds tendered or deemed tendered, unless otherwise redeemed, have been purchased at a price at least equal to the Purchase Price thereof.

4. On the Mode Change Date, all of the applicable subseries of Remarketed Bonds are subject to mandatory tender whether or not the change in Mode occurs.

Rescission of Election to Change from One Mode to Another. MTA may rescind any election by it to change Mode as described above prior to the Mode Change Date by giving written notice thereof to the Notice Parties prior to 10:00 a.m. on the Business Day preceding such Mode Change Date. If the Tender Agent receives notice of such rescission prior to the time the Tender Agent has given notice to the holders of a subseries of the Remarketed Bonds, then such notice of change in Mode will be of no force and effect. If the Tender Agent receives notice from MTA of rescission of a Mode Change Date after the Tender Agent has given notice thereof to the holders of a subseries of the Remarketed Bonds, then if the proposed Mode Change Date would have been a Mandatory Purchase Date, such date will continue to be a Mandatory Purchase Date. If the proposed change in Mode was from the Daily Mode or Weekly Mode, such subseries of the Remarketed Bonds will remain in the applicable Mode.

Remarketing of Remarketed Bonds

The Remarketing Agent will offer for sale and use its best efforts to find purchasers for (i) all Remarketed Bonds of each subseries or portions thereof as to which a Tender Notice has been properly given in accordance with the Certificate of Determination and (ii) all Remarketed Bonds of a subseries required to be tendered for purchase in accordance with the Certificate of Determination. Any Remarketed Bonds of a subseries paid from amounts drawn under the applicable Credit Facility will not be remarketed unless such Credit Facility has been reinstated to the Liquidity and Credit Amount. No Bank Bonds of a subseries of Remarketed Bonds will be remarketed unless the applicable Credit Facility has been or will be, immediately upon such remarketing, reinstated by the amount of the reduction that occurred when such Remarketed Bonds became Bank Bonds. No Bank Bonds will be remarketed at a price that is less than the Purchase Price of such Remarketed Bonds.

Pursuant to each Remarketing Agreement, the Remarketing Agent may suspend its remarketing efforts with respect to the remarketing of Remarketed Bonds of a subseries upon, among other things, receipt of written notice of (i) the failure by the Credit Facility Issuer to honor a properly presented and conforming drawing under the related Credit Facility or (ii) the termination or suspension of the related Credit Facility.

The Remarketing Agent may be removed at any time upon written notice filed by MTA with the Remarketing Agent, the Trustee, the Tender Agent and the Credit Facility Issuer (i) generally, at least thirty (30) days prior to the effective date of such removal or (ii) in the event of a suspension of remarketing, immediately upon appointment of, and acceptance by, a successor Remarketing Agent. Upon a written direction of the Credit Facility Issuer, MTA will remove the Remarketing Agent and use its best efforts to appoint a successor Remarketing Agent. Upon removal or resignation of the Remarketing Agent, MTA will cause the Trustee to give notice of such removal or resignation to all Owners.

Source of Funds for Purchase of Remarketed Bonds

On or before 3:00 p.m. on the Purchase Date or the Mandatory Purchase Date, the Tender Agent will purchase the Remarketed Bonds of a subseries from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived in the order of priority indicated:

- immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of the related subseries of Remarketed Bonds; and
- immediately available funds transferred by the Trustee to the Tender Agent derived from the related Credit Facility.

Notwithstanding the foregoing, MTA will have the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Remarketed Bond of a subseries that is tendered or deemed tendered as described in this remarketing circular and the Purchase Price of which is not paid on the Purchase Date or Mandatory Purchase Date from any of the sources identified above. None of MTA, the Trustee, the Tender Agent nor the Remarketing Agent will have any liability or obligation to pay or, except from the sources identified above, make available such Purchase Price. The failure to pay any such Purchase Price for Remarketed Bonds that have been tendered or deemed tendered for purchase from any of the sources identified above will not constitute an Event of Default under the Transportation Resolution. In the case of such failure, such subseries of Remarketed Bonds will not be purchased and will remain in the respective Mode in effect immediately preceding the Purchase Date, unless, in the case of Remarketed Bonds in a Daily Mode, such Remarketed Bonds have been automatically converted to a Weekly Mode.

Delivery of Remarketed Bonds

Except as otherwise required or permitted by DTC's book-entry-only system of the Securities Depository, Remarketed Bonds of a subseries sold by the Remarketing Agent will be delivered by the Remarketing Agent to the purchasers of those Remarketed Bonds by 3:00 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be.

Delivery and Payment for Purchased Remarketed Bonds; Undelivered Remarketed Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, Remarketed Bonds purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any Remarketed Bonds of a subseries purchased pursuant to the optional tender provisions will be made only if such Remarketed Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the Tender Notice.

Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or Mandatory Purchase Date, as the case may be, or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution.

If Remarketed Bonds of a subseries to be purchased are not delivered by the Owners to the Tender Agent by 12:00 p.m., on the Purchase Date or Mandatory Purchase Date, as the case may be, the Tender Agent will hold any funds received for the purchase of those Remarketed Bonds in trust in a separate account uninvested, and will pay such funds to the former Owners upon presentation of the Remarketed Bonds. Undelivered Remarketed Bonds of a subseries are deemed tendered and cease to accrue interest as to the former Owners on the Purchase Date or Mandatory Purchase Date, as the case may be, if moneys representing the Purchase Price will be available against delivery of those Remarketed Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Remarketed Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Remarketed Bonds will look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Remarketed Bonds. The Tender Agent will authenticate a replacement Remarketed Bond for any undelivered Remarketed Bond of a subseries which may then be remarketed by the Remarketing Agent.

Special Considerations Relating to the Remarketed Bonds

The Remarketing Agent is Paid by MTA. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Remarketed Bonds of a subseries that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Transportation

Resolution and the applicable Remarketing Agreement), all as further described in this remarketing circular. The Remarketing Agent is appointed by MTA and is paid by MTA for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Owners and potential purchasers of the respective subseries of Remarketed Bonds.

The Remarketing Agent May Purchase Remarketed Bonds for its Own Accounts. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Remarketed Bonds of a subseries for its own account and, in its sole discretion, may acquire such tendered Remarketed Bonds in order to achieve a successful remarketing of the Remarketed Bonds (i.e., because there otherwise are not enough buyers to purchase the Remarketed Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Remarketed Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Remarketed Bonds of a subseries by routinely purchasing and selling such Remarketed Bonds other than in connection with an optional or mandatory tender and remarketing. However, the Remarketing Agent is not required to make a market in the Remarketed Bonds of a subseries. The Remarketing Agent may also sell any Remarketed Bonds of a subseries it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to such Remarketed Bonds. The purchase of Remarketed Bonds of a subseries by the Remarketing Agent may create the appearance that there is greater third party demand for such Remarketed Bonds in the market than is actually the case. The practices described above also may result in fewer Remarketed Bonds of a subseries being tendered in a remarketing.

Remarketed Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Transportation Resolution and each Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of each subseries of the Remarketed Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for such Remarketed Bonds (including whether the Remarketing Agent is willing to purchase such Remarketed Bonds for its own account). There may or may not be Remarketed Bonds of a subseries tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Remarketed Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Remarketed Bonds of such subseries at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Remarketed Bonds of the subseries at the remarketing price. In the event the Remarketing Agent owns any Remarketed Bonds of the subseries for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Remarketed Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Remarketed Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Remarketed Bonds of its applicable subseries other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Remarketed Bonds of such subseries to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Remarketed Bonds of such subseries, whether in a remarketing or otherwise, should not assume that they will be able to sell their Remarketed Bonds other than by tendering the Remarketed Bonds in accordance with the tender process.

The Remarketing Agent May Resign Without a Successor Being Named. The Remarketing Agent may resign, whether or not a successor Remarketing Agent has been appointed and accepted such appointment.

Redemption Provisions

The Remarketed Bonds are redeemable prior to maturity on such dates and at such prices during the Daily Mode or the Weekly Mode, as applicable, and are set forth below.

Mandatory Sinking Fund Redemption. The Remarketed Bonds are subject to mandatory sinking fund redemption 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), on November 1 of each year, with respect to the Subseries 2005E-1 Bonds, and November 15 of each year, with respect to the Subseries 2015E-1 Bonds, of each year and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from sinking fund installments which are required to be made in amounts sufficient to effectuate such redemptions:

SINKING FUND INSTALLMENTS

Year	Subseries 2005E-1	Subseries 2015E-1
2021	$ 7,315,000	
2022	7,610,000	
2023	7,910,000	
2024	8,210,000	
2025	8,560,000	
2026	8,890,000	
2027	9,240,000	
2028	9,610,000	
2029	10,010,000	$5,230,000
2030	10,380,000	5,440,000
2031	10,830,000	5,655,000
2032	11,250,000	5,885,000
2033	11,705,000	6,115,000
2034	12,145,000	6,360,000
2035	12,635,000*	6,620,000
2036		6,885,000
2037		7,155,000
2038		7,445,000
2039		7,735,000
2040		8,050,000
2041		8,370,000
2042		8,705,000
2043		9,055,000
2044		9,420,000
2045		9,795,000
2046		4,405,000
2047		4,580,000
2048		4,765,000
2049		4,955,000
2050		5,150,000*

* Final maturity

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

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

Optional Redemption. The Remarketed Bonds of either subseries are subject to redemption prior to maturity as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any Business Day, subject to applicable notice, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest up to but not including the redemption date. If any such optional redemption will occur, MTA will redeem Bank Bonds of the applicable subseries first.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem either subseries of the Remarketed Bonds, prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Remarketed Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for such subseries of the Remarketed Bonds 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 either subseries of the Remarketed Bonds, as a whole, but only in accordance with the terms upon which the Remarketed Bonds are otherwise redeemable.

Redemption of Bank Bonds. Except as set forth in the second immediately preceding paragraph and in the following paragraph, the Bank Bonds of either subseries of the Remarketed Bonds will be subject to optional and mandatory redemption under the same terms and conditions as provided with respect to other Remarketed Bonds of the same subseries. The Bank Bonds of either subseries of the Remarketed Bonds will also be subject to mandatory redemption at the times and under the terms and conditions as provided in the Credit Facility relating to such Bank Bonds.

Redemption in Part; Bank Bonds To Be Redeemed First. In the event of a redemption of less than all the Remarketed Bonds of a subseries, the Trustee will in accordance with the Transportation Resolution first select for redemption all then outstanding Bank Bonds of such subseries prior to selecting for redemption any Remarketed Bonds of such subseries that are not Bank Bonds unless the Credit Facility Issuer fails to honor a properly presented and conforming drawing under the applicable Credit Facility, in which case, the Trustee will at the written direction of MTA, select for redemption outstanding Remarketed Bonds of such subseries in accordance with such direction.

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

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Remarketed Bonds of a subseries called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and such notice is not rescinded, and any other conditions included in such notice have been satisfied, then on the redemption date the Remarketed Bonds of a subseries called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Remarketed Bonds, and an Owner's only right will be to receive payment of the redemption price upon surrender of those Remarketed Bonds.

Amendments

The provisions of the Transportation Resolution, with respect to a subseries of the Remarketed Bonds, may be modified or amended pursuant to the Transportation Resolution by obtaining, when required by the Transportation Resolution, the consent of the Owners of all of such subseries of Remarketed Bonds or, in lieu thereof, the Credit Facility Issuer, as permitted by the Transportation Resolution. All Owners of a subseries of the Remarketed Bonds will be deemed to have consented to a modification or amendment if on the 30th day (or if such day is not a Business Day, on the next succeeding Business Day) after the date on which the Trustee mailed notice of such proposed modification or amendment to the Owners of such subseries of the Remarketed Bonds there is delivered to the Trustee –

- a certificate of the Tender Agent to the effect that all such subseries of Remarketed Bonds that have been optionally tendered for purchase by their Owners after the date on which the Trustee mailed such notice of the proposed modification or amendment have been purchased at a price equal to the Purchase Price thereof,
- a written consent of the designated Remarketing Agent to the proposed modification or amendment, and
- a favorable Opinion of Bond Counsel.

Credit and Liquidity Facilities

General Description. *Unless the context otherwise indicates, references in the following description to "Remarketed Bonds" apply to the Subseries 2005E-1 Bonds and the Subseries 2015E-1 Bonds independently, as appropriate.* The following summarizes certain provisions of each Credit Facility and each Reimbursement Agreement and does not purport to be complete or definitive and reference to such documents is made for the complete provisions thereof. A draft form of each Reimbursement Agreement has been made available on EMMA contemporaneously herewith. *Investors should obtain and review copies of the Credit Facilities and the Reimbursement Agreements in order to understand all of the terms of those documents. Capitalized terms used in the following summary which are not otherwise defined in this Remarketing Circular shall have the meanings given to such terms in the Credit Facilities and the Reimbursement Agreements, respectively*. See **Attachment 4** for certain information relating to the Credit Facility Issuers.

Subject to receipt of a properly presented and conforming draw certificate, the Credit Facility Issuer will pay the principal of and interest on the Remarketed Bonds, and the Purchase Price of any Remarketed Bonds which are tendered or deemed tendered on a Purchase Date or Mandatory Purchase Date and that have not been remarketed, from time to time from proceeds of drawings under the related Credit Facility during the period from the date of effectiveness of such Credit Facility to and including August 18, 2025 (in each case, as such date may be extended from time to time, the Stated Expiration Date), unless such Credit Facility is extended or earlier terminated, in accordance with its terms. Each Credit Facility will automatically terminate on the earliest of (i) the honoring by the Credit Facility Issuer of the final drawing available to be made under such Credit Facility, (ii) receipt by the Credit Facility Issuer of a notice that (A) an Alternate Credit Facility (as defined in the related Reimbursement Agreement) has been delivered to and accepted by the Trustee, (B) the rate of interest of all of the Remarketed Bonds of the applicable subseries has been converted to a rate other than the Daily Rate or the Weekly Rate or (C) no Remarketed Bonds of the applicable subseries remain outstanding under the Supplemental Resolution (as defined in the related Reimbursement Agreement) and, in each case, the Trustee is authorized to deliver a notice of cancellation to the Credit Facility Issuer, all conditions precedent to the cancellation of the applicable Credit Facility have been satisfied and the applicable Credit Facility (including any amendment thereto) is surrendered for cancellation (such termination of the applicable Credit Facility to take effect after the Credit Facility Issuer honors any properly presented and conforming drawing, if any, on such date), (iii) the date designated by the Credit Facility Issuer in a written notice to the Trustee, the Remarketing Agent and MTA, which will be (A) on the date of such notice if no Remarketed Bonds of the applicable subseries are outstanding or (B) on the fifteenth (15) calendar day (or if such day is not a Business Day, the preceding Business Day) after the Trustee receives written notice from the Credit Facility Issuer stating that an Event of Default (as defined in the related Reimbursement Agreement) has occurred and is continuing under the related Reimbursement Agreement, and instructing the Trustee to send a notice of mandatory tender for purchase of such Remarketed Bonds of the applicable subseries and to draw on such Credit Facility to effect such purchase (after the Credit Facility Issuer honors any properly presented and conforming drawing, if any, on such date), or (iv) the Stated Expiration Date of such Credit Facility.

Events of Default. Pursuant to the Reimbursement Agreements, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder, whatever the reason for such event and whether it is voluntary or involuntary, or within or without the control of MTA or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental body. Reference is made to the Reimbursement Agreements for a complete listing of all Events of Default:

- (i) any principal or interest due on any Bank Bonds or any Advance, unreimbursed Draw or Term Loan (as such terms are defined in the Reimbursement Agreement) is not paid by MTA when due or (ii) any amount (other than amounts referred to in clause (i) hereof) payable under the Reimbursement Agreement and under the Fee Agreement (as defined in the Reimbursement Agreement) is not paid by MTA within thirty (30) Business Days of its respective due date;
- the failure by MTA to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or the Fee Agreement not specified in the paragraph summarized above, if such failure shall continue for a period of thirty (30) Business Days after written notice thereof by the Credit Facility Issuer to MTA; provided, however, that, except with regard to a failure to comply with the related Fee Agreement, such grace period shall not apply to certain covenants set forth in the Reimbursement Agreement for which no cure period exists;
- (i) MTA shall (A) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property, (E) admit in writing its inability to pay, or generally not be paying, its debts as they become due, (F) make a general assignment for the benefit of creditors, or (G) take any official action for the purpose of effecting any of the foregoing; or (ii) a case or other proceeding shall be commenced against MTA in any court of competent jurisdiction seeking (A) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (B) the appointment of a trustee, receiver, custodian, liquidator or the like of MTA, or of all or a substantial part of its property, and any such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in any such case or proceeding against MTA (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered;
- any warranty, representation or other written statement made by or on behalf of MTA contained in the Reimbursement Agreement or in any of the other Related Documents (as defined in the Reimbursement Agreement) or in any instrument furnished in compliance with or in reference to any of the foregoing, is false or misleading in any material respect on any date when made or deemed made;
- any "event of default" under the Transportation Resolution, the Supplemental Resolution (as defined in the Reimbursement Agreement) or the Certificate of Determination (as defined in the Reimbursement Agreement, and collectively, with the Transportation Resolution and the Supplemental Resolution, the Resolution) shall have occurred and be continuing;
- any material provision of the Reimbursement Agreement or any of the other Related Documents to which MTA is a party at any time for any reason ceases to be valid and binding in accordance with its terms on MTA, or is declared to be null and void, or the validity or enforceability of the Reimbursement Agreement or any of the other Related Documents is contested by MTA or a proceeding shall be commenced by MTA seeking to establish the invalidity or unenforceability thereof, or MTA shall deny that it has any further liability or obligation thereunder, in each case if, in the Credit Facility Issuer's sole judgment, such event would have a materially adverse effect on the Credit Facility Issuer's rights under the Reimbursement Agreement or the related Fee Agreement;
- any governmental authority with jurisdiction over MTA and the affairs of MTA, including a financial control board, declares or imposes a debt moratorium, debt restructuring, debt adjustment or comparable restriction on the repayment when due and payable of the principal of or interest on any of MTA's indebtedness issued under the Transportation Resolution;
- the Act or the Resolution shall, for any reason, cease to be in full force and effect or shall be declared or become invalid or unenforceable in whole or in part or shall be interpreted, altered or amended

in any manner that would in any of the foregoing cases materially adversely affect the obligations of MTA under the Reimbursement Agreement or under the related Fee Agreement or the rights of the Credit Facility Issuer under the Reimbursement Agreement or under the related Fee Agreement;

- the long-term unenhanced rating assigned to the Remarketed Bonds of the applicable subseries or any other indebtedness of MTA senior to or on a parity with the Remarketed Bonds shall be withdrawn, suspended (other than as a result of debt maturity, redemption, non-application or non-provision of information) or reduced below "BBB-" (or its equivalent), "BBB-" (or its equivalent) or "Baa3" (or its equivalent) by any one of Fitch, S&P or Moody's;
- a final non-appealable judgment or order for the payment of money in excess of $25,000,000 (in excess of the coverage limits of any applicable insurance therefor), and payable from the Trust Estate and which ranks senior to or on parity with the Remarketed Bonds shall have been rendered against MTA and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered;
- dissolution or termination of the existence of MTA; provided, however, that in the event that MTA dissolves or its existence terminates by operation of law and a successor entity assumes its obligations under the Reimbursement Agreement, the related Fee Agreement and with respect to the Remarketed Bonds of the applicable subseries and the rights and security for the Reimbursement Obligations (including the pledge of the Trust Estate securing Parity Debt as provided in the Reimbursement Agreement and in the Resolution) remain unchanged, a dissolution or termination of the existence of MTA shall not constitute an Event of Default under the Reimbursement Agreement; or
- MTA shall (i) default in any payment of any Obligations or Parity Reimbursement Obligation (as such terms are defined in the Reimbursement Agreement, hereinafter, "Secured Debt"), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (ii) default in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required) any such Secured Debt to become due prior to its stated maturity.

Remedies. Upon the occurrence and continuance of an Event of Default, and notice thereof to MTA and the Trustee, and, with regard to the immediately succeeding paragraph, the Remarketing Agent, the Credit Facility Issuer may, in its sole discretion, but shall not be obligated to, exercise any or all of the following remedies:

- by written, electronic or telephonic notice (promptly confirmed in writing), give notice of such Event of Default to the Trustee and MTA and specifying that the applicable Credit Facility shall terminate on the fifteenth (15th) calendar day (or if such day is not a Business Day, the preceding Business Day) following delivery of such notice, whereupon the Trustee shall immediately declare all of the Remarketed Bonds of the applicable subseries supported by the Credit Facility then outstanding to be subject to mandatory purchase in accordance with the Certificate of Determination; and
- exercise all or any of its rights and remedies as it may otherwise have under Applicable Law (as defined in the Reimbursement Agreement) and under the Reimbursement Agreement, the related Fee Agreement and the Resolution or otherwise by such suits, actions, or proceedings in equity or at law, either for specific performance of any covenant or agreement contained in the Transportation Resolution or the Reimbursement Agreement or the related Fee Agreement, or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy.

Remarketed Bonds remarketed by the Remarketing Agent prior to the date on which the related Credit Facility terminates following notice by the Credit Facility Issuer to MTA and the Trustee in accordance with the Reimbursement Agreement, which date of termination shall be a date designated by the Credit Facility Issuer not earlier than fifteen (15) calendar days following delivery of such notice, shall continue to be entitled to the benefit of such Credit Facility in accordance with the terms thereof.

No failure or delay on the part of the Credit Facility Issuer to exercise any right or remedy under the Reimbursement Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy under the Reimbursement Agreement preclude any further exercise thereof or the exercise of any further right or remedy under the Reimbursement Agreement. The remedies provided in the Reimbursement Agreement are cumulative and not exclusive of any remedies provided by law.

DEBT SERVICE ON THE BONDS

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

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Table 1
Aggregate Debt Service
($ in thousands)[1]

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4][5]	Subseries 2005E-1 Bonds[2]			Subseries 2015E-1 Bonds[2]			Aggregate Debt Service[6]
		Principal	Interest	Total	Principal	Interest	Total	
2021	$ 1,165,159	$ 7,315	$ 1,541	$ 8,856	-	$ 1,691	$ 1,691	$ 1,175,706
2022	1,746,443	7,610	5,170	12,780	-	5,911	5,911	1,765,133
2023	1,831,842	7,910	4,884	12,794	-	5,911	5,911	1,850,548
2024	1,823,273	8,210	4,588	12,798	-	5,911	5,911	1,841,981
2025	1,803,519	8,560	4,280	12,840	-	5,911	5,911	1,822,270
2026	1,823,337	8,890	3,959	12,849	-	5,911	5,911	1,842,097
2027	1,667,967	9,240	3,626	12,866	-	5,911	5,911	1,686,744
2028	1,774,491	9,610	3,279	12,889	-	5,911	5,911	1,793,292
2029	1,786,302	10,010	2,919	12,929	$ 5,230	5,902	11,132	1,810,363
2030	1,785,472	10,380	2,544	12,924	5,440	5,692	11,132	1,809,528
2031	1,841,133	10,830	2,155	12,985	5,655	5,474	11,129	1,865,247
2032	1,832,868	11,250	1,749	12,999	5,885	5,248	11,133	1,856,999
2033	1,570,438	11,705	1,327	13,032	6,115	5,012	11,127	1,594,597
2034	1,534,783	12,145	888	13,033	6,360	4,767	11,127	1,558,943
2035	1,469,236	12,635	433	13,068	6,620	4,512	11,132	1,493,436
2036	1,303,725	-	-	-	6,885	4,247	11,132	1,314,856
2037	1,283,417	-	-	-	7,155	3,971	11,126	1,294,543
2038	1,311,319	-	-	-	7,445	3,684	11,129	1,322,448
2039	1,247,612	-	-	-	7,735	3,386	11,121	1,258,732
2040	1,191,589	-	-	-	8,050	3,076	11,126	1,202,714
2041	1,090,239	-	-	-	8,370	2,753	11,123	1,101,362
2042	1,037,756	-	-	-	8,705	2,418	11,123	1,048,879
2043	995,914	-	-	-	9,055	2,069	11,124	1,007,038
2044	1,009,323	-	-	-	9,420	1,706	11,126	1,020,449
2045	897,826	-	-	-	9,795	1,329	11,124	908,949
2046	1,004,231	-	-	-	4,405	946	5,351	1,009,582
2047	1,009,839	-	-	-	4,580	770	5,350	1,015,188
2048	981,289	-	-	-	4,765	586	5,351	986,640
2049	821,702	-	-	-	4,955	395	5,350	827,052
2050	558,916	-	-	-	5,150	197	5,347	564,263
2051	282,567	-	-	-	-	-	-	282,567
2052	282,812	-	-	-	-	-	-	282,812
2053	233,445	-	-	-	-	-	-	233,445
2054	233,687	-	-	-	-	-	-	233,687
2055	171,225	-	-	-	-	-	-	171,225
2056	63,684	-	-	-	-	-	-	63,684
2057	10,483	-	-	-	-	-	-	10,483
Total	$42,478,864	$146,300	$43,341	$189,641	$147,775	$111,206	$258,981	$42,927,486

(1) Totals may not add due to rounding.

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

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

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

(5) Excludes debt service on the Remarketed Bonds.

(6) Figures reflect amounts outstanding as of August 18, 2021.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

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

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

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

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

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

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

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

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

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

(1) Totals may not add due to rounding
(2) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Other income does not include Superstorm Sandy reimbursement funds. See additional information regarding 2020 in the notes following the table.
(3) The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See discussion in Part 3 of the ADS under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS - TRANSPORTATION REVENUE BONDS - *Revenue Anticipation Notes Authorized by the Resolution*."
(4) State and Local General Operating Subsidies are lower in 2019 due to delay in receipt of the City's December 18-b payment.
(5) The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and the General Transportation account.
(6) Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the ADS under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS."
(7) Calculated by subtracting the debt service payments on Payroll Mobility Tax Resolution Obligations from the combined PMT and MTA Aid Trust Account Receipts, which are pledged revenues for the Payroll Mobility Tax Resolution Obligations described in Part 3 of the ADS under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS."
(8) In prior Annual Disclosure Statements, Payroll Mobility Tax Revenue Offset funds were included in the PMT Receipts. Beginning with the 2021 Annual Disclosure Statement, PMT Revenue Offset revenues are presented separately because such revenues do not constitute pledged revenues under the PMT Resolutions.
(9) Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.
(10) Debt service was reduced by approximately $54 million in each year of 2015 through 2019 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. Debt service includes payments of interest on bond anticipation notes, including $13 million in 2016, $13.5 million in 2017, $101.5 million in 2018, $188.6 million in 2019 and $344.5 million in 2020.

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

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

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

Table 2b

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

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

Table 3a sets forth the Summary of Mid-Year Forecast 2021 and Preliminary Budget 2022. Pledged Revenues are based on the MTA 2022 Preliminary Budget and the July Financial Plan 2022-2025, presented to the MTA Board on July 21, 2021. For a description of impacts of the COVID-19 pandemic upon MTA revenues and operations see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021". The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2016-2020 in **Table 2a**.

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Table 3a

Summary of Mid-Year Forecast 2021 and Preliminary Budget 2022 (Calculated in Accordance with the Transportation Resolution) ($ in millions)[1]

	Mid-Year Forecast 2021	Preliminary Budget 2022
Revenues from Systems Operations:		
Fares from Transit System	$2,159	$3,604
Fares from Commuter System	544	1,072
Fares from MTA Bus	123	179
Other Income [3][4]	202	219
Subtotal – Operating Revenues	**$3,028**	**$5,074**
Non-Operating Revenues:[5]		
Revenues from MTA Bridges and Tunnels Surplus	$891	$991
State and Local General Operating Subsidies	$420	$376
NYC Transportation Assistance Fund – General Transportation Account[6]	$3	$54
Special Tax-Supported Operating Subsidies		
DTF Excess [7]	195	203
MMTOA Receipts	2,247	1,924
Urban Tax	342	438
Excess Mortgage Recording Taxes	12	12
Payroll Mobility Tax and Aid Trust Account Receipts Excess [8]	1,739	1,678
Payroll Mobility Offset Funds [9]	293	244
Subtotal Special Tax-Supported Operating Subsidies	$4,829	$4,499
Station Maintenance and Service Reimbursements	$871	$799
City Subsidy for MTA Bus	$399	$672
Income from Investments[10]	$23	$23
Subtotal – Non-Operating Revenues	**$7,437**	**$7,414**
Total Transportation Resolution Pledged Revenues	**$10,466**	**$12,488**
Budgeted Debt Service [11]	**$1,686**	**$1,749**
Debt Service Coverage from Pledged Revenues	**6.2x**	**7.1x**

(1) Totals may not add due to rounding.

(2) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021"for a description of impacts of the COVID-19 pandemic upon MTA revenues and operations.

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

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

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

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

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

(8) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – *2018 Additional Revenues*" in the **ADS** and "*– Expectations with Respect to Future Bonding*" herein for a description of such additional revenues and MTA's current expectations for application of such revenues in the future. Calculated by subtracting debt service payments on Payroll Mobility Resolution Obligations from the combined PMT receipts and Aid Trust Account receipts (which are pledged revenues for Payroll Mobility Resolution Obligations). As budgeted in the July Financial Plan, debt service payments on Payroll Mobility Resolution Obligations begins in 2021.

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

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

(11) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $49.1 million in 2021 and $48.3 million in 2022. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Mid-Year Forecast 2021 and Preliminary Budget 2022, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2021 Preliminary Budget and the July Financial Plan 2022-2025. For a description of impacts of the COVID-19 pandemic upon MTA revenues and operations see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic"* and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021". The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2016-2020, in **Table 2b**.

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Table 3b
MTA Consolidated Statement of Operations by Category[1][2]
($ in millions)

Non-Reimbursable	Mid-Year Forecast 2021	Preliminary Budget 2022
Operating Revenue		
Farebox Revenue	$2,826	$4,859
Toll Revenue	2,140	2,257
Other Revenue	669	764
Capital and Other Reimbursements	0	0
Total Operating Revenue	**$5,635**	**$7,881**
Operating Expense		
Labor Expenses:		
Payroll	$5,363	$5,604
Overtime	986	893
Health & Welfare	1,430	1,551
OPEB Current Payment	741	803
Pensions	1,445	1,451
Other-Fringe Benefits	938	980
Reimbursable Overhead	(425)	(425)
Subtotal Labor Expenses	**$10,478**	**$10,857**
Non-Labor Expenses:		
Electric Power	$424	$471
Fuel	170	173
Insurance	32	61
Claims	353	436
Paratransit Service Contracts	396	519
Maintenance and Other Operating Contracts	901	975
Professional Service Contracts	703	621
Materials & Supplies	644	733
Other Business Expenses	179	199
Subtotal Non-Labor Expenses	**$3,802**	**$4,188**
Other Expense Adjustments:		
Other	$37	$26
General Reserve	170	180
Subtotal Other Expense Adjustments	**$207**	**$206**
Total Operating Expense before Non-Cash Liability Adjustments	**$14,487**	**$15,251**
Depreciation	$3,126	$3,142
GASB 75 OPEB Expense Adjustment	1,576	1,619
GASB 68 Pension Expense Adjustment	7	51
Environmental Remediation	6	6
Total Operating Expense after Non-Cash Liability Adjustments	**$19,203**	**$20,069**
Conversion to Cash Basis: Non-Cash Liability Adjustments	($4,716)	($4,817)
Debt Service (excludes Service Contract Bonds)	2,843	3,065
Total Operating Expense with Debt Service	**$17,330**	**$18,317**
Dedicated Taxes and State/Local Subsidies	$7,744	$7,613
Net Surplus/(Deficit) After Subsidies and Debt Service	**($3,952)**	**($2,823)**
Conversion to Cash Basis: GASB Account	$0	$0
Conversion to Cash Basis: All Other	(862)	(34)
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($4,814)**	**($2,857)**
ADJUSTMENTS[2]	**$4,311**	**$2,857**
PRIOR-YEAR CARRYOVER	**503**	**$0**
NET CASH BALANCE	**$0**	**$0**

(1) See "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021" for a description of impacts of the COVID-19 pandemic upon MTA revenues and operations.

(2) Adjustment in 2021 reflects among other things, the anticipated receipt of $4 billion from the Coronavirus Response and Relief Supplemental Appropriations Act. The July Financial Plan shows partial use of the $6.5 billion of funding from the American Rescue Plan Act of 2021 in the adjustments for 2021 and 2022. Such funds do not constitute pledged revenues for the Transportation Resolution.

Description of Pledged Revenues

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

Revenues from Systems Operations.

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

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

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

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

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

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

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

- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by $0.43 (to $6.55) at major facilities and the VNB, $0.20 (to $3.00) at the Henry Hudson Bridge and $0.16 (to $2.45) at the Rockaway Bridges.

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

Revenues from State and Local Governmental Sources.

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

Additional Taxes and Fees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- *Aid Trust Account Monies*. The revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine. Under the Transportation Resolution, the Aid Trust Account Monies constitute "Non-Pledged Operating Subsidies" that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses. Although MTA has allocated such monies so as to constitute Pledged Revenues in prior years, no assurances can be given that MTA will allocate any of the Aid Trust Account Monies to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses in the future.

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

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

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

(i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or

(ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis; or

(iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis.

Notwithstanding the foregoing, however, the State in 2020 enacted legislation that allows MTA, subject to repayment as described therein, to use the moneys in the CBD Tolling Capital Lockbox Fund through 2021 to offset decreases in revenue or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the revenues and operations of MTA and its Related Entities, see "SOURCES OF REVENUE – Factors Affecting Revenues – *The COVID-19 Pandemic*" and "*– Government Assistance*" in **Part II** and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021".

Expectations with Respect to Future Bonding. On July 23, 2021, MTA submitted to the CPRB a proposed MTA Bridges and Tunnels Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox – Citywide Sales Tax) (the MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution) for review and approval. The MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution was deemed approved on August 9, 2021, upon completion of the statutory 15-day review period following such submission. MTA anticipates seeking MTA and MTA Bridges and Tunnels Board ratification of the MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution at their September 2021 meeting. Proceeds from the issuances of Sales Tax Revenue Obligations can be used for transit and commuter projects included in the 2020-2024 Capital Program or any successor capital program as follows: 80% for transit projects, 10% for projects of MTA Long Island Rail Road and 10% for projects of MTA Metro-North Railroad. MTA anticipates the inaugural issue of obligations under this new credit in the December 2021 or January 2022 timeframe.

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

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

MTA Bridges and Tunnels has adopted a bond resolution (the TBTA PMT Bond Resolution) substantially similar to the MTA PMT Bond Resolution that authorizes MTA Bridges and Tunnels to issue obligations to fund transit and commuter capital projects secured by the PMT (but not the PMT Revenue Offset) and Aid Trust Account Monies, on parity with the MTA PMT Bond Resolution. On March 17, 2021, the TBTA PMT Bond Resolution was deemed approved by the CPRB and subsequently ratified by the Board of MTA Bridges and Tunnels. As described in the preceding paragraphs, MTA is currently permitted to issue bonds, notes and other obligations under the MTA PMT Bond Resolution for deficit financing; however, CPRB approval is required prior to the issuance by MTA under the MTA PMT Bond Resolution of obligations to fund transit and commuter capital projects. On May 5, 2021, MTA Bridges and Tunnels issued its Payroll Mobility Tax Senior Lien Bonds, Series 2021A (the Series 2021A TBTA PMT Bonds), which are the first obligations to be issued under the TBTA PMT Bond Resolution. MTA Bridges and Tunnels expects to issue its second series of Payroll Mobility Tax Senior Lien Bonds, Series 2021B, on or about August 30, 2021. The MTA PMT Bond Resolution, TBTA PMT Bond Resolution and related Annexes may be found on the MTA investor website under the caption "Debt Portfolio Information – Bond Resolutions and Interagency Agreements". The provisions of the TBTA PMT Bond Resolution are substantially the same as the provisions of the MTA PMT Bond Resolution and the annexes for both resolutions are identical. No statement on MTA's website is included by specific cross-reference herein.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May 2009 Legislation, as amended) into the State's general fund or any other fund maintained for support of another governmental purpose.

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

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

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

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

Factors Affecting Revenues

The COVID-19 Pandemic. The COVID-19 pandemic has had a substantially adverse impact on MTA revenues, operations and the timing of its capital projects' implementation. The impacts of the COVID-19 pandemic on MTA's financial condition have been, and continue to be severe and may deteriorate further. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in Part 1 of the **ADS** and **Attachment 5** – "First Quarterly Update to the ADS, dated August 3, 2021".

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

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

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the Summary of Mid-Year Forecast 2021 and Preliminary Budget 2022 and the forecasts in the July Financial Plan 2022-2025 prepared in connection with 2023, 2024 and 2025) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the Preliminary Budget 2022 and the July Financial Plan 2022-2025, the budgets of the Related Entities reflect substantial projected deficits through 2025. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

MTA Liquidity Resources. As of August 10, 2021 MTA had liquidity resources in the approximate amount of $4.532 billion, consisting of a current running cash balance of $999 million, internal available flexible funds totaling $1.125 billion, PMT BANs for working capital, plus interest, totaling $2.404 billion, and applicable undrawn commercial bank lines of credit totaling approximately $3.7 million (while total commercial bank lines of credit are $1.2 billion, $1.196 billion has been drawn and spent, and MTA terminated the $950 million syndicated term facility on May 21, 2021) (while $500 million of the PMT BAN was transferred and is reflected in the running cash balance, these funds remain unspent and the full amount of the MLF borrowing is available). *These funds provide a temporary funding "bridge" to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs. The foregoing liquidity resources do not include federal emergency funding from either the Coronavirus Response and Relief Supplemental Appropriations Act or the American Rescue Plan Act of 2021, none of which has yet been received by MTA.*

Financial Plans. The July Financial Plan 2022-2025, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the July Financial Plan 2022-2025, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Transformation Plan. The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization, reducing fixed costs and providing safe and reliable service. To that end, MTA procured the services of a management consulting firm that provided a report to MTA (the MTA Transformation Plan). The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting. The MTA Transformation Plan is central to MTA's efforts to efficiently meet the needs of its customers in a cost efficient manner without reducing service. To that end, MTA is delivering these benefits mainly by leveraging in-house competencies, reinforced by selected external hires where strictly necessary, and aggressively benchmarking performance relative to other agencies undertaking similar public service functions.

MTA is evaluating and holding accountable all of its functions and agencies to rigorous value for money performance criteria. The MTA Transformation Plan and initial anticipated fiscal impacts of the report's recommendations are included in the July Financial Plan 2022-2025. Transformation leadership, reporting to the MTA Board, expects to continue providing updates.

The Transformation Management Office continues to focus on the consolidation of administrative and support functions from the agencies to a centralized organization. The Transformation Management Office consolidated the People function in July of 2021 and has begun the second wave of consolidations for the functions of Finance, Legal, Communications and Compliance. The next wave will include Procurement and Diversity and is expected to be complete later in 2021. In addition, the Transformation Management Office continues to review business processes and implement cost efficient and effective solutions with each consolidated functional department.

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

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

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

2021 State Enacted Budget estimates, rather than the 20 percent anticipated in the Mid-Year Update. The State reconciled payments and withholdings, and paid balances to the localities by the end of the final quarter of State Fiscal Year 2021. MTA received $3.127 billion in Aid-to-Locality disbursements during the State's 2021 fiscal year, which fiscal year ended on March 31, 2021.

For further information related to the impact of the COVID-19 pandemic on government assistance and relating to the revenues and operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in Part 1 of the **ADS** and **Attachment 4** – "First Quarterly Update to the ADS, dated August 3, 2021".

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

SECURITY

General

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

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

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

Revenue Anticipation Notes Authorized by the Resolution

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

MTA currently has two taxable revolving commercial line of credit agreements that would permit the issuance of up to $1.2 billion of revenue anticipation notes, with $1.196 billion drawn and outstanding as of August 10, 2021. Both agreements expire on August 24, 2022. Such agreements have been filed with EMMA, along with periodic notices regarding amounts drawn thereunder.

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

Pledge Effected by the Resolution

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

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

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

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

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee),

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

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

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

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

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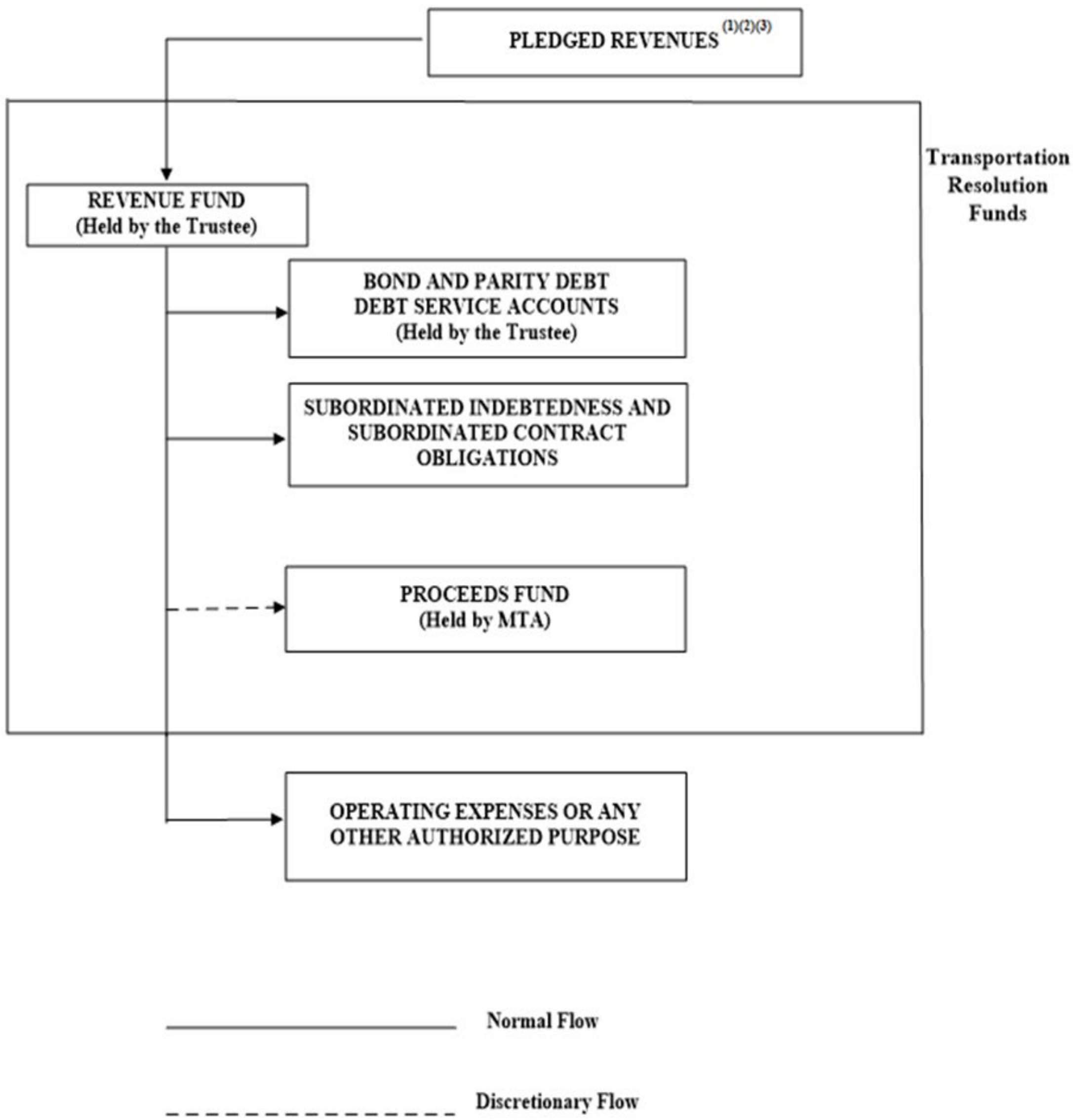
The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



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

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

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

Covenants

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

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

See "SOURCES OF PAYMENT – Factors Affecting Revenues" above.

Operating and Maintenance Covenants.

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

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

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

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

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

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

Parity Debt

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

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PART III. OTHER INFORMATION ABOUT THE REMARKETED BONDS

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

TAX MATTERS

General

On November 2, 2005, the date of original issuance of the Series 2005E Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-1** (the Subseries 2005E-1 Approving Opinion). On September 10, 2015, the date of original issuance of the Series 2015E Bonds, Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., as co-bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** (the Subseries 2015E-1 Approving Opinion). Each of the foregoing opinions speaks only as of its respective date and only as to the matters expressly stated and none of such opinions is being re-delivered or reissued.

The Subseries 2005E-1 Approving Opinion and the Subseries 2015E-1 Approving Opinion each concluded that, under then existing law, as of its respective date, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Subseries 2005E-1 Bonds and the Subseries 2015E-1 Bonds, respectively, was:

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

Each of the Subseries 2005E-1 Approving Opinion and the Subseries 2015E-1 Approving Opinion also concluded that, under then existing law, as of its respective date, interest on the Subseries 2005E-1 Bonds and the Subseries 2015E-1 Bonds, respectively, was exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

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

Neither current Co-Bond Counsel to the MTA nor prior co-bond counsel is rendering an opinion on the current tax status of any of the Remarketed Bonds.

The Remarketed Bonds

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

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

Remarketed Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

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

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

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

If an Owner purchasing a Remarketed Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Remarketed

Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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

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

LEGALITY FOR INVESTMENT

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

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

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

LITIGATION

There is no pending litigation concerning the Remarketed Bonds.

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

CO-FINANCIAL ADVISORS

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

REMARKETING

The Remarketed Bonds are being remarketed by Barclays Capital, Inc. (the Remarketing Agent), at prices that are not in excess of the prices stated on the cover of this remarketing circular. The Remarketing Agent will be paid $55,707.06 as reimbursement for certain financing and legal expenses in connection with the remarketing of the Remarketed Bonds.

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

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

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

RATINGS

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

Fitch Ratings Hearst Tower 300 W. 57th Street New York, New York 10019 (212) 908-0500	Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA has furnished information to each rating agency rating the Remarketed Bonds, including information not included in this remarketing circular, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the Remarketed Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Remarketed Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Remarketed Bonds. On November 2, 2005, the date of original issuance of the Series 2005E Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-1**. On September 10, 2015, the date of original issuance of the Series 2015E Bonds, Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., as co-bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2**. Each of the foregoing opinions speaks only as of its respective date and only as to the matters expressly stated and none of such opinions is being re-delivered or reissued.

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

The Remarketing Agent has appointed Katten Muchin Rosenman LLP and the Law Offices of Joseph C. Reid, P.A. as co-counsel to the Remarketing Agent in connection with the remarketing of the Remarketed Bonds, which firm will pass on certain legal matters.

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

Certain legal matters relating to the Credit Facilities will be passed on by Chapman and Cutler LLP, special United States counsel to the Credit Facility Issuer.

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

CONTINUING DISCLOSURE

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

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

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

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

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

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

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FURTHER INFORMATION

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

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

METROPOLITAN TRANSPORTATION AUTHORITY

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

ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

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

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

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

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

i. “EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA Bus.”

4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in the **ADS** under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”

5. a presentation of the financial results of the Related Transportation Entities prepared in accordance with GAAP for the most recent year for which that information is then currently available (currently, MTA New York City Transit prepares consolidated financial statements and MTA prepares consolidated financial statements),

6. a presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from pledged revenues,

7. information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution,

8. financial information of the type included in this remarketing circular in **Table 2a** and **Table 2b** under the caption “SOURCES OF PAYMENT—Pledged Transportation Revenues” and included in the **ADS** under the caption “REVENUES OF THE RELATED ENTITIES,”

9. material litigation related to any of the foregoing, and

10. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Related Entities.

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

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

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this remarketing circular with respect to the Remarketed Bonds, and

2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of any of the Related Transportation Entities.

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

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

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ATTACHMENT 3-1

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

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

November 2, 2005

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

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the "MTA") and other proofs submitted to us relative to the issuance of $250,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Bonds, Series 2005E, consisting of the Subseries 2005E-1 Bonds and the Subseries 2005E-2 Bonds (collectively, the "Series 2005E Bonds").

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

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2005E Bonds in order that interest on the Series 2005E Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986 of the MTA, dated the date hereof (the "Tax Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2005E Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2005E Bonds and the investment of certain funds. The Tax Certificate obligates the MTA to take certain actions necessary to cause interest on the Series 2005E Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Series 2005E Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2005E Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

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

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

We are of the opinion that:

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

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

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

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

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

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

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

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

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

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the 2005E Bonds.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof that may hereafter occur, or for any reason whatsoever.

Very truly yours,

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ATTACHMENT 3-2

FORM OF OPINION DELIVERED ON OCTOBER 3, 2013 BY NIXON PEABODY LLP AND D. SEATON AND ASSOCIATES, P.A., P.C. IN CONNECTION WITH THE ISSUANCE OF THE SUBSERIES 2015E-1 BONDS

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

September 10, 2015

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $650,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Bonds, Series 2015E (the "Series 2015E Bonds"), consisting of Subseries 2015E-1, Subseries 2015E-2, Subseries 2015E-3, Subseries 2015E-4 and Subseries 2015E-5.

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

The Series 2015E Bonds 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 Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations," as supplemented in connection with the issuance of the Subseries 2015E-1 Bonds, the Subseries 2015E-2 Bonds and the Subseries 2015E-3 Bonds by the Series CP-2 Transportation Revenue Bond Supplemental Resolution, adopted by the members of MTA on July 28, 2010, and as supplemented in connection with the issuance of the Subseries 2015E-4 Bonds and the Subseries 2015E-5 Bonds by the Multiple Series 2015 Transportation Revenue Bond Supplemental Resolution, adopted by the members of MTA on December 17, 2014 (collectively, the "Resolution"). The Series 2015E Bonds are dated, mature and are payable and bear interest all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2015E Bonds in order that interest on the Series 2015E Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2015E Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2015E Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2015E Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2015E Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2015E Bonds from gross income for federal income tax purposes under Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2015E Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2015E Bonds as executed and, in our opinion, the form of said Series 2015E Bond and its execution are regular and proper.

We are of the opinion that:

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

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2015E Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2015E Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2015E Bonds.

4. MTA, the holders of the Series 2015E Bonds, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2015E Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2015E Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2015E Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax imposed on individuals and corporations under the Code; however, we note that interest is included in the

adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.

7. Under existing statutes, interest on the Series 2015E Bonds 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 and 3 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 paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2015E Bonds. 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 2015E Bonds.

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 2015E Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2015E Bonds 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,

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ATTACHMENT 3-3

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

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On November 2, 2005, Metropolitan Transportation Authority ("MTA") issued its Transportation Revenue Variable Rate Bonds, Series 2005E (the "Series 2005E Bonds"), pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "General Resolution"), as amended and supplemented to the date of issuance thereof by the Multiple Series Transportation Revenue Bond Supplemental Resolution, adopted by the Issuer on July 29, 2004, as amended and restated in its entirety on January 27, 2005 (the "Supplemental Resolution") and the Certificate of Determination Relating to Transportation Revenue Variable Rate Bonds, Series 2005E, dated as of November 2, 2005, as subsequently amended and restated (the "Certificate of Determination"). The General Resolution, the Supplemental Resolution and the Certificate of Determination are hereinafter collectively referred to as the "Resolution." Subsequent to the initial issuance of the Series 2005E Bonds, MTA re-designated the Series 2005E Bonds as multiple subseries, including the Subseries 2005E-1 Bonds (the "Original Subseries 2005E-1 Bonds") and the Subseries 2005E-3 Bonds (the "Original Subseries 2005E-3 Bonds").

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

On the date hereof, MTA intends to (i) consolidate and redesignate the Original Subseries 2005E-1 Bonds and the Original Subseries 2005E-3 Bonds as the "Subseries 2005E-1 Bonds" (the "Subseries 2005E-1 Bonds"); (ii) obtain an irrevocable direct-pay letter of credit issued by Barclays Bank PLC (the "Liquidity and Credit Facility"); and (iii) further amend and restate the Certificate of Determination, to provide for, among other things, the Mode Change, the delivery of the Liquidity and Credit Facility, and the consolidation, redesignation and remarketing of the Subseries 2005E-1 Bonds.

In order to effectuate the aforementioned actions, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Original Subseries 2005E-1 Bonds and a Notice of Mandatory Tender relating to the Original Subseries 2005E-3 Bonds pursuant to the Certificate of Determination. In accordance with the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Original Subseries 2005E-1 Bonds and Original Subseries 2005E-3 Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the consolidation, redesignation and remarketing of the Subseries 2005E-1 Bonds and the delivery of the Liquidity and Credit Facility are authorized under the Resolution, and all conditions to the delivery of the Liquidity and Credit Facility have been satisfied.

Based on the foregoing, we are further of the opinion that the mandatory tender of the Original Subseries 2005E-1 Bonds and the Original Subseries 2005E-3 Bonds, the consolidation, redesignation and remarketing of the Subseries 2015E-4 Bonds, the delivery of the Liquidity and Credit Facility and the amendment of the terms and provisions of the Subseries 2005E-1 Bonds to reflect the terms and provisions described herein and in the remarketing circular for the Subseries 2005E-1 Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2005E-1 Bonds from gross income for purposes of federal income taxation.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Subseries 2005E-1 Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Subseries 2005E-1 Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Subseries 2005E-1 Bonds were applied in accordance with the Resolution and the applicable tax certificate of MTA delivered in connection with the issuance and reissuance of the Subseries 2005E-1 Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Subseries 2005E-1 Bonds, or to so comply, could adversely affect the exclusion of interest on the Subseries 2005E-1 Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Subseries 2005E-1 Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Subseries 2005E-1 Bonds. We are also expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Subseries 2005E-1 Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2005E-1 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

ATTACHMENT 3-4

FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED ON THE DATE THE SUBSERIES 2015E-1 BONDS ARE REMARKETED

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On September 10, 2015, Metropolitan Transportation Authority ("MTA") issued its Transportation Revenue Variable Rate Bonds, Subseries 2015E (the "Subseries 2015E Bonds"), consisting of Subseries 2015E-1 (the "Original Subseries E-1 Bonds"), Subseries 2015E-2, Subseries 2015E-3, Subseries 2015E-4 (the "Original Subseries E-4 Bonds") and Subseries 2015E-5, pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "General Resolution"), as amended and supplemented to the date of issuance thereof by the Series CP-2 Transportation Revenue Bond Supplemental Resolution, adopted by the Board of the Issuer on July 28, 2010 (the "CP-2 Supplemental Resolution"), and the Multiple Series 2015 Transportation Revenue Bond Supplemental Resolution, adopted by the Board of MTA on December 17, 2014 (the "2015 Supplemental Resolution", and together with the CP-2 Supplemental Resolution, the "Supplemental Resolution") and the Certificate of Determination Relating to Transportation Revenue Variable Rate Bonds, Series 2015E, dated as of September 10, 2015, as subsequently amended and restated (the "Certificate of Determination"). The General Resolution, the Supplemental Resolution and the Certificate of Determination are hereinafter collectively referred to as the "Resolution."

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

On the date hereof, MTA intends to (i) consolidate and redesignate the Original Subseries 2015E-1 Bonds and the Original Subseries 2015E-4 Bonds as the "Subseries 2015E-1 Bonds" (the "Subseries 2015E-1 Bonds"); (ii) convert the Original Subseries 2015E-4 Bonds from the Weekly Mode to the Daily Mode (the "Mode Change"); (iii) obtain an irrevocable direct-pay letter of credit issued by Barclays Bank PLC (the "Liquidity and Credit Facility"); and (iv) further amend and restate the Certificate of Determination, to provide for, among other things, the Mode Change, the delivery of the Liquidity and Credit Facility, and the consolidation, redesignation and remarketing of the Subseries 2015E-1 Bonds.

In order to effectuate the aforementioned actions, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Original Subseries 2015E-1 Bonds and a Notice of Mandatory Tender and Notice of Intention to Change Mode relating to the Original Subseries 2015E-4 Bonds pursuant to the Certificate of Determination. In accordance with the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Original Subseries 2015E-1 Bonds and Original Subseries 2015E-4 Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the Mode Change, the consolidation, redesignation and remarketing of the Subseries 2015E-1 Bonds and the delivery of the Liquidity and Credit Facility are authorized under the Resolution, and all conditions to the Mode Change and the delivery of the Liquidity and Credit Facility have been satisfied.

Based on the foregoing, we are further of the opinion that the mandatory tender of the Original Subseries 2015E-1 Bonds and the Original Subseries 2015E-4 Bonds, the consolidation, redesignation and remarketing of the Subseries 2015E-1 Bonds, the Mode Change, the delivery of the Liquidity and Credit Facility and the amendment of the terms and provisions of the Subseries 2015E-1 Bonds to reflect the terms and provisions described herein and in the remarketing circular for the Subseries 2015E-1 Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2015E-1 Bonds from gross income for purposes of federal income taxation.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Subseries 2015E-1 Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Subseries 2015E-1 Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Subseries 2015E-1 Bonds were applied in accordance with the Resolution and the applicable tax certificate of MTA delivered in connection with the issuance and reissuance of the Subseries 2015E-1 Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Subseries 2015E-1 Bonds, or to so comply, could adversely affect the exclusion of interest on the Subseries 2015E-1 Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Subseries 2015E-1 Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Subseries 2015E-1 Bonds. We are also expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Subseries 2015E-1 Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2015E-1 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

ATTACHMENT 4

CERTAIN INFORMATION RELATING TO THE CREDIT FACILITY ISSUER

*The following information in this **Attachment 4** has been provided by the Credit Facility Issuer for use in this remarketing circular. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, MTA, the Remarketing Agent or any of their counsel. This information has not been independently verified by MTA, the Remarketing Agent or any of their counsel. No representation is made by MTA, the Remarketing Agent or any of their counsel as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

Barclays Bank PLC (the Bank, and together with its subsidiary undertakings, the Barclays Bank Group) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group or Barclays) is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank with a diversified and connected portfolio of businesses, serving retail and wholesale customers and clients globally. The Group's businesses include consumer banking and payment operations around the world, as well as a top-tier, full service, global corporate and investment bank. The Group operates as two operating divisions – the Barclays UK division (Barclays UK) and the Barclays International division (Barclays International) which are supported by Barclays Execution Services Limited. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by Barclays Bank UK PLC (BBUKPLC) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payment businesses. These businesses are carried on by the Bank and its subsidiaries, as well as by certain other entities within the Group. Barclays Execution Services Limited is the Group-wide service company providing technology, operations and functional services to businesses across the Group.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term unsecured unsubordinated obligations of the Bank are rated A by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2020, the Barclays Bank Group had total assets of £1,059,731m (2019: £876,672m), loans and advances at amortised cost of £134,267m (2019: £141,636m), total deposits at amortised cost of £244,696m (2019: £213,881m), and total equity of £53,710m (2019: £50,615m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2020 was £3,075m (2019: £3,112m) after credit impairment charges of £3,377m (2019: £1,202m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2020.

Based on the Barclays Bank Group's unaudited financial information for the six months ended 30 June 2021, the Barclays Bank Group had total assets of £1,064,337m, loans and advances at amortised cost of £133,815m, total deposits at amortised cost of £249,732m, and total equity of £53,696m. The profit before tax of the Barclays

Bank Group for the six months ended 30 June 2021 was £3,334m (30 June 2020: £1,523m) after credit impairment releases/(charges) of £288m (30 June 2020: £(2,674)m). The financial information in this paragraph is extracted from the unaudited condensed consolidated interim financial statements of the Bank for the six months ended 30 June 2021.

Barclays Bank PLC is responsible only for the information contained in this **Attachment 4** under the heading "Certain Information Relating to the Credit Facility Issuer" and did not participate in the preparation of, or in any way verify the information contained in, any other part of the remarketing circular. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the remarketing circular.

ATTACHMENT 5

FIRST QUARTERLY UPDATE TO THE ADS DATED AUGUST 3, 2021

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MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2021 ADS First Quarterly Update)
August 3, 2021

This Metropolitan Transportation Authority (MTA) Annual Disclosure Statement Update (including Attachment A hereto, the First Quarterly Update), dated August 3, 2021, is the first quarterly update to the Annual Disclosure Statement (the ADS) of MTA, dated April 30, 2021, as supplemented on June 3, 2021, and contains information only through its date. MTA expects to file this First Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete July Plan hereinafter referred to, is also posted on the MTA website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein. All of the information in this First Quarterly Update is accurate as of its date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA's financial condition are complex. This First Quarterly Update contains forecasts, projections, and estimates that are based on expectations and assumptions that existed at the time they were prepared and contains statements relating to future results and economic performance that are "forward-looking statements", as such term is defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "calculate", "budget," "project," "forecast," "anticipate" or other similar words. The forward looking statements contained herein are based on MTA's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections, calculations and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions including climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; impediments to the regulations; litigation; actions by the federal government to reduce or disallow expected aid, including federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to MTA; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of MTA. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. Such forward-looking statements speak only as of the date of this First Quarterly Update.

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2021 ADS First Quarterly Update)
August 3, 2021

Introduction

This update, dated August 3, 2021 (First Quarterly Update), is the first quarterly update to the Annual Disclosure Statement (ADS) of the Metropolitan Transportation Authority (MTA), dated April 30, 2021, as supplemented on June 3, 2021. This First Quarterly Update contains information only through August 3, 2021, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this First Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA's 2021-2024 Financial Plan released by MTA in February 2021 (February Plan), made since the date of the ADS, to reflect provisions of the 2021 MTA July Financial Plan presented to the MTA Board on July 21, 2021 (July Plan). The complete July Plan is posted on MTA's website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein. The updated information reflected in the July Plan includes the 2021 Mid-Year Forecast, the 2022 Preliminary Budget and a Financial Plan for fiscal years 2022 through 2025.
2. **Attachment A** to this First Quarterly Update, which presents the consolidated July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan projected receipts and expenditures for fiscal years, 2021, 2022 (preliminary budget) through 2025, in each case prepared by MTA management.

Overview

This First Quarterly Update discusses important features of July Plan derived from the 2021 Mid-Year Forecast, the 2022 Preliminary Budget, the 2022-2025 Financial Plan, and all relevant financial tables and reconciliations to the February Plan.

The July Plan, as with all plans beginning with the 2020 July Plan, reflects the impact the novel coronavirus outbreak and the ensuing pandemic has had on the MTA region, forcing MTA to focus on financial survival while at the same time providing service needed to keep the region moving during the height of the pandemic, during this late-pandemic period, and eventually under a post-pandemic "new normal".

The February Plan

The February Plan projected a cash balance of $5 million in 2021, with deficits of $3.129 billion in 2022, $2.441 billion in 2023, and $2.403 billion in 2024, resulting in a cumulative deficit of $7.972 billion. Incorporated in these figures were assumptions of ridership and traffic recovery from the pandemic based on the "worst case" scenario for ridership and the midpoint of the "best case" and "worst case" scenarios for traffic that were developed for MTA by McKinsey & Company (McKinsey). Also included were four percent yield increases from fare and toll rate changes proposed for 2021 and 2023, subject to MTA Board approval.

The February Plan included actions to help reduce deficits MTA is facing. The 2019 General Reserve of $165 million and the 2020 General Reserve of $170 million were unexpended and reserved for use in 2021. Annual Committed to Capital transfers, operating funds earmarked for capital use, were suspended through 2023, retaining in the operating budget $187 million in 2020, $181 million in 2021, $120 million in 2022 and $114 million in 2023. The Mansion Tax and the Internet Marketplace Tax, "lockbox" funds restricted for capital, were redirected to the operating budget, as permitted through 2021 under Public Authorities Law 553-j: $440 million was used in 2020, with another $525 million budgeted in 2021.

Agency-identified savings in overtime, consulting services and other non-personnel expenses were expected to total $570 million in 2021, $473 million in 2022, $442 million in 2023, and $448 million in 2024. The February Plan included the aligning of service with ridership levels, with service reductions of 40% percent for the subway and bus systems and 50% for the commuter railroads, which could accommodate anticipated ridership levels in 2022 and yield savings of $1.27 billion through 2024. Accompanying the service reductions would be workforce impacts estimated to be 9,367 positions. The February Plan proposed service reductions focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service responsive to current and projected ridership. It was intended that service would be restored as ridership levels improve, and savings were projected to be $696 million in 2023 and $559 million in 2024. MTA also proposed a permanent wage freeze for all employees, both represented and non-represented, through 2022 which was estimated to save $309 million in 2022, $315 million in 2023 and $322 million in 2024.

To cover the budget deficits, MTA was granted the authority by the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022. MTA utilized the Federal Reserve's Municipal Liquidity Facility (MLF), which was established as a source of emergency financing for state and local governments and public entities to ensure their access to credit during the COVID pandemic, to borrow the maximum $2.9 billion allowed MTA under the program before the lending window closed at the end of 2020. The February Plan anticipated using $1.65 billion in 2021 in MLF deficit financing proceeds, with the remaining $1.25 billion to be used in 2022. MTA expects to issue long-term bonds in 2023 to repay in full the MLF loan.

The February Plan also assumed reimbursement from the Federal Emergency Management Agency (FEMA) for the estimated $293 million in direct COVID-related expenses incurred from the start of the pandemic through the end of August 2020, the cut-off date originally established by FEMA. FEMA typically reimburses 75% of local claim amounts, with the remaining portion covered by the State; however, with the State experiencing fiscal stress, MTA expects to receive $220 million in 2021, assuming the remaining 25% will not be received.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020, and analysis of the statute's provisions indicate MTA will receive $4.0 billion in new federal aid, which was included in the February Plan. At the time the February Plan was presented, the American Rescue Plan Act of 2021 had not been enacted.

The February Plan

(dollars in millions)

	2020	2021	2022	2023	2024	Plan Deficit
Preliminary February Financial Plan [1]	$514	($5,645)	($4,693)	($3,452)	($3,283)	($17,073) [2]
Proceeds of MLF Deficit Bonding	$0	$1,650	$1,250	$0	$0	$2,900
CRRSAA Federal Aid	0	4,000	0	0	0	4,000
Additional Federal Aid	0	0	0	0	0	0
Service Reductions [3]	0	0	0	696	559	1,255
Wage Freeze (Rep/Non-Rep through 2022) [4]	0	0	309	315	322	946
Change in Prior Year Cash Balance	0	0	5	0	0	N/A
February Financial Plan	$514	$5	($3,129)	($2,441)	($2,403)	($7,972) [2]

1 Reflects fare and toll increases in 2021 and 2023.
2 Since operating balances roll into subsequent years to reduce deficits, the total deficit over the Plan period is the total of annual deficits only.
3 Service reductions tie to the McKinsey "worst case" updated ridership projections.
4 Includes TWU Local 100.

However, even with the $2.9 billion in deficit bonding, the $4 billion in CRRSAA federal aid, the assumed service reductions and permanent wage freeze, MTA was still projecting in the February Plan a cumulative deficit of nearly $8 billion through 2024.

The July Plan and Changes to the February Plan

The first significant financial development since the February Plan was the March 11, 2021 signing into law by President Biden of the American Rescue Plan Act of 2021 (ARPA). The $1.9 trillion package is intended to combat the COVID-19 pandemic, including public health and economic impacts. While funding has yet to come to MTA, it is estimated MTA will receive about $6.5 billion from ARPA, and this is incorporated into the July Plan.

The second significant development has been the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA continues to adjust service levels as it moves into the late-pandemic period and ridership levels continue to show improvement, although ridership remains significantly below pre-pandemic levels. MTA New York City Subway resumed 24 hours a day service on May 17, 2021, after subway service was shut down overnight for over a year to allow for thorough disinfecting of the system and other enhancements. MTA Long Island Rail Road currently operates on an 83% pre-pandemic service level. MTA Metro-North Railroad currently operates on a 67% pre-pandemic service level but plans to restore service on August 29, 2021 to 83% during the week and 70% on weekends relative to pre-pandemic levels.

In the February Plan, ridership was based on the "worst case" scenario developed for MTA by McKinsey, while vehicular traffic at MTA Bridges and Tunnels facilities was based on the midpoint between McKinsey's "best case" and "worst case" scenarios. Since the beginning of 2021, consolidated MTA ridership has been tracking consistent with the midpoint between the McKinsey scenarios, while MTA Bridges and Tunnels vehicular traffic has been consistently close to the McKinsey "best case" scenario as restrictions were eased and removed. These factors have led MTA to revise utilization projections for the July Plan: MTA Bridges and Tunnels utilization is now based on the McKinsey "best case" scenario, and ridership, with the exception of MTA Staten Island Railway ridership, is based on the midpoint of the McKinsey scenarios. MTA Staten Island Railway ridership continues to lag and is being projected under the "worst case" scenario. These overall projected improvement (notwithstanding the MTA Staten Island Railway's negative forecast) would result in $3.7 billion in additional farebox revenue and $799 million in additional toll revenue through 2024 when compared with the February Plan.

Despite these positive developments, ridership remains below pre-pandemic levels and McKinsey's most recent analysis projects a "new normal" ridership level of between 82% and 91% of pre-pandemic levels, the result of continuation of hybrid work schedules, with fewer days per week traveling to an office location, increased online shopping at the expense of brick and mortar locations, slower return of tourism, and increases in alternative travel, such as walking and bicycling.

The increases in ridership and traffic recovery also favorably impact, by $153 million through 2024, the estimated farebox and toll revenue generated from the proposed 2021 fare increase and from the 2023 fare and toll increases. Additionally, the 2021 toll increase that went into effect in mid-April increased toll rates by six percent, above the four percent assumed in the February Plan, and is expected to generate about $175 million over the February Plan estimate.

In addition to farebox and toll revenue, Agency re-estimates include $268 million in "New Needs" expenses, partially offset by an increase of $94 million from savings programs. Other Agency re-estimates are $71 million unfavorable compared with the February Plan.

State and local subsidy and dedicated tax receipts also have improved, with revenue $1.4 billion higher through 2024 compared with the February Plan. However, the impact on the operating budget is less, as Capital Lockbox revenues, including the Mansion Tax and the Internet Marketplace Tax, are being redirected back to provide support for the Capital Program, reducing overall subsides available to cover the operating budget by an estimated $515 million.

Committed to Capital support through 2023, which was scaled back at the start of the pandemic, is also being restored, by $367 million in 2021, $120 million in 2022 and $114 million in 2023.

Projected debt service expenses in the July Plan are favorable compared with the February Plan by $293 million, reflecting the use of highly rated Payroll Mobility Tax (PMT) bonds versus Transportation Revenue Bonds (TRB), lower interest rates in general, and federal operating support to MTA alleviating near term deficits. The coverage period for reimbursement of COVID-related expenses from the FEMA was extended from September 2020 to September 2021, and MTA estimates its additional reimbursement from claims during this extended period will come to $140 million, which is expected to be realized in 2022.

These changes result in a cumulative July Plan deficit of $10.0 billion. ARPA federal aid, the deferred 2021 fare increase, the use of $1.3 billion of proceeds from MLF deficit bonds, the assumed "right-sizing" service reductions and a two-year wage freeze, however, are projected to result in financial balance through the July Plan period.

The July Plan

(dollars in millions)

	2021	2022	2023	2024	2025	Plan Deficit
Preliminary July Financial Plan [1]	**($39)**	**($2,842)**	**($2,125)**	**($2,344)**	**($2,655)**	**($10,005)**
American Rescue Plan Act (ARPA) Federal Aid	$22	$2,492	$1,527	$1,740	$719	$6,500
2021 Fare Increase	17	178	204	207	213	819
Service Reductions [2]	0	0	220	206	206	632
Two-Year Wage Freeze (Rep/Non-Rep through 2022) [3]	0	171	174	191	198	734
Proceeds of MLF Deficit Bonding	0	0	0	0	1,319	1,319
Change in Prior Year Cash Balance	0	0	0	0	0	N/A
July Financial Plan	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

1 Only reflects fare and toll increases in 2023 and 2025.
2 Service reductions tie to the McKinsey midpoint between the "best case" and "worst case" ridership projections.
3 TWU Local 100 and all other settled contracts honored. Assumes contracts for all other pattern-following bargaining units conform to the first two years of the TWU Local 100 contract, followed by two years of a wage freeze.

As indicated in the chart above, the July Plan relies not only on federal aid and deficit financing to close the budget gaps, but three significant policy choices available to MTA at the direction of the MTA Board: a fare increase in 2021, the "right-sizing" of service, and implementation of a two-year wage freeze.

American Rescue Plan Act of 2021 (ARPA) Federal Aid. With the enactment of ARPA, MTA expects to receive about $6.5 billion in additional federal aid, in addition to the $4 billion from the CARES Act and $4 billion from CRRSAA, which are included in the July Plan. Release of such funds by the Federal Transit Administration is awaiting agreement of the final allocation of CRRSAA and ARPA monies among the states of New York, New Jersey and Connecticut. Approximately $700 million of the amounts proposed to be allocated to MTA remains under further negotiation.

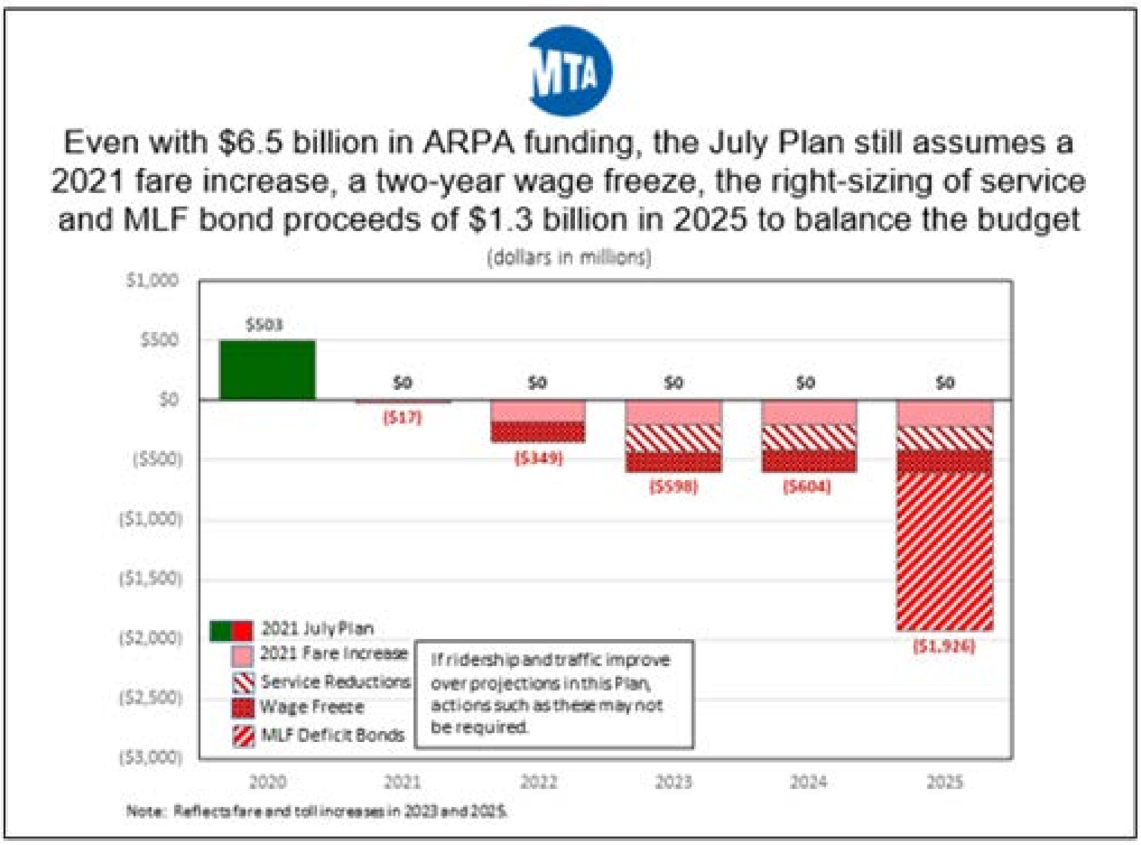
2021 Fare Increase. A four percent increase in farebox revenue derived from a fare rate increase was originally proposed for implementation in March 2021, but a decision was deferred by the MTA Board. The July Plan proposes a similar increase for implementation in November. Should the fare increase not be implemented, $819 million in anticipated revenue over the July Plan period would not be available to cover expenses.

Service Reductions. In the February Plan, MTA had proposed service reductions to align with the post-pandemic "new normal" ridership levels based on the McKinsey "worst case" scenario. The proposed service reductions focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service in response to current and projected ridership. Service would be restored as ridership levels improve, and savings would be $696 million in 2023 and $559 million in 2024. With ridership trending on a path consistent with the midpoint between the McKinsey "best case" and "worst case" scenarios, service reductions have been scaled back and the accompanying expense savings is reduced to $220 million in 2023 and $206 million in 2024 and 2025.

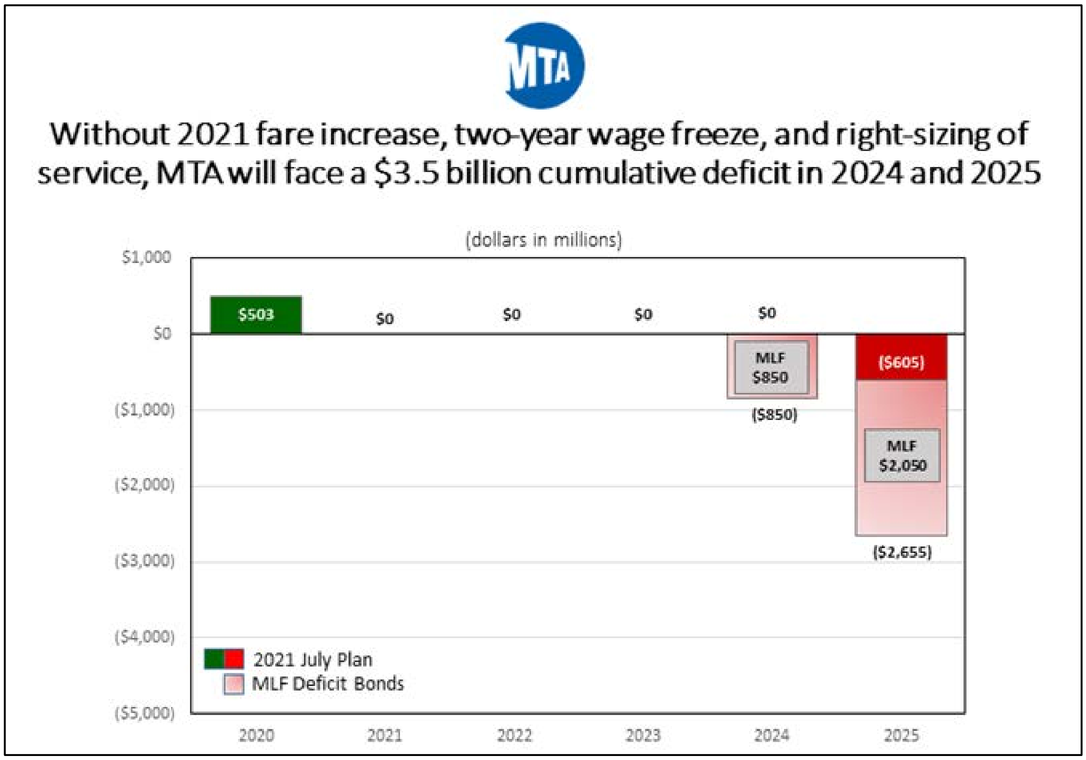
Two-Year Wage Freeze. In the February Plan, MTA had proposed a wage freeze through 2022 for all employees, both represented and non-represented, saving an estimated $309 million in

2022, $315 million in 2023 and $322 million in 2024. With the expected availability of ARPA federal aid, this proposed action has been revised. MTA expects to fully honor the TWU Local 100 contract, a four-year contract that runs from mid-May 2019 through mid-May 2022, as well as all other settled contracts. Bargaining units that typically follow the TWU pattern settlements have either entered into two-year agreements similar to the first two years of the current TWU contract or are assumed to do so, and those two-year contract costs are reflected in the July Plan, but followed by a "pause" until MTA's financial picture better becomes clearer. Non-represented employees also would not have wage increases for two years, in 2021 and 2022. Revised savings from this policy action are estimated to be $171 million in 2022, $174 million in 2023, $191 million in 2024 and $198 million in 2025.

Proceeds of MLF Deficit Bonding. To cover the budget deficits, MTA was been granted the authority by the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022. MTA utilized the MLF, which the Federal Reserve established as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID pandemic, to borrow the maximum $2.9 billion allowed MTA under the program before the lending window closed at the end of 2020. The MLF loan is due for repayment in 2023, and MTA expects to issue long-term bonds in 2023 to repay the Federal Reserve in full. In the February Plan, it was anticipated MTA would use $1.65 billion of MLF deficit financing proceeds in 2021, and the remaining $1.25 billion in 2022. The July Plan, with the anticipated infusion of the $6.5 billion in federal aid from ARPA, $819 million from the proposed 2021 fare increase, and savings of $632 million and $734 million from the service reductions and two-year wage freeze, respectively, can delay using the proceeds of MLF deficit bonding until 2025, at which point $1.3 billion would be needed to close the projected 2025 deficit.



Should the assumed policy actions not be implemented, ARPA federal aid would need to be used earlier in the July Plan period, all $2.9 billion of proceeds of MLF deficit bonding would be used, and a projected deficit of $605 million would remain in 2025. This would leave MTA facing a $3.5 billion cumulative deficit in 2024 and 2025.



Summary of July Plan Conclusions

In total, the cumulative impact of the changes since the February Plan is a projected balanced budget through 2025. However, as noted above, despite the anticipated receipt of an additional $6.5 billion in federal aid from ARPA, the July Plan is only balanced assuming the 2021 fare increase is implemented, service is right-sized, a two-year wage freeze is implemented, and $1.3 billion in MLF deficit bonding proceeds will be required to close the projected 2025 deficit.

Challenges and Significant Risks Remain

There are a variety of challenges and significant risks affecting MTA and implementation of the July Plan and the ability to fully address the serious deficits still projected in the July Plan:

- *Receipt of Projected Levels of Federal Aid.* MTA management projects the receipt of $6.5 bill in ARPA federal aid over the July Plan period. Receipt of such funds, as well as the $4 billion in CRRSAA federal aid, is critical to the fiscal balance projected in the July Plan.

- *Continued Aggressive Cost Cutting*. MTA must remain focused on existing cost control efforts. Further savings must be identified to create the financial flexibility necessary to cover the cost of long-term deficit financing. Remaining transformation savings actions still must be identified, or the July Plan would worsen by an estimated $619 million over the July Plan period.

- *Implementation of Biennial Fare and Toll Increases (2021, 2023, 2025)*. While MTA works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total expenses, including capital costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors outside MTA's direct control (e.g., energy, health & welfare and pensions) and many costs are increasing at a rate above the assumed annual increase in fares and tolls of approximately two percent. The July Plan assumes a combined $1.9 billion in additional fare and toll revenue from the projected 2021 fare increase and from the projected 2023 and 2025 fare and toll increases.

- *Achieving Affordable Wage Settlements*. MTA management is committed to honoring the terms of its existing contracts. The proposed two-year wage freeze essentially pauses wage increases for the represented workers who have followed the TWU Local 100 contract in the past while MTA determines its financial capacity to negotiate affordable wage settlements with its unions.

- *Aligning Service to "New Normal" Ridership Levels*. McKinsey projects that MTA's overall ridership may only recover to 82% to 91% of the pre-pandemic level by the mid-2020s, a projection that considers changes in travel behavior as more employers allow their staffs to work remotely, increasing work from home from between one and three days a week, on average, from the pre-pandemic average of a half-day per week, driving down commutation ridership; non-work trips are expected to decline due to reductions in retail and leisure trips. Mode shifts, to automobile and other forms of travel—primarily bicycle and walking for shorter trips—are expected to further reduce overall ridership. The challenge facing MTA is not only to provide the level of service to match the current needs of customers, but also to introduce the appropriate level of service as ridership returns. Simply returning to pre-pandemic service structure and service levels, without appropriately matching service with "new normal" demand, will continue the unsustainable structural fiscal imbalances that must be addressed and corrected. Clearly, if ridership and traffic exceed the forecasts in the July Plan, the financial forecast will be more favorable, assumed policy actions in the July Plan may not be necessary and appropriate actions can be considered in subsequent Financial Plans.

- *Respond to the developing economic environment.* MTA's finances are highly influenced by local, national and global economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction tax revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the July Plan are unrealized, the July Plan's projected results could be adversely affected.

- *Cybersecurity Risks*. In the course of its daily business, MTA and its Related Entities collect and store sensitive data, including fare and toll collection data, financial information, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to many of MTA and its Related Entities' operations, including operations of the Transit and Commuter Systems and MTA Bridges and Tunnels' facilities. Despite security and other technical measures currently in place and those which may be adopted in the future, information technology and infrastructure may be vulnerable to attacks by hackers, nation states or other breaches, including as a result of error, malfeasance or other disruptions or failures. Any such breach, disruption or other failure could compromise MTA services, networks, facility operations and the information stored there could be accessed, disrupted, publicly disclosed, lost or stolen. Any such access, disruption, disclosure, theft or other loss of information could result in disruptions to MTA and its Related Entities' operations and financial or other activities, including as they relate to the Transit and Commuter Systems and MTA Bridges and Tunnels' facilities or otherwise, or legal claims or proceedings, including pursuant to laws that protect the privacy of personal information, or regulatory penalties.

MTA maintains a cybersecurity division within its IT department lead by the MTA Chief Information and Security Officer who reports to the MTA Chief Technology Officer. MTA uses National Institute of Standards and Technology Cybersecurity Framework to measure the maturity of cybersecurity controls and exposure to cyber risks at MTA and its Related Entities. The current focus is on improving detection, response and recovery capabilities along with a continual review of critical controls for systems which process MTA and its Related Entities corporate/IT data. Funding has been provided to cover previously identified cybersecurity investment needs. While the 2021 MTA budget provides $15.2 million for cybersecurity, an additional $188.2 million over a four-year period is allocated to strengthen cybersecurity defenses at MTA and its Related Entities.

In 2020, progress was made at MTA and its Related Entities to develop threat detection and monitoring capabilities within the MTA operational technologies environment. The primary risks continue to be from third parties and supply chain, threats from ransomware threat actors, as well as from nation states trying to gain access to MTA's information technology networks.

In April 2021, hackers gained access to three internet connected appliances used for providing remote access to certain MTA employees and contractors. Hackers exploited a flaw in the system that no one was aware of including the manufacturer, and that has since been remedied. According to a forensic audit of that attack conducted by IBM and Mandiant, a national cybersecurity firm, at the request of MTA, the hackers did not make any changes to MTA's operations, compromise any MTA accounts, or collect any employee or customer information. The hackers did not gain access to systems which control train cars. MTA's defense-in-depth approach prevented the hackers from accessing any internal systems. As a precautionary measure, MTA required a migration and password change for 3,700 users – representing five percent of MTA employees and contractors.

While MTA cybersecurity and operational safeguards are periodically tested, no assurances can be given by MTA that such measures will ensure against all potential cybersecurity threats and attacks and accompanying disruptions and costs.

- *Potentially Higher Interest Rates than Forecast.* The July Plan includes interest rate assumptions consistent with the Federal Open Markets Committee's (FOMC). However, recent actions and policy statements on future actions or a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC's inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing higher than projected in the July Plan.

- *Central Business District Tolling Program (CBD Tolling Program).* On October 18, 2019, MTA Bridges and Tunnels announced the selection of TransCore to design, build, operate and maintain the toll system equipment and infrastructure required to implement the Central Business District (CBD) Tolling Program in New York City. MTA Bridges and Tunnels will work closely with TransCore and the City's Department of Transportation to install the toll system and infrastructure for the CBD Tolling Program that is expected to reduce congestion and generate net revenue sufficient to fund an estimated $15 billion for the MTA 2020-2024 Capital Plan. The City would be the first in North America to have a CBD Tolling Program.

  To implement the CBD Tolling Program on federal aid roadways within the CBD, authorization is required from the Federal Highway Administration (FHWA) under its Value Pricing Pilot Program (VPPP). FHWA approval to participate in the VPPP makes this project subject to National Environmental Policy Act review. Once operational, TransCore will continue to be responsible under a contract with MTA Bridges and Tunnels for operating and maintaining the infrastructure and toll system for an additional six years. The contract envisions a future-ready system, which allows for new technologies to be incorporated as technologies advance. The total cost of this design, build, operate and maintain contract is $507 million, which includes incentive payments to encourage on-time delivery. MTA Bridges and Tunnels has already advanced some of the work on the CBD Tolling Program, within the constraints of federal environmental law, and on February 18, 2021, the MTA Board authorized the issuance of MTA Bridges and Tunnel's second lien subordinated revenue obligations to finance part of the $503 million authorized to support the completion of the CBD Tolling Program. Under that authorization, MTA Bridges and Tunnels issued second subordinate revenue bond anticipation notes on June 10, 2021 to provide $200 million to finance capital costs of the CBD Tolling Program. On March 30, 2021, FHWA determined that an Environmental Assessment (EA) with robust outreach, is the appropriate level of environmental review and engagement required under NEPA. The EA will analyze the potential environmental effects (including traffic, transit, parking, air quality, social, economic) of implementing the CBD Tolling Program and will include outreach to multiple stakeholders, including other agencies, environmental justice communities, various stakeholder groups, tribal nations, and the broader public.

  See also "CERTAIN RISK FACTORS" in the ADS.

MTA Liquidity Resources.

As of July 30, 2021 MTA had liquidity resources in the approximate amount of $4.597 billion, consisting of a current running cash balance of $1.065 billion, internal available flexible funds totaling $1.124 billion, PMT working capital BANs, plus interest, totaling $2.404 billion, and applicable undrawn commercial bank lines of credit totaling approximately $3.7 million (while total commercial bank lines of credit are $1.2 billion, $1.196 billion has been drawn and spent, and MTA terminated the $950 million syndicated term facility on May 21, 2021). *These funds provide a temporary funding "bridge" to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs. The foregoing liquidity resources do not include federal emergency funding from either the Coronavirus Response and Relief Supplemental Appropriations Act or the American Rescue Plan Act of 2021, none of which has yet been received by MTA.*

Governance.

On June 10, 2021, Governor Cuomo announced the nomination of Sarah E. Feinberg as MTA Board Chair and the appointment of Janno Lieber as the Chief Executive Officer of MTA. Pat Foye, who led MTA as President as well as Chairman and Chief Executive Officer for the past four years resigned effective on July 30, 2021 to become Interim President and Chief Executive Officer of Empire State Development Corporation. Ms. Feinberg resigned as Interim President of MTA New York City Transit on July 30, 2021. Governor Cuomo sponsored legislation in Albany to bifurcate MTA's leadership, under which MTA New York City Transit Interim President Sarah Feinberg would chair the MTA Board and chief development officer Janno Lieber would become Chief Executive Officer. The legislation passed the State Assembly, but no action has been taken by the State Senate. Effective on July 30, 2021, Janno Lieber will serve as Acting MTA Board Chair and Chief Executive Officer, and Craig Cipriano, Senior Vice President, MTA New York City Transit Department of Buses and President of MTA Bus, was named Acting President of MTA New York City Transit.

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Attachment A to MTA Annual Disclosure Statement
First Quarterly Update
August 3, 2021

MTA July Financial Plan

This **Attachment A** to the 2021 ADS Frist Quarterly Update sets forth the consolidated July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan, which includes the 2021 Mid-Year Forecast, the 2022 Preliminary Budget and a Financial Plan for the fiscal years 2022 through 2025, in each case prepared by MTA management. The complete July Plan is posted on MTA's website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein.

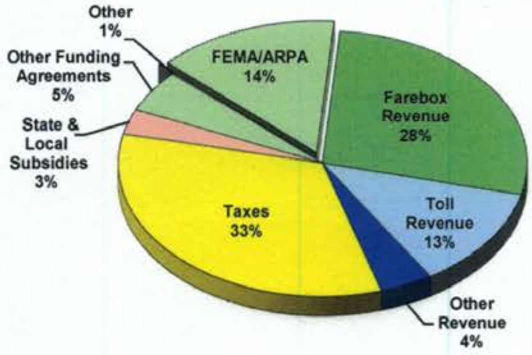
In general, MTA's July Plan provides the opportunity for MTA to present a revised forecast of the current year's finances and a four-year re-forecast of out-year finances. The July Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings.

MTA 2022 Preliminary Budget

Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments

Non-Reimbursable

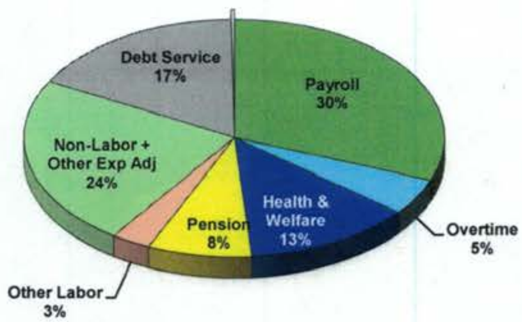
Where the Dollars Come From ...



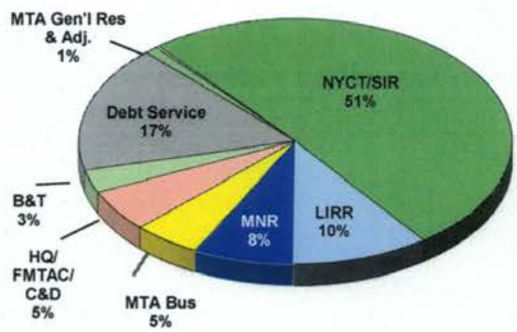
By Revenue Source ($ in millions)	
Farebox Revenue	$5,044
Toll Revenue	2,257
Other Revenue	764
Taxes	6,092
State and Local	559
Other Funding Agreements	955
Other [1]	(34)
Proceeds from MLF	0
ARPA/FEMA	2,632
Total [2]	**$18,270**

Where the Dollars Go ...

By Expense Category



By MTA Agency



By Expense Category [3] includes below-the-line adjustments ($ in millions)	
Payroll	$5,604
Overtime	893
Health & Welfare	2,354
Pension	1,451
Other Labor	555
Total Labor	*$10,857*
Non-Labor + Other Exp Adj	4,394
Debt Service	3,065
BTL Adjustments for Expenses [4]	(46)
Total [2]	**$18,270**

By MTA Agency [3] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$9,320
LIRR	1,881
MNR	1,376
MTABC	928
HQ/FMTAC/C&D	1,017
B&T	549
Debt Service	3,065
MTA Gen'l Res & Adjs	180
BTL Adjustments for Expenses [4]	(46)
Total [2]	**$18,270**

[1] *Includes cash adjustments and prior-year carryover.*

[2] *Totals may not add due to rounding.*

[3] *Expenses exclude Depreciation, GASB 75 OPEB Adjustment, GASB 68 Pension Adjustment and Environmental Remediation.*

[4] *In the pie chart "By Expense Category," the below-the-line adjustments cannot be segmented by Expense Category. The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.*
In the pie chart "By MTA Agency," the below-the-line adjustments cannot be segmented by Agency . The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.

Note: The revenues and expenses reflected in these charts are on an accrued basis.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2022 - 2025
MTA Consolidated Accrued Statement of Operations By Category
($ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
Non-Reimbursable						
Operating Revenues						
Farebox Revenue	$2,623	$2,826	$4,859	$5,398	$5,483	$5,478
Toll Revenue	1,640	2,140	2,257	2,268	2,274	2,295
Other Revenue	4,571	669	764	826	857	875
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	**$8,835**	**$5,635**	**$7,881**	**$8,492**	**$8,614**	**$8,649**
Operating Expenses						
Labor:						
Payroll	$5,306	$5,363	$5,604	$5,709	$5,855	$5,997
Overtime	910	986	893	912	931	950
Health and Welfare	1,304	1,430	1,551	1,647	1,753	1,868
OPEB Current Payments	633	741	803	873	947	1,029
Pension	1,510	1,445	1,451	1,470	1,472	1,503
Other Fringe Benefits	790	938	980	1,019	1,053	1,090
Reimbursable Overhead	(380)	(425)	(425)	(416)	(422)	(425)
Total Labor Expenses	***$10,072***	***$10,478***	***$10,857***	***$11,214***	***$11,591***	***$12,012***
Non-Labor:						
Electric Power	$385	$424	$471	$484	$497	$510
Fuel	103	170	173	170	169	225
Insurance	(5)	32	61	98	118	148
Claims	237	353	436	444	454	468
Paratransit Service Contracts	326	396	519	553	588	625
Maintenance and Other Operating Contracts	772	901	975	997	999	1,028
Professional Services Contracts	447	703	621	572	590	602
Materials and Supplies	543	644	733	717	724	740
Other Business Expenses	152	179	199	219	221	231
Total Non-Labor Expenses	***$2,960***	***$3,802***	***$4,188***	***$4,255***	***$4,361***	***$4,578***
Other Expense Adjustments:						
Other	$80	$37	$26	$28	$23	$24
General Reserve	335	170	180	190	195	200
Total Other Expense Adjustments	***$415***	***$207***	***$206***	***$218***	***$218***	***$224***
Total Expenses Before Non-Cash Liability Adjs.	**$13,447**	**$14,487**	**$15,251**	**$15,687**	**$16,169**	**$16,814**
Depreciation	$3,010	$3,126	$3,142	$3,207	$3,255	$3,304
GASB 75 OPEB Expense Adjustment	886	1,576	1,619	1,665	1,702	1,739
GASB 68 Pension Expense Adjustment	(65)	7	51	75	(24)	21
Environmental Remediation	122	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	**$17,401**	**$19,203**	**$20,069**	**$20,640**	**$21,108**	**$21,884**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,954)	($4,716)	($4,817)	($4,953)	($4,939)	($5,071)
Debt Service (excludes Service Contract Bonds)	2,703	2,843	3,065	3,514	3,560	3,614
Total Expenses with Debt Service	**$16,151**	**$17,330**	**$18,317**	**$19,201**	**$19,729**	**$20,428**
Dedicated Taxes & State and Local Subsidies	$6,686	$7,744	$7,613	$7,930	$8,156	$8,400
Net Surplus/(Deficit) After Subsidies and Debt Service	**($629)**	**($3,952)**	**($2,823)**	**($2,779)**	**($2,960)**	**($3,379)**
Conversion to Cash Basis: GASB Account	$0	$0	$0	$0	$0	$0
Conversion to Cash Basis: All Other	648	(862)	(34)	280	207	43
Cash Balance Before Prior-Year Carryover	**$18**	**($4,814)**	**($2,857)**	**($2,499)**	**($2,752)**	**($3,337)**
Below the Line Adjustments	$0	$4,311	$2,857	$2,499	$2,752	$3,337
Prior Year Carryover Balance	485	503	0	0	0	0
Net Cash Balance	**$503**	**$0**	**$0**	**$0**	**$0**	**$0**

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2022-2025

Plan Adjustments

($ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	Plan 2023	Plan 2024	2025
Cash Balance Before Prior-Year Carry-over	**$18**	**($4,814)**	**($2,857)**	**($2,499)**	**($2,752)**	**($3,337)**
Fare/Toll Increases:						
Fare Increase in November 2021 (4% Yield)		*$18*	*$184*	*$205*	*$209*	*$208*
Fare/Toll Increase in March 2023 (4% Yield)		-	-	*261*	*310*	*311*
Fare/Toll Increase in March 2025 (4% Yield)		-	-	-	-	*276*
Subsidy Impacts of 2021, 2023 and 2025 Fare/Toll Increases		*(1)*	*(6)*	*(21)*	*(17)*	*(31)*
Subtotal		**$17**	**$179**	**$445**	**$501**	**$764**
MTA Initiatives:						
MTA Transformation Savings - Not Yet Identified		*25*	*146*	*151*	*148*	*148*
Subtotal		**$25**	**$146**	**$151**	**$148**	**$148**
Management and Policy Actions:						
Service Reductions		-	-	*$220*	*$206*	*$206*
Two-Year Freeze (Rep/Non-Rep through 2022) [1]		-	*171*	*174*	*191*	*198*
Subtotal		**$0**	**$171**	**$394**	**$397**	**$404**
MTA Re-estimates:						
East-Side Access		*$31*	*$(7)*	*$(58)*	*$(75)*	*$(60)*
Headquarters Call Center		*(3)*	*(0)*	*1*	*2*	*4*
State Aid for the 2015-19 Capital Program		-	*37*	*38*	*38*	*38*
Repayment of Revolving Bank Line of Credit		-	*(300)*	-	-	-
Subtotal		**$28**	**($271)**	**($19)**	**($35)**	**($18)**
Other:						
FEMA Reimbursement		*$220*	*$140*	-	-	-
CRRSAA Federal Aid		*4,000*	-	-	-	-
ARPA Federal Aid		*22*	*2,492*	*1,527*	*1,740*	*719*
Proceeds of MLF Deficit Bonding		-	-	-	-	*1,319*
Subtotal		**$4,242**	**$2,632**	**$1,527**	**$1,740**	**$2,038**
TOTAL ADJUSTMENTS		**$4,311**	**$2,857**	**$2,499**	**$2,752**	**$3,337**
Prior-Year Carry-Over	*485*	*503*	*0*	*0*	*0*	*0*
Net Cash Surplus/(Deficit)	**$503**	**$0**	**$0**	**$0**	**$0**	**$0**

[1] *TWU Local 100 contract, and all other existing contracts, honored. Assumes contracts for all other pattern-following bargaining units conform to the first two years of the TWU Local 100 contract, followed by two years of a wage freeze.*

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2022 - 2025
Cash Receipts and Expenditures
($ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	$2,575	$2,828	$4,860	$5,397	$5,482	$5,478
Other Revenue	4,569	707	784	847	879	898
Capital and Other Reimbursements	1,931	2,257	2,069	1,994	2,019	2,037
Total Receipts	**$9,075**	**$5,792**	**$7,713**	**$8,239**	**$8,380**	**$8,412**
Expenditures						
Labor:						
Payroll	$5,793	$5,971	$6,156	$6,217	$6,372	$6,668
Overtime	1,107	1,201	1,086	1,087	1,107	1,130
Health and Welfare	1,355	1,487	1,605	1,693	1,800	1,916
OPEB Current Payments	625	730	797	866	941	1,022
Pension	1,537	1,513	1,515	1,522	1,523	1,555
Other Fringe Benefits	547	1,237	1,127	1,016	1,047	1,091
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	(5)	(5)	(5)	(5)	(5)
Total Labor Expenditures	***$10,963***	***$12,134***	***$12,280***	***$12,396***	***$12,786***	***$13,376***
Non-Labor:						
Electric Power	$404	$434	$480	$493	$505	$518
Fuel	112	162	171	168	167	223
Insurance	29	13	70	92	119	153
Claims	240	277	294	300	308	320
Paratransit Service Contracts	344	394	517	551	586	623
Maintenance and Other Operating Contracts	700	871	906	918	924	929
Professional Services Contracts	543	807	651	577	583	614
Materials and Supplies	772	789	870	841	846	862
Other Business Expenses	153	167	178	192	206	223
Total Non-Labor Expenditures	***$3,297***	***$3,913***	***$4,136***	***$4,132***	***$4,244***	***$4,465***
Other Expenditure Adjustments:						
Other	$147	$203	$105	$97	$106	$113
General Reserve	335	170	180	190	195	200
Total Other Expenditure Adjustments	***$482***	***$373***	***$285***	***$287***	***$301***	***$313***
Total Expenditures	**$14,742**	**$16,421**	**$16,702**	**$16,816**	**$17,331**	**$18,154**
Net Cash Balance before Subsidies and Debt Service	**($5,668)**	**($10,628)**	**($8,989)**	**($8,577)**	**($8,950)**	**($9,742)**
Dedicated Taxes & State and Local Subsidies	$7,714	$7,930	$8,461	$8,741	$8,898	$9,093
Debt Service (excludes Service Contract Bonds)	(2,028)	(2,116)	(2,328)	(2,663)	(2,700)	(2,688)
Cash Balance Before Prior-Year Carryover	**$18**	**($4,814)**	**($2,857)**	**($2,499)**	**($2,752)**	**($3,337)**
Adjustments	$0	$4,311	$2,857	$2,499	$2,752	$3,337
Prior-Year Carryover Balance	485	503	0	0	0	0
Net Cash Balance	**$503**	**$0**	**$0**	**$0**	**$0**	**$0**

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2022-2025
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
($ in millions)

	Favorable/(Unfavorable)			
	2021	2022	2023	2024
FEBRUARY FINANCIAL PLAN 2021-2024 NET CASH SURPLUS/(DEFICIT)	**$5**	**($3,129)**	**($2,441)**	**($2,403)**
Agency Baseline Re-estimates	**$1,585**	**$1,637**	**$1,126**	**$648**
Revenue				
Farebox Revenue [1]	1,077	1,399	831	395
Toll Revenue [1]	645	154	-	-
April 2021 6% Increase in Toll Revenue	99	141	141	144
Rates & Related Assumptions [2]	156	135	113	110
COVID Impacts (Revenue and Expenditures)	(2)	21	55	(18)
Timing (including 2020)	(294)	(179)	(7)	15
Other Baseline Re-estimates [3]	(95)	(35)	(8)	2
New Needs/Investments	**($33)**	**($87)**	**($86)**	**($101)**
Maintenance	31	(22)	(22)	(22)
Service/Service Support	(12)	(25)	(25)	(26)
Technology Enhancements	(40)	(26)	(24)	(40)
Safety & Security	(3)	(10)	(11)	(10)
All Other New Needs	(10)	(4)	(4)	(3)
Savings Programs	**($10)**	**$34**	**$30**	**$39**
New BRPs and Re-estimates (including ASAs)	(10)	34	30	39
B&T Adjustments	**($748)**	**($288)**	**($126)**	**($125)**
B&T Net Baseline Impacts [4]	(748)	(288)	(126)	(125)
General Reserve [5]	**($335)**	**$0**	**$0**	**$0**
Debt Service (Cash)	**$51**	**$59**	**$92**	**$91**
Subsidies (Cash)	**$344**	**$571**	**$578**	**$720**
Metropolitan Mass Transportation Operating Assist (MMTOA)	154	54	39	106
Petroleum Business Tax (PBT) Receipts	16	19	19	18
Real Estate Taxes	317	375	377	368
Payroll Mobility Tax (PMT)	148	-	-	-
PMT Replacement Funds	20	13	13	13
For-Hire Vehicle (FHV) Surcharge	(43)	(33)	5	5
2020-24 Capital Program Funding from Lockbox for Debt Service	(515)	38	53	57
State Operating Assistance (18-b)	6	-	-	-
Local Operating Assistance (18-b)	(25)	-	-	-
City Subsidy for MTA Bus	(131)	(142)	(8)	(39)
City Subsidy for Staten Island Railway	(21)	5	(6)	(9)
CDOT Subsidy for Metro-North Railroad	36	(13)	5	24
B&T Surplus Transfer	737	369	199	182
Restore Committed to Capital Contribution	(367)	(120)	(114)	-
Other Subsidies and Subsidy Adjustments	12	8	(3)	(4)
Below-the-Line (BTL) Adjustments	**($848)**	**$1,207**	**$827**	**$1,131**
Fare and Toll Increases:				
Adjustments to 2021 and 2023 Fare/Toll Increases	0	57	67	40
Reversal of Toll Increase Incorporated Above-the-Line	(44)	(78)	(85)	(85)
MTA Efficiencies:				
MTA Transformation Savings - Not Yet Identified	-	-	-	-
Management and Policy Actions:				
Service Reductions	-	-	(476)	(353)
Two-Year Freeze (Rep/Non-Rep through 2022)	-	(138)	(141)	(131)
MTA Re-estimates:				
Reversal of Below-the-Line Policy Actions Incorporated Above-the-Line	796	-	-	-
East-Side Access	31	(7)	(58)	(75)
Headquarters Call Center	(3)	(0)	1	2
State Aid for the 2015-19 Capital Program	-	(8)	(8)	(8)
Repayment of Revolving Bank Line of Credit	-	-	-	-
Other:				
FEMA Reimbursement	-	140	-	-
CRRSAA Federal Aid	-	-	-	-
ARPA Federal Aid	22	2,492	1,527	1,740
Proceeds of MLF Deficit Bonding	(1,650)	(1,250)	-	-
Prior Year Carryover	**($11)**	**($5)**	**$0**	**$0**
JULY FINANCIAL PLAN 2022-2025 NET CASH SURPLUS/(DEFICIT)	**$0**	**$0**	**$0**	**$0**

* *Totals may not add due to rounding*

Notes to Cash Reconciliation after Below-the-Line Adjustments:

[1] In the July Plan, farebox revenue recovery estimates for NYCT Subway and Bus, MTA Bus, Long Island Rail Road and Metro-North Railroad reflect the midpoint between the "best case" and "worst case" McKinsey scenarios. Staten Island Railway reflects the "worst case" scenario, and Bridges & Tunnels toll revenue recovery projections reflect the "best case" scenario.

[2] Includes plan-to-plan rate adjustments for health & welfare (employees and retirees), pension, electric power, fuel, etc.

[3] Includes updated operating capital, reimbursable, OTPS adjustments, and cash.

[4] While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above. To avoid duplication, B&T's baseline impacts are eliminated within this line. Included within B&T's baseline changes in 2021 and 2022 are increased toll revenue and labor expense adjustments. Changes for 2023 and 2024 primarily reflect insurance and changes in rates and related assumptions.

[5] The 2019 and 2020 unspent General Reserves, which were held in the Plan for cash needs, can now be released with the anticipated receipt of federal ARPA funds and used to pay back a portion of an MTA intercompany loan.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2022 - 2025
Consolidated Subsidies
Cash Basis
($ in Millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
MMTOA, PBT & Real Estate Taxes						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	$1,564.0	$2,247.5	$1,924.0	$1,983.6	$2,047.4	$2,112.9
Petroleum Business Tax (PBT)	565.1	582.9	589.9	584.3	582.1	580.5
Mortgage Recording Tax (MRT)	462.7	579.6	598.2	597.9	614.6	635.7
MRT Transfer to Suburban Counties	(5.8)	(3.9)	(6.8)	(7.1)	(7.5)	(7.9)
MTA Bus Debt Service	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.6)
Interest	5.3	5.3	5.3	5.3	5.3	5.3
Urban Tax	377.0	342.4	437.6	497.8	534.6	574.2
Other Investment Income	1.7	1.7	1.7	1.7	1.7	1.7
	$2,957.8	***$3,743.3***	***$3,537.8***	***$3,651.3***	***$3,765.9***	***$3,889.8***
PMT and MTA Aid						
Payroll Mobility Tax (PMT)	$1,560.8	$1,523.5	$1,596.2	$1,762.5	$1,840.6	$1,920.8
Payroll Mobility Tax Replacement Funds	195.4	293.1	244.3	244.3	244.3	244.3
MTA Aid	248.8	273.2	305.0	310.5	310.9	311.2
	$2,005.1	***$2,089.8***	***$2,145.4***	***$2,317.3***	***$2,395.8***	***$2,476.2***
New Funding Sources						
SAP Support and For-Hire Vehicle Surcharge:						
For-Hire Vehicle (FHV) Surcharge	$223.2	$228.1	$354.2	$392.5	$392.5	$392.5
Subway Action Plan Account	*222.1*	*224.7*	*300.0*	*300.0*	*300.0*	*300.0*
Outerborough Transportation Account (OBTA)	*0.0*	*0.0*	*50.0*	*50.0*	*50.0*	*50.0*
Less: OBTA Projects	*0.0*	*0.0*	*(50.0)*	*(50.0)*	*(50.0)*	*(50.0)*
General Transportation Account	*1.1*	*3.4*	*54.2*	*92.5*	*92.5*	*92.5*
Less: Transfer to Committed to Capital for SAP	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
2020-24 Capital Program Funding from Lockox for Debt Service:	499.9	9.8	38.1	52.7	64.2	71.4
Central Business District Tolling Program (CBDTP)	*0.0*	*0.0*	*0.0*	*1,000.0*	*1,000.0*	*1,000.0*
Real Property Transfer Tax Surcharge (Mansion Tax)	*176.5*	*185.7*	*202.0*	*219.7*	*239.0*	*259.9*
Internet Marketplace Tax	*260.0*	*343.5*	*319.1*	*322.3*	*324.5*	*327.7*
Less: Transfer Lockbox Revenues to Committed to Capital	*63.5*	*(519.4)*	*(483.0)*	*(1,489.3)*	*(1,499.2)*	*(1,516.2)*
	$723.2	***$237.9***	***$392.3***	***$445.2***	***$456.7***	***$463.9***
State and Local Subsidies						
State Operating Assistance	$150.3	$225.5	$187.9	$187.9	$187.9	$187.9
Local Operating Assistance	216.6	194.7	187.9	187.9	187.9	187.9
Station Maintenance	174.8	177.4	181.0	184.5	188.3	192.5
	$541.7	***$597.6***	***$556.9***	***$560.3***	***$564.2***	***$568.3***
Other Subsidy Adjustments						
NYCT Charge Back of MTA Bus Debt Service	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*	*($11.5)*
Forward Energy Contracts Program - Gain/(Loss)	(26.1)	10.1	12.0	0.1	0.0	0.0
MNR Repayment of 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Program Contributions	0.0	(367.3)	(120.2)	(114.1)	(108.8)	(103.8)
Drawdown of OPEB Trust Proceeds	*337.4*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
	$297.3	***($371.1)***	***($122.1)***	***($127.9)***	***($122.8)***	***($117.7)***
Subtotal: Taxes & State and Local Subsidies	**$6,525.1**	**$6,297.5**	**$6,510.3**	**$6,846.2**	**$7,059.9**	**$7,280.6**
Other Funding Agreements						
City Subsidy for MTA Bus Company	$354.2	$398.6	$671.6	$720.3	$677.6	$701.5
City Subsidy for Staten Island Railway	39.5	18.6	68.1	60.6	63.1	67.6
CDOT Subsidy for Metro-North Railroad	299.5	324.5	219.7	203.6	205.9	212.7
	$693.2	***$741.7***	***$959.5***	***$984.5***	***$946.6***	***$981.8***
Subtotal, including Other Funding Agreements	**$7,218.3**	**$7,039.2**	**$7,469.8**	**$7,830.7**	**$8,006.4**	**$8,262.4**
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$495.3	$890.9	$990.9	$910.3	$891.7	$830.5
	$495.3	***$890.9***	***$990.9***	***$910.3***	***$891.7***	***$830.5***
TOTAL SUBSIDIES	**$7,713.6**	**$7,930.2**	**$8,460.6**	**$8,740.9**	**$8,898.1**	**$9,092.9**

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between July and February Financial Plans
Consolidated Subsidies
Cash Basis
($ in Millions)

	2021	2022	2023	2024
MMTOA, PBT and Real Estate Taxes				
Metropolitan Mass Transportation Operating Assistance (MMTOA)	$153.8	$53.7	$38.7	$105.7
Petroleum Business Tax (PBT)	16.0	18.9	19.1	17.7
Mortgage Recording Tax (MRT)	291.6	284.9	257.2	244.0
MRT Transfer to Suburban Counties	2.5	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	22.9	90.2	119.9	123.6
Other Investment Income	0.4	0.4	0.4	0.4
	$487.2	***$448.1***	***$435.3***	***$491.4***
PMT and MTA Aid				
Payroll Mobility Tax (PMT)	$148.4	$0.0	$0.0	$0.0
Payroll Mobility Tax Replacement Funds	20.2	12.6	12.6	12.6
MTA Aid	0.0	0.0	0.0	0.0
	$168.5	***$12.6***	***$12.6***	***$12.6***
New Funding Sources				
SAP Support and For-Hire Vehicle Surcharge:				
For-Hire Vehicle (FHV) Surcharge	($43.2)	($33.3)	$5.0	$5.0
Subway Action Plan Account	*(44.1)*	*0.0*	*0.0*	*0.0*
Outerborough Transportation Account (OBTA)	*0.0*	*0.0*	*0.0*	*0.0*
Less: OBTA Projects	*0.0*	*0.0*	*0.0*	*0.0*
General Transportation Account	*0.9*	*(33.3)*	*5.0*	*5.0*
Less: Transfer to Committed to Capital for SAP	*0.0*	*0.0*	*0.0*	*0.0*
2020-24 Capital Program Funding from Lockbox for Debt Service:	(514.8)	38.1	52.7	57.0
Central Business District Tolling Program (CBDTP)	*0.0*	*0.0*	*0.0*	*0.0*
Real Property Transfer Tax Surcharge (Mansion Tax)	*0.0*	*0.0*	*0.0*	*0.0*
Internet Marketplace Tax	*4.7*	*0.0*	*0.0*	*0.0*
Less: Transfer Lockbox Revenues to Committed to Capital	*(519.4)*	*38.1*	*52.7*	*57.0*
	($558.0)	***$4.8***	***$57.7***	***$62.0***
State and Local Subsidies				
State Operating Assistance	$5.9	$0.0	$0.0	$0.0
Local Operating Assistance	(24.9)	0.0	0.0	0.0
Station Maintenance	(1.4)	(2.0)	(3.0)	(3.8)
	($20.5)	***($2.0)***	***($3.0)***	***($3.8)***
Other Subsidy Adjustments				
NYCT Charge Back of MTA Bus Debt Service	$0.0	$0.0	$0.0	$0.0
Forward Energy Contracts Program - Gain/(Loss)	13.3	9.8	0.1	0.0
MNR Repayment of 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	(367.3)	(120.2)	(114.1)	0.0
	($354.0)	**($110.3)**	**($114.0)**	**$0.0**
Subtotal: Taxes & State and Local Subsidies	**($276.8)**	**$353.1**	**$388.6**	**$562.2**
Other Funding Agreements				
City Subsidy for MTA Bus Company	($131.5)	($142.2)	($8.2)	($39.1)
City Subsidy for Staten Island Railway	(20.8)	4.5	(5.9)	(9.2)
CDOT Subsidy for Metro-North Railroad	35.9	(13.4)	4.6	24.3
	($116.4)	***($151.1)***	***($9.5)***	***($24.0)***
Subtotal, including Other Funding Agreements	**($393.2)**	**$202.0**	**$379.1**	**$538.1**
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	$737.4	$369.1	$198.7	$182.4
	$737.4	***$369.1***	***$198.7***	***$182.4***
TOTAL SUBSIDIES	**$344.2**	**$571.2**	**$577.8**	**$720.5**

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