

On May 25, 2017 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Dedicated Tax Fund Variable Rate Refunding Bonds, Subseries 2008A-2a (SIFMA Floating Rate Tender Notes) (the Subseries 2008A-2a Bonds). On the Mandatory Tender Date, the Subseries 2008A-2a Bonds will be remarketed at a purchase price equal to the principal amount thereof. For a discussion of certain federal and State income tax matters with respect to the Subseries 2008A-2a Bonds, see "TAX MATTERS" herein.



\$82,575,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Variable Rate Refunding Bonds,
Subseries 2008A-2a
(SIFMA Floating Rate Tender Notes)

<u>Purchase Date</u>	<u>Interest Rate (variable)</u>	<u>Price</u>	<u>CUSIP Number*</u>
June 1, 2022	SIFMA Rate plus 0.45%	100%	59259N 8P1

Dated and accruing interest from: May 25, 2017

Due: November 1, 2026

The Subseries 2008A-2a Bonds –

- are MTA's special, not general, obligations, payable solely from the State taxes deposited into the Pledged Amounts Account of the Metropolitan Transportation Authority Dedicated Tax Fund as described herein, 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 Subseries 2008A-2a Bonds will bear interest in the Term Rate Mode at a variable rate equal to the Adjusted SIFMA Rate, as further described herein. The Adjusted SIFMA Rate for each Interest Rate Period of the Subseries 2008A-2a Bonds shall equal the SIFMA Rate plus the per annum spread set forth above. The Adjusted SIFMA Rate will be adjusted Wednesday of each week, or if such day is not a U.S. Government Securities Business Day (as defined herein), the next succeeding U.S. Government Securities Business Day, and shall be effective each Thursday. See "DESCRIPTION OF SUBSERIES 2008A-2a BONDS - Determination of Interest Rates for the Subseries 2008A-2a Bonds" herein.

The Subseries 2008A-2a Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company.

The Subseries 2008A-2a Bonds are not subject to redemption or tender prior to the Purchase Date.

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 Subseries 2008A-2a Bonds. Investors are advised to read the entire remarketing circular, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

May 15, 2017

* 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds or as indicated above. The CUSIP number is subject to being changed after the remarketing of the Subseries 2008A-2a 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 Subseries 2008A-2a Bonds.

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2 Broadway, 20th Floor
New York, New York 10004
(212) 878-7000
Website: www.mta.info

Fernando Ferrer.....	Acting Chairman and Chief Executive Officer
Andrew B. Albert	Non-Voting Member
Norman E. Brown.....	Non-Voting Member
Ira R. Greenberg	Non-Voting Member
David Jones.....	Member
Susan G. Metzger.....	Member
Charles G. Moerdler	Member
John J. Molloy	Member
Mitchell H. Pally.....	Member
John Samuelson	Non-Voting Member
Andrew Saul	Member
Lawrence Schwartz.....	Member
Vincent Tessitore, Jr.	Non-Voting Member
Polly Trottenberg	Member
Veronica Vanterpool.....	Member
James Vitiello	Member
Peter Ward	Member
Carl V. Wortendyke.....	Member
Neal Zuckerman.....	Member

Veronique Hakim.....	Interim Executive Director*
Phillip Eng	Chief Operating Officer
Robert E. Foran.....	Chief Financial Officer
Donna Evans.....	Chief of Staff
Helene Fromm, Esq.	Acting General Counsel
Patrick J. McCoy.....	Director, Finance

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

BACKSTROM MCCARLEY BERRY & CO., LLC
San Francisco, California

Co-Financial Advisors

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

* On February 1, 2017, Fernando Ferrer, Acting Chairman and Chief Executive Officer of the MTA and its affiliates and subsidiaries, appointed Veronique Hakim as Interim Executive Director and delegated to her the powers and duties of chief executive officer.

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Subseries 2008A-2a Bonds. 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 its Dedicated Tax Fund Bonds (the Dedicated Tax Fund Bonds). Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Subseries 2008A-2a Bonds being offered.

Issuer.....	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.	
Bonds Being Remarketed	Dedicated Tax Fund Variable Rate Refunding Bonds, Subseries 2008A-2a (SIFMA Floating Rate Tender Notes) (the Subseries 2008A-2a Bonds).	
Maturities and Rates	The Subseries 2008A-2a Bonds mature on the date and bear interest at the rate shown on the cover.	
Denominations	\$5,000 and integral multiples of \$5,000.	
Interest Payment Dates	Interest on the Subseries 2008A-2a Bonds shall be paid on the first Business Day of each month, commencing July 3, 2017.	
Tender and Redemption.....	See “DESCRIPTION OF SUBSERIES 2008A-2a BONDS – Tender and Redemption Provisions for the Subseries 2008A-2a Bonds” in Part I .	
Sources of Payment and Security	MTA’s pledged State taxes, as described in Part II .	
Registration of the Subseries 2008A-2a 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>Rating Agency</u>	<u>Rating</u>
	Fitch:	AA
	S&P:	AA
	See “RATINGS” in Part III .	
Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.	
Purchase Price.....	See “REMARKETING” in Part III .	

**SUMMARY OF TERMS RELATING TO
SUBSERIES 2008A-2a BONDS (SIFMA FLOATING RATE TENDER NOTES)***

INTEREST PAYMENT DATES AND CALCULATION PERIOD	First Business Day of each month, commencing July 3, 2017, based on actual days over a 365-day year (366 days in years when February has 29 days).
RECORD DATE	The Business Day preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2008A-2a Bonds is June 1, 2022.
RATE DETERMINATION DATE	Each Wednesday, unless such Wednesday is not a U.S. Government Securities Business Day, in which case the rate shall be set on the U.S. Government Securities Business Day next succeeding such Wednesday.
RATE ADJUSTMENT DATE	Thursday of each week.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	9% per annum.
MAXIMUM ADJUSTED SIFMA RATE	9% per annum.
CALCULATION AGENT	The Bank of New York Mellon, New York, New York.

* So long as the Subseries 2008A-2a Bonds are registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

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- ***No Unauthorized Offer.*** This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Subseries 2008A-2a 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 Subseries 2008A-2a 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 and the Subseries 2008A-2a 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 the 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. 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 other affiliates and subsidiaries, 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 the independent auditors 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 other 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, 2015 and 2014, is a matter of public record. 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 such audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this remarketing circular.

- ***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.
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- Attachment 1** – Book-Entry-Only System
- Attachment 2** – Continuing Disclosure Under SEC Rule 15c2-12
- Attachment 3** – Forms of Opinions of Bond Counsel

Information Included by Specific Cross-reference. The following portions of MTA’s 2017 Combined Continuing Disclosure Filings, dated April 28, 2017, 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 Subseries 2008A-2a Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Unaudited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2016 and 2015

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

- Summary of Certain Provisions of the DTF Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption “MTA Info–Financial Information–Budget and Financial Statements” in the case of the Unaudited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2016 and 2015, and “MTA Info–Financial Information–Investor Information” in the case of the remaining documents. 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 the MTA affiliates and subsidiaries.

MTA filed its 2017 Combined Continuing Disclosure Filings with EMMA on April 28, 2017, including its unaudited Consolidated Financial Statements for the years ended December 31, 2016 and 2015. The Audited Consolidated Financial Statements for the years ended December 31, 2016 and 2015 are expected to be filed with EMMA promptly upon receipt.

Deloitte & Touche LLP, independent certified public accountants, 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, 2015 and 2014, is a matter of public record. 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 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 MTA Capital Construction 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 and the Transit and Commuter Systems. MTA Bridges and Tunnels’ surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA’s affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA’s 2017 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this remarketing circular.

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

<u>Legal Name</u>	<u>Popular Name</u>
Metropolitan Transportation Authority	MTA
New York City Transit Authority	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 Capital Construction Company	MTA Capital Construction
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 DTF 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 Subseries 2008A-2a Bonds.
- **Part II** describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Subseries 2008A-2a Bonds.
- **Part III** provides miscellaneous information relating to the Subseries 2008A-2a Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Subseries 2008A-2a Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Subseries 2008A-2a Bonds.
- **Attachment 3-1** is the form of opinion of Nixon Peabody LLP delivered in connection with the original issuance of the Series 2008A Bonds on June 25, 2008.
- **Attachment 3-2** is the form of opinion of Hawkins Delafield & Wood LLP delivered in connection with the remarketing of the Subseries 2008A-2a Bonds on June 18, 2014.
- **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 Subseries 2008A-2a 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**.

Dedicated Tax Fund Debt Issuance

In addition to the remarketing of the Subseries 2008A-2a Bonds, MTA expects to issue \$680,265,000 Dedicated Tax Fund Green Bonds, Series 2017B (Climate Bond Certified) on or about May 17, 2017.

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PART I. SUBSERIES 2008A-2a BONDS

Part I of this remarketing circular, together with the Summary of Terms, provides specific information about the Subseries 2008A-2a Bonds.

REMARKETING PLAN

On May 25, 2017 (the Mandatory Tender Date), (i) the Subseries 2008A-2a Bonds will be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof; (ii) MTA will amend and restate the Certificate of Determination relating to the Subseries 2008A-2a Bonds to reflect the terms and provisions described herein; and (iii) the Subseries 2008A-2a Bonds will remain outstanding and bear interest in the Term Rate Mode. The Mandatory Tender Date is also an Interest Payment Date for the Subseries 2008A-2a Bonds, and accrued interest to, but not including, the Mandatory Tender Date will be paid in accordance with customary procedures.

MTA anticipates that the proceeds of the remarketing of the Subseries 2008A-2a Bonds in the amount of \$82,575,000 will be used to pay the Purchase Price of the currently outstanding Subseries 2008A-2a 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 SUBSERIES 2008A-2a BONDS

General

Record Date. The Record Date for the payment of principal of and interest on the Subseries 2008A-2a Bonds will be the first Business Day preceding each Interest Payment Date.

Book-Entry-Only System. The Subseries 2008A-2a 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 Subseries 2008A-2a Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof (Authorized Denominations). So long as DTC is the registered owner of the Subseries 2008A-2a Bonds, all payments on the Subseries 2008A-2a 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 the Subseries 2008A-2a Bonds is payable on the first Business Day of each month, commencing July 3, 2017. So long as DTC is the sole registered owner of all of the Subseries 2008A-2a 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.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2008A-2a Bonds, it will be the sole registered owner of the Subseries 2008A-2a Bonds, and transfers of ownership interests in the Subseries 2008A-2a 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 the Subseries 2008A-2a Bonds.

Determination of Interest Rates for the Subseries 2008A-2a Bonds

The Subseries 2008A-2a Bonds will bear interest at the Adjusted SIFMA Rate. The Adjusted SIFMA Rate for the Subseries 2008A-2a Bonds will equal the sum of the SIFMA Rate, plus the applicable per annum spread set forth on the cover page hereof. The Adjusted SIFMA Rate will be determined Wednesday of each week, or if such day is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day (each a Rate Determination Date), based upon changes in the SIFMA Rate, as further

described below. Such Adjusted SIFMA Rates will be effective the immediately succeeding Thursday (the Rate Adjustment Date). Interest will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. The Adjusted SIFMA Rate will never exceed an interest rate per annum equal to the lesser of the maximum rate permitted by law or 9%.

The “SIFMA Rate” means for any day the level of the most recently effective index rate which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association (SIFMA) and is issued on Wednesday of each week, or if any Wednesday is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day. If such index is no longer published or otherwise not available, the “SIFMA Rate” for any day will mean the level of the “S&P Municipal Bond 7 Day High Grade Index” maintained by Standard & Poor’s Securities Evaluations Inc. for a 7-day maturity as published on the Rate Determination Date or most recently published prior to the Rate Adjustment Date. If neither such index is any longer available, the “SIFMA Rate” will be the prevailing rate on a Rate Determination Date determined by the Calculation Agent, in consultation with MTA, for tax-exempt state and local government bonds.

“U.S. Government Securities Business Day” is defined as any day other than (a) a Saturday, a Sunday, or (b) a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities, or (c) a day on which the Calculation Agent is required or permitted by law to close.

The Bank of New York Mellon is acting as the Calculation Agent with respect to the Subseries 2008A-2a Bonds. The initial Adjusted SIFMA Rate will be determined by the Calculation Agent based on the SIFMA Rate published on Wednesday, May 24, 2017, with the effective date being May 25, 2017. Subsequently, the Adjusted SIFMA Rate will adjust weekly on each Rate Adjustment Date, based upon the SIFMA Rate published on the Rate Determination Date for such week. Upon determining the Adjusted SIFMA Rate for a given week, the Calculation Agent will notify MTA of such rate by electronic mail (e-mail) or by telephone or in such other manner as may be appropriate on the date of such determination, which notice, if provided by telephone, will be promptly confirmed in writing. Such notice will be provided by not later than 5:00 P.M. New York City time on the Rate Determination Date.

The determination of the Adjusted SIFMA Rate (absent manifest error) will be conclusive and binding upon MTA, the Owners of the Subseries 2008A-2a Bonds, the Trustee, the Tender Agent and the Remarketing Agent. If for any reason the Adjusted SIFMA Rate is not established, the Subseries 2008A-2a Bonds will bear interest at the Adjusted SIFMA Rate last in effect until such time as a new Adjusted SIFMA Rate is established.

Tender and Redemption Provisions for the Subseries 2008A-2a Bonds

The Subseries 2008A-2a Bonds are subject to tender and redemption prior to maturity on such dates and at such prices as are set forth below.

Mandatory Tender for Purchase at End of each Term Rate Mode Interest Rate Period. The Subseries 2008A-2a Bonds are subject to mandatory tender for purchase on the Business Day after the last day of the initial Interest Rate Period (the Purchase Date) at the Purchase Price. The Purchase Date for the Subseries 2008A-2a Bonds is June 1, 2022.

Purchase Date and Purchase Price. The Purchase Price to be paid for the Subseries 2008A-2a Bonds on the Purchase Date will be the principal amount of such Subseries 2008A-2a Bonds. The Purchase Date is also an Interest Payment Date for the Subseries 2008A-2a Bonds, and interest will be paid in accordance with customary procedures.

No Mandatory Tender for Purchase at the Option of the Issuer. The Subseries 2008A-2a Bonds are not subject to mandatory tender for purchase prior to the Purchase Date.

No Optional Redemption. The Subseries 2008A-2a Bonds are not subject to optional redemption prior to the Purchase Date.

Mandatory Sinking Fund Redemption. The Subseries 2008A-2a 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 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:

Subseries 2008A-2a Bonds		
	Sinking Fund Redemption Date (November 1)	Sinking Fund Installment
first payment	2017	\$ 1,210,000
	2018	1,245,000
	2019	10,495,000
	2020	1,180,000
	2021	10,430,000
	2022	12,155,000
	2023	12,585,000
	2024	13,030,000
	2025	13,495,000
final maturity	2026	6,750,000

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 term Subseries 2008A-2a 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 Subseries 2008A-2a Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of those bonds will be made against the next Sinking Fund Installment due.
- If MTA purchases or redeems term Subseries 2008A-2a Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installments in any order, and in any annual amount, that MTA may direct.

State and City Redemption. Pursuant to the MTA Act, the State or the City, upon providing sufficient funds, may require MTA to redeem the Subseries 2008A-2a Bonds as a whole at the time and at the price and in accordance with the terms upon which such Subseries 2008A-2a Bonds are otherwise redeemable.

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to the Purchase Date, give notice to the Owners of the mandatory tender for purchase of the Subseries 2008A-2a Bonds that is to occur on that date. So long as DTC is the Securities Depository for the Subseries 2008A-2a Bonds, such notice will be given to DTC. If the Subseries 2008A-2a Bonds are not held in book-entry-only form, such notice will be given directly to the bondholders.

Notice of any mandatory tender of Subseries 2008A-2a 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 Subseries 2008A-2a Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Purchase Date,

- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Subseries 2008A-2a Bond, and
- that no further interest will accrue from and after the Purchase Date to such Owner.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2008A-2a Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption will not affect the obligation of the Tender Agent to purchase the Subseries 2008A-2a Bonds subject to mandatory tender for purchase on the Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Subseries 2008A-2a Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Subseries 2008A-2a 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 Subseries 2008A-2a 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. Please note that all redemptions are final – even if beneficial owners did not receive their notice, and even if such notice had a defect.

Redemption Process. If the Trustee gives notice of redemption, then on the redemption date the Subseries 2008A-2a Bonds called for redemption will become due and payable. After the redemption date, no interest will accrue on those Subseries 2008A-2a Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Subseries 2008A-2a Bonds.

Future Remarketing of Subseries 2008A-2a Bonds

MTA currently plans to remarket the Subseries 2008A-2a Bonds on the Purchase Date, and apply the proceeds of such remarketing to pay the Purchase Price of the Subseries 2008A-2a Bonds. The remarketing agent to be appointed by MTA will offer for sale and use its best efforts to find purchasers for all Subseries 2008A-2a Bonds required to be tendered for purchase.

Source of Funds for Purchase of Subseries 2008A-2a Bonds

On or before 3:00 p.m. on the Purchase Date, the Tender Agent will purchase the Subseries 2008A-2a Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived solely from immediately available funds transferred by the remarketing agent to the Tender Agent derived from the remarketing of Subseries 2008A-2a Bonds.

Notwithstanding the foregoing, MTA has the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2008A-2a Bond tendered or deemed tendered as described in this remarketing circular and the Purchase Price of which is not paid on the Purchase Date. None of MTA, the Trustee, the Tender Agent nor the remarketing agent will have any liability or obligation to pay or, except from remarketing proceeds, make available the Purchase Price. The failure to pay the Purchase Price for any Subseries 2008A-2a 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 DTF Resolution and in the case of such failure, none of the Subseries 2008A-2a Bonds will be purchased and the Subseries 2008A-2a Bonds will remain in the Term Rate Mode bearing interest at 9% per annum. See “—Consequences of a Failed Remarketing.”

Delivery of Remarketed Subseries 2008A-2a Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2008A-2a Bonds sold by a 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.

Delivery and Payment for Purchased Subseries 2008A-2a Bonds; Undelivered Subseries 2008A-2a Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2008A-2a Bonds purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Subseries 2008A-2a Bonds purchased will be made only if such Subseries 2008A-2a Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the DTF Resolution. If Subseries 2008A-2a Bonds to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the Purchase Date, the Tender Agent will hold any funds received for the purchase of those Subseries 2008A-2a Bonds in trust in a separate account uninvested, and will pay such funds to the former bondholders upon presentation of the Subseries 2008A-2a Bonds. Undelivered Subseries 2008A-2a Bonds are deemed tendered and cease to accrue interest as to the former bondholders on the Purchase Date if moneys representing the Purchase Price will be available against delivery of those Subseries 2008A-2a Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2008A-2a Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2008A-2a Bonds may look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2008A-2a Bonds. The Tender Agent will authenticate replacement Subseries 2008A-2a Bonds for any undelivered Subseries 2008A-2a Bonds which may then be remarketed by the remarketing agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the Purchase Price of all Outstanding Subseries 2008A-2a Bonds on the Purchase Date, (1) no purchase will be consummated on the Purchase Date and the Tender Agent will, after any applicable grace period, (a) return all tendered Subseries 2008A-2a Bonds to the registered owners thereof and (b) return all remarketing proceeds to the remarketing agent for return to the persons providing such moneys; and (2) the Subseries 2008A-2a Bonds will bear interest at 9% per annum during the period of time from and including the Purchase Date to (but not including) the date that all such Subseries 2008A-2a Bonds are successfully remarketed (the Delayed Remarketing Period).

On each Business Day following the failed remarketing on the Purchase Date, MTA expects to continue to have the remarketing agent use its best efforts to remarket the Subseries 2008A-2a Bonds into the Interest Rate Period designated by the Trustee, at the direction of MTA (or such other Interest Rate Period as the Trustee, at the direction of MTA, will thereafter designate to the remarketing agent and the prospective owners thereof). Once the remarketing agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the Subseries 2008A-2a Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of the Subseries 2008A-2a Bonds not later than five Business Days prior to the new purchase date, which notice will state (i) that the interest rate on the Subseries 2008A-2a Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after such purchase date;

(ii) that the Subseries 2008A-2a Bonds will be subject to mandatory tender for purchase on such purchase date; (iii) the procedures for such mandatory tender; (iv) the purchase price of such Subseries 2008A-2a Bonds on the new purchase date (expressed as a percentage of the principal amount thereof); and (v) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply available amounts to the redemption of the Subseries 2008A-2a Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption will be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on such Subseries 2008A-2a Bonds will be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest will be made by the Trustee from the Debt Service Fund pursuant to the DTF Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use its best efforts to cause the remarketing agent to remarket such Subseries 2008A-2a Bonds, to convert such Subseries 2008A-2a Bonds to another Mode or another Interest Rate Period or to refund such Subseries 2008A-2a Bonds.

Debt Service on the Dedicated Tax Fund Bonds

Table 1 on the next page sets forth, on a cash basis, for each fiscal year ending December 31, (i) the debt service on the outstanding Dedicated Tax Fund Bonds, excluding the Subseries 2008A-2a Bonds, (ii) the debt service on the remarketed Subseries 2008A-2a Bonds, and (iii) the aggregate debt service on all Dedicated Tax Fund Bonds to be outstanding after the remarketing of the Subseries 2008A-2a Bonds.

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Table 1
MTA Dedicated Tax Fund Bonds
Aggregate Debt Service
(in thousands) ⁽¹⁾

Year Ending December 31	Debt Service on Outstanding Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Debt Service on the Subseries 2008A-2a Bonds ⁽²⁾⁽⁶⁾			Aggregate Debt Service
		Principal	Interest	Total	
2017	\$ 282,026	\$ 1,210	\$ 2,139	\$ 3,349	\$ 285,375
2018	422,428	1,245	3,616	4,861	427,289
2019	413,251	10,495	3,526	14,021	427,272
2020	422,847	1,180	3,094	4,274	427,121
2021	413,669	10,430	3,007	13,437	427,106
2022	412,269	12,155	2,537	14,692	426,961
2023	412,208	12,585	1,994	14,579	426,787
2024	412,149	13,030	1,432	14,462	426,612
2025	412,078	13,495	851	14,346	426,424
2026	419,208	6,750	275	7,025	426,233
2027	426,035	-	-	-	426,035
2028	425,845	-	-	-	425,845
2029	425,645	-	-	-	425,645
2030	425,433	-	-	-	425,433
2031	425,220	-	-	-	425,220
2032	424,992	-	-	-	424,992
2033	424,995	-	-	-	424,995
2034	300,008	-	-	-	300,008
2035	300,009	-	-	-	300,009
2036	371,532	-	-	-	371,532
2037	394,327	-	-	-	394,327
2038	375,992	-	-	-	375,992
2039	357,651	-	-	-	357,651
2040	74,216	-	-	-	74,216
2041	38,171	-	-	-	38,171
2042	38,169	-	-	-	38,169
2043	38,170	-	-	-	38,170
2044	38,163	-	-	-	38,163
2045	38,171	-	-	-	38,171
2046	38,167	-	-	-	38,167
2047	38,167	-	-	-	38,167
2048	21,459	-	-	-	21,459
2049	21,456	-	-	-	21,456
2050	21,457	-	-	-	21,457
2051	21,460	-	-	-	21,460
2052	21,454	-	-	-	21,454
2053	21,448	-	-	-	21,448
2054	21,447	-	-	-	21,447
2055	21,451	-	-	-	21,451
2056	21,448	-	-	-	21,448
2057	13,425	-	-	-	13,425
Total	\$9,647,718	\$82,575	\$22,472	\$105,047	\$9,752,765

⁽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.

⁽³⁾ Excludes debt service on all outstanding Dedicated Tax Fund Bond Anticipation Notes.

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

⁽⁵⁾ Excludes debt service on the Subseries 2008A-2a Bonds.

⁽⁶⁾ Figures reflect amounts to be outstanding as of May 25, 2017, the Mandatory Tender Date for the Subseries 2008A-2a Bonds

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this remarketing circular describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Subseries 2008A-2a Bonds.

SOURCES OF PAYMENT

Under State law, MTA receives money from certain dedicated taxes and fees described in this section. This money is deposited into MTA's Dedicated Tax Fund and is pledged by MTA for the payment of its Dedicated Tax Fund Bonds.

Revenues from Dedicated Taxes

MTA Revenues from Petroleum Business Tax (PBT), Motor Fuel Tax and Motor Vehicle Fees (MTTF Receipts). In 1991, as part of a program to address the need for continued capital investment in the State's transportation infrastructure, the State Legislature established a State fund, called the Dedicated Tax Funds Pool, from which money is apportioned by statutory allocation under current State Tax Law to a State fund, called the Dedicated Mass Transportation Trust Fund (MTTF). Currently, portions of the following taxes and fees are deposited into the Dedicated Tax Funds Pool, of which 34% is allocated to the MTTF for the benefit of MTA:

- A business privilege tax imposed on petroleum businesses operating in the State (the PBT), consisting of:
 - a basic tax that varies based on product type,
 - a supplemental tax on gasoline and highway diesel, and
 - a petroleum business carrier tax.

Currently, 80.3% of net PBT receipts from the basic tax and all of the supplemental tax and the carrier tax are required by current law to be deposited in the Dedicated Tax Funds Pool.

- Motor fuel taxes on gasoline (50%) and diesel fuel (100%).
- Certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees.

Thirty-four percent (34%) of the Dedicated Tax Funds Pool is currently deposited in the MTTF for MTA's benefit. Subject to appropriation by the State Legislature, money in the MTTF is required by law to be transferred to the MTA Dedicated Tax Fund held by MTA. Amounts transferred from the MTTF account to the MTA's Dedicated Tax Fund constitute "MTTF Receipts."

MTA anticipates that the amount and timing of MTTF Receipts will be sufficient to make required principal and interest payments on the Dedicated Tax Fund Bonds, including the Subseries 2008A-2a Bonds.

A more detailed description of the MTTF Receipts is set forth in the **ADS** (included herein by specific cross-reference) under the caption "DEDICATED TAX FUND BONDS" under the following headings:

- MTTF Receipts — Dedicated Petroleum Business Tax,
- MTTF Receipts — Motor Fuel Tax, and
- MTTF Receipts — Motor Vehicle Fees.

MTA Revenues from Special Tax Supported Operating Subsidies (MMTOA Receipts). Like other U.S. mass transit systems, the Transit System and Commuter System have historically operated at a deficit and

have been dependent upon substantial amounts of general operating subsidies from the State, as well as the City. Over time, the ongoing needs of the State's mass transportation systems led the State to supplement the general operating subsidies with additional operating subsidies supported by special State taxes.

Starting in 1980, in response to anticipated operating deficits of the State's mass transportation systems, the State Legislature enacted a series of taxes, portions of the proceeds of which have been and are to be deposited in a special State Fund — the Mass Transportation Operating Assistance Fund — to fund the operations of mass transportation systems. The Metropolitan Mass Transportation Operating Assistance Account, or MMTOA Account, was established in that State Fund to support operating expenses of transportation systems in the MCTD, including the MTA New York City Transit, MaBSTOA and the commuter railroads operated by MTA's subsidiaries, MTA Long Island Rail Road and MTA Metro-North Railroad. After payment of Section 18-b general operating assistance to the various transportation systems, MTA receives 85.4% of the moneys deposited in the MMTOA Account, with the remaining 14.6% available to other transportation properties within the MCTD, such as MTA Bus, which currently operates the routes formerly operated by the City private franchise bus lines.

Since the creation of the MMTOA Account, MTA has requested and received in each year significant payments from that account in order to meet operating expenses of the transit and commuter systems. It is expected that payments from the MMTOA Account will continue to be essential to the operations of the transit and commuter systems. Although a variety of taxes have been used to fund the special tax supported operating subsidies, the taxes levied for this purpose, which MTA refers to collectively as the "MMTOA Taxes," currently include:

- MMTOA PBT. The products that are subject to the tax, the tax rates, and the transactions excluded from the tax are identical to those of the basic PBT dedicated to the Dedicated Tax Funds Pool and the MTTF account in that Pool. Pursuant to State law, 10.835% of the PBT Basic Tax collections is deposited in the MMTOA Account.
- District Sales Tax. The District Sales Tax consists of a 0.375% sales and compensating use tax imposed on sales and uses of certain tangible personal property and services applicable only within the MCTD.
- Franchise Taxes. Also deposited in the MMTOA Account is a legislatively-allocated portion of the following three taxes imposed on certain transportation and transmission companies (such as trucking, telegraph and local telephone companies and mobile communication services):
 - an annual franchise tax based on the amount of the taxpayer's issued capital stock,
 - an annual franchise tax on the taxpayer's gross earnings from all sources calculated to have been generated statewide pursuant to statutory formulae, and
 - an additional excise tax on the sale of mobile communication services effective May 1, 2015.
- Franchise Surcharges. The Franchise Surcharges are imposed on the portion of the franchise and other taxes of certain corporations, insurance, transportation and transmission companies attributable (according to various complex formulae) to business activity carried on within the MCTD. In accordance with the State Tax Law, the tax revenue generated under these provisions, after the deduction of administrative costs, is to be deposited to the MMTOA Account, as taxes are received.

MTA receives the equivalent of four quarters of MMTOA Receipts each year, with the first quarter of each succeeding calendar year's receipts advanced into the fourth quarter of the preceding year. This results in little or no MMTOA Receipts being received during the first quarter of each calendar year; MTA is required to make other provisions to provide for cash liquidity during this period.

A more detailed description of the MMTOA Taxes is set forth in the **ADS** (included herein by specific cross-reference) under the caption “DEDICATED TAX FUND BONDS — MMTOA Account — Special Tax Supported Operating Subsidies.”

Five Year Summary of MTTF Receipts and MMTOA Receipts. **Table 2** sets forth a five year summary (based on the State’s fiscal year ending March 31) of the following:

- actual collections by the State of receipts for each of the sources of revenues that, subject to appropriation and allocation among MTA and other non-MTA transportation agencies, could become receipts of the MTA Dedicated Tax Fund,
- amount of MTTF Receipts and MMTOA Receipts, and
- debt service coverage ratio based upon MTTF Receipts, and MTTF Receipts plus MMTOA Receipts.

The information in the following **Table 2** relating to MTTF Receipts and MMTOA Receipts was provided by the New York State Division of the Budget and the remaining information was provided by MTA.

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Table 2
Summary of MTTF Receipts and MMTOA Receipts⁽¹⁾
State Fiscal Year ending March 31 (\$ millions)

	Actual	Actual	Actual	Actual	Projection
<u>Dedicated Taxes (\$ millions)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽⁸⁾</u>
MTTF⁽¹⁾					
PBT ⁽²⁾	\$ 345.9	\$ 347.4	\$ 337.3	\$ 336.9	\$ 320.4
Motor Fuel Tax	90.7	92.7	96.5	100.5	97.5
Motor Vehicle Fees	181.6	120.4 ⁽⁷⁾	127.4 ⁽⁷⁾	128.7 ⁽⁷⁾	128.6 ⁽⁷⁾
Total Available	\$ 618.2	\$ 560.5	\$ 561.2	\$ 566.1	\$ 546.5
MMTOA⁽¹⁾					
PBT ⁽²⁾	\$ 75.5	\$ 75.1	\$ 72.6	\$ 73.1	\$ 68.7
District Sales Tax	801.7	854.2	874.2	903.0	943.0
Franchise Taxes ⁽³⁾	36.5	25.7	39.4	41.4	38.5
Franchise Surcharges	989.9	1,032.0	1,039.7	1,017.1	1,155.5
Total Available	\$1,903.6	\$1,987.0	\$2,025.9	\$2,034.6	\$2,205.7
Disbursements					
MTTF⁽⁴⁾	\$ 606.9	\$ 629.8⁽⁷⁾	\$604.8⁽⁷⁾	\$ 616.4⁽⁷⁾	\$ 607.6⁽⁷⁾
MMTOA⁽⁵⁾	\$1,518.2	\$1,563.9	\$1,563.9	\$1,668.0	\$1,668.0
Total Disbursed	\$2,125.1	\$2,193.7	\$2,168.7	\$2,284.4	\$2,275.6
Debt Service⁽⁶⁾	\$ 356.1	\$ 344.6	\$341.7	\$ 365.1	\$ 394.9
Debt Service Coverage Ratio –					
MTTF Receipts Only	1.70x	1.83x	1.77x	1.69x	1.54x
Debt Service Coverage Ratio –					
MTTF and MMTOA Receipts	5.97x	6.37x	6.35x	6.26x	5.76x

(1) As used in this Table, MTTF Receipts and MMTOA Receipts have the meaning given such terms in the DTF Resolution.

(2) Effective December 1, 2017, all receipts from aviation fuel will be directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. The impact in State fiscal year 2017-2018 is projected to result in a reduction of \$1.0 million for MTTF and \$0.4 million for MMTOA.

(3) Effective State fiscal year 2012-2013, the distribution to the MMTOA Account was changed from 80% to 54% of the taxes collected from Franchise Taxes. The remaining 26% is distributed to the Public Transportation Systems Operating Assistance PTOA Account. This distribution is in effect through March 31, 2018.

(4) Represents the amount in the MTTF that was, subject to appropriation, paid to MTA by deposit into the MTA Dedicated Tax Fund, thereby becoming MTTF Receipts. The amount of MTTF Receipts in any State fiscal year may be greater than the amount collected for deposit into the MTTF due to, among other things, investment earnings or surplus amounts retained in the MTTF that were not paid out in prior years.

(5) Represents the amount in the MMTOA Account that was, subject to appropriation, paid to MTA by deposit into the MTA Dedicated Tax Fund, thereby becoming MMTOA Receipts. The difference between Total Available MMTOA Taxes and MMTOA Receipts generally represents the amount appropriated for operating expenses of the various non-MTA systems in the MCTD, as well as the amounts appropriated to MTA and other transportation agencies, primarily in accordance with the Section 18-b Program as described in the ADS under the caption “REVENUES OF THE RELATED ENTITIES – State and Local General Operating Subsidies” in Part 2.

(6) Net of \$26.0 million of Build America Bond interest credit payments in each State fiscal year from 2013-2014 through 2017-2018.

(7) Pursuant to legislation enacted in 2014, beginning with State fiscal year 2014-2015 and each year thereafter, a portion of the Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the Dedicated Mass Transportation Trust Fund. \$57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts; the remainder flows to other transportation systems.

(8) The State fiscal year 2017-2018 projection is based on the 2017-2018 Executive Budget Financial Plan Updated for Governor’s Amendments and Forecast Revisions.

Factors Affecting Revenues from Dedicated Taxes

Legislative Changes. The requirement that the State pay MTA Dedicated Tax Fund Revenues to the MTA Dedicated Tax Fund is subject to and dependent upon annual appropriations being made by the State Legislature for such purpose and the availability of moneys to fund such appropriations. The State Legislature is not obligated to make appropriations to fund the MTA Dedicated Tax Fund, and there can be no assurance that the State Legislature will make any such appropriation. The State is not restricted in its right to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations that are the source of such Revenues.

In connection with the financing of future capital programs, MTA may propose legislation affecting components of the taxes currently securing the Dedicated Tax Fund Bonds.

Litigation. Aspects relating to the imposition and collection of the Dedicated Taxes have from time to time been and may continue to be the subject of administrative claims and litigation by taxpayers.

Economic Conditions. Many of the Dedicated Taxes are dependent upon economic and demographic conditions in the State and in the MCTD, and therefore there can be no assurance that historical data with respect to collections of the Dedicated Taxes will be indicative of future receipts.

Government Assistance. The level of government assistance to MTA through Dedicated Taxes may be affected by several different factors including:

- The State 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. However, in the case of the PBT that is deposited as a portion of the MTTF Receipts, the State Legislature has expressed its intent in the State Finance Law to enact for each State fiscal year an appropriation for the current and the next year. See the heading “SECURITY – Appropriation by the State Legislature” below.
- The State is not bound or obligated to continue to pay operating subsidies to the transit or commuter systems or to continue to impose any of the taxes currently funding those subsidies.

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 SEC Rule 15c2-12. Prospective purchasers of MTA’s Dedicated Tax Fund Bonds 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 MTA’s Dedicated Tax Fund Bonds. MTA makes no representations about State information or its continued availability.

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SECURITY

The Dedicated Tax Fund Bonds, including the Subseries 2008A-2a Bonds, are MTA's special obligations payable as to principal, redemption premium, if any, and interest solely from the security, sources of payment and funds specified in the DTF Resolution. Payment of principal of or interest on the Dedicated Tax Fund Bonds may not be accelerated in the event of a default.

The Dedicated Tax Fund Bonds are secured primarily by the sources of payment described under the caption "SOURCES OF PAYMENT", and are not secured by

- the general fund or other funds and revenues of the State, or
- the other funds and revenues of MTA or any of its affiliates or subsidiaries.

The Dedicated Tax Fund 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 DTF Resolution and the Standard Resolution Provisions have been filed with EMMA and are available on MTA's website.

Pledge Effected by the DTF Resolution

Trust Estate. The DTF Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Dedicated Tax Fund Bonds and Parity Debt, in accordance with their terms and the provisions of the DTF Resolution, subject only to the provisions permitting the application of that money for the purposes and on the terms and conditions permitted in the DTF Resolution, the following, referred to as the "Trust Estate":

- the proceeds of the sale of the Dedicated Tax Fund Bonds, until those proceeds are paid out for an authorized purpose,
- the Pledged Amounts Account in the MTA Dedicated Tax Fund (which includes MTTF Receipts and MMTOA Receipts), any money on deposit in that Account and any money received and held by MTA and required to be deposited in that Account, and
- all funds, accounts and subaccounts established by the DTF Resolution (except funds, accounts and subaccounts established pursuant to Supplemental Resolution, and excluded by such Supplemental Resolution from the Trust Estate as security for all Dedicated Tax Fund Bonds, in connection with Variable Interest Rate Obligations, Put Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof.

The DTF Resolution provides that the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the DTF Resolution, and all corporate action on the part of MTA to that end has been duly and validly taken.

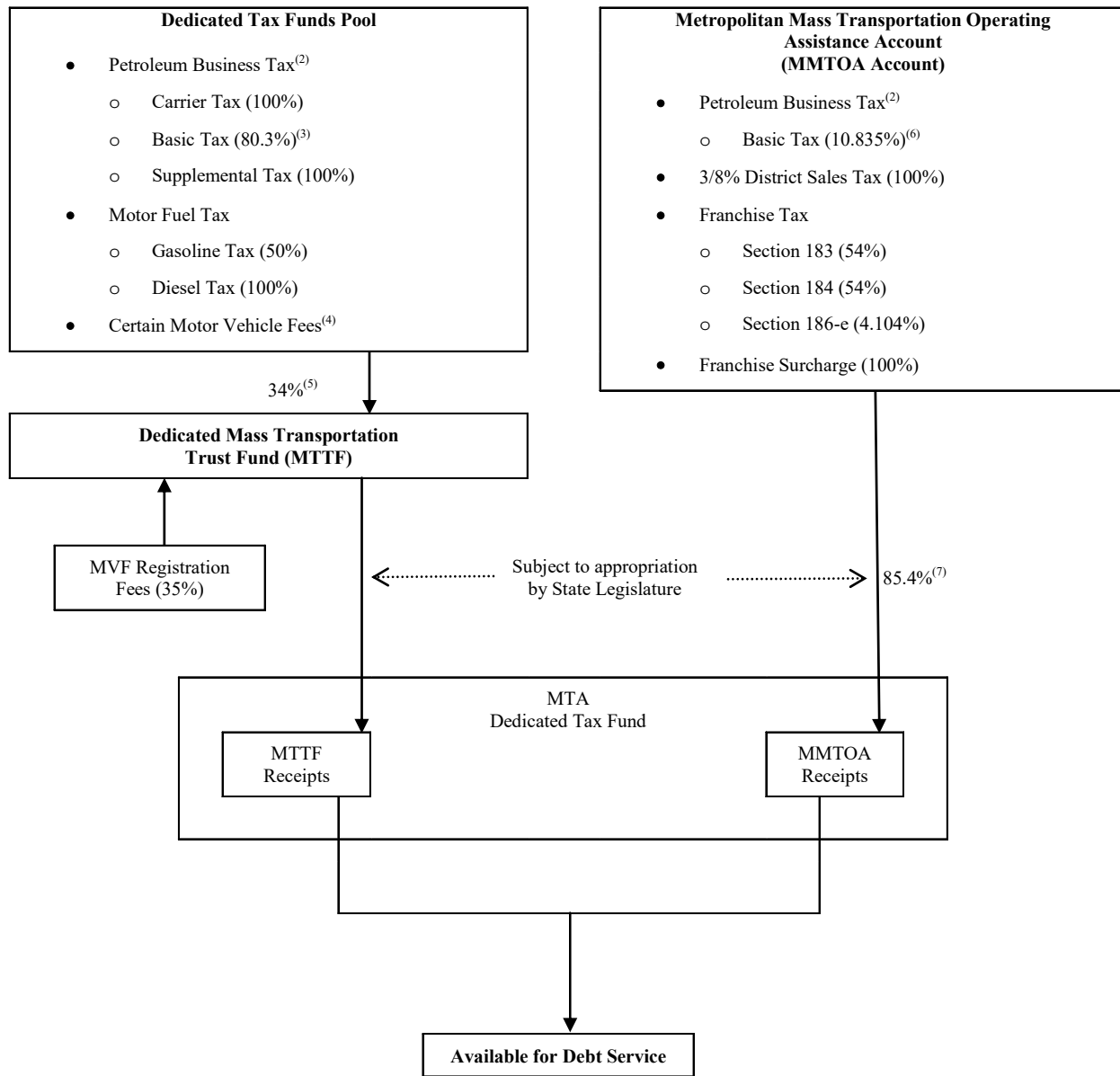
Flow of Funds

The DTF Resolution establishes a Proceeds Fund held by MTA and a Debt Service Fund held by the Trustee. See "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION" included herein by specific cross-reference for a description of the provisions of the DTF Resolution governing the deposits to and withdrawals from the Funds and Accounts. Amounts held by MTA or the Trustee in any of such Funds shall be held in trust separate and apart from all other funds and applied solely for the purposes specified in the DTF Resolution or any Supplemental Resolution thereto.

The following two charts summarize (i) the flow of taxes into the MTA Dedicated Tax Fund, and (ii) the flow of MTA Dedicated Tax Fund Revenues through the MTA Dedicated Tax Fund and the Funds and Accounts established under the DTF Resolution.

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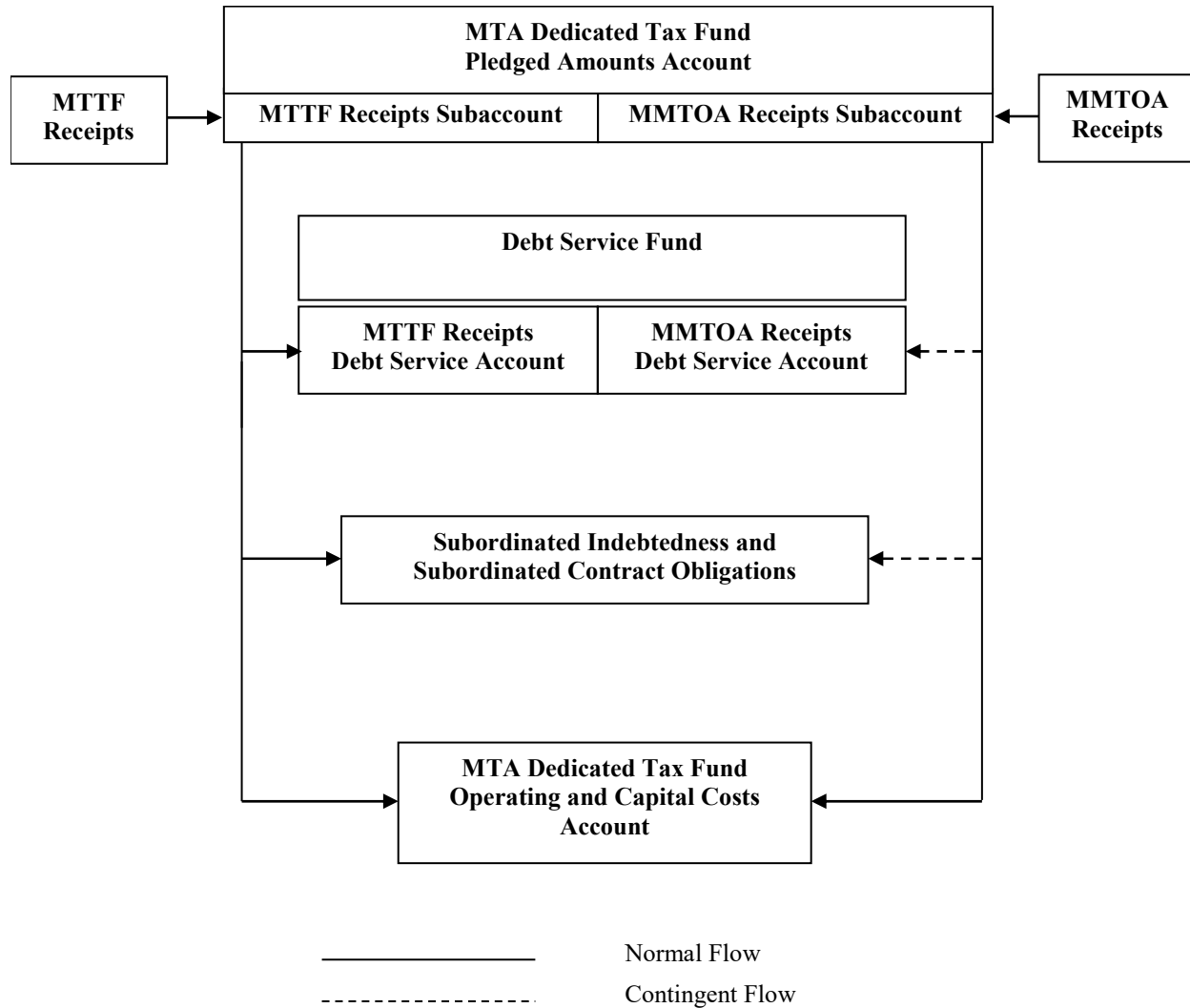
MTA DEDICATED TAX FUND BONDS SOURCES OF REVENUE
(Through March 31, 2018)⁽¹⁾



Notes

- (1) Parenthetical amounts and percentages, as well as flow of fund percentages, indicate the amount or percent of that tax or fund to be deposited for the year ending March 31, 2018 in the respective fund or account. The allocations shown may be changed at any time by the Legislature.
- (2) Effective December 1, 2017, all receipts from aviation fuel will be directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. Currently, aviation fuel receipts are part of the Basic Tax. The impact in State fiscal year 2017-2018 is projected to result in a reduction of \$1.0 million for MTTF and \$0.4 million for MMTOA.
- (3) In addition, the first \$7.5 million of the Basic Tax is appropriated to the Dedicated Tax Funds Pool prior to any percentage split of the Dedicated Tax Funds Pool.
- (4) Beginning with the State fiscal year 2014-2015, and each year thereafter, a portion of the State fiscal year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the MTTF; \$57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts as defined in the DTF Resolution.
- (5) Percentage of Dedicated Tax Funds Pool.
- (6) The remaining 8.865% share of the Basic Tax is deposited in an account for certain upstate transportation entities.
- (7) Percentage based upon appropriations for State fiscal year 2017-2018.

MTA DEDICATED TAX FUND BONDS – RESOLUTION FLOW OF FUNDS



All amounts on deposit in the Pledged Amounts Account – MTTF Receipts Subaccount are paid out before any amounts on deposit in the Pledged Amounts Account – MMTOA Receipts Subaccount are paid out.

Amounts paid out from any fund or account for an authorized purpose (excluding transfers to any other pledged fund or account) are free and clear of the lien and pledge created by the DTF Resolution.

Debt Service Fund

Pursuant to the DTF Resolution, the Trustee holds the Debt Service Fund, consisting of the MTTF Receipts Debt Service Account and the MMTOA Receipts Debt Service Account. Moneys in the Debt Service Fund are applied by the Trustee to the payment of Debt Service on the Dedicated Tax Fund Bonds in the manner, and from the accounts and subaccounts, more fully described under “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION — Debt Service Fund” included herein by specific cross-reference.

MTA is required to make monthly deposits to the appropriate account of the Debt Service Fund of interest (1/5th of the next semiannual payment) and principal (1/10th of the next annual payment), first from MTTF Receipts and then, to the extent of any deficiency, from MMTOA Receipts.

Covenants

Additional Bonds. The DTF Resolution permits MTA to issue additional Bonds from time to time to pay or provide for the payment of Capital Costs and to refund Outstanding Bonds.

Under the DTF Resolution, MTA may issue one or more Series of Bonds for the payment of Capital Costs, provided, in addition to satisfying certain other requirements, MTA delivers a certificate that evidences MTA’s compliance with the additional bonds test set forth in the DTF Resolution.

Such certificate must set forth:

- (A) for any 12 consecutive calendar months ended not more than six months prior to the date of such certificate: (i) MTTF Receipts, (ii) MMTOA Receipts, and (iii) investment income received during such period on amounts on deposit in the Pledged Amounts Account, the MTTF Receipts Subaccount, the MMTOA Receipts Subaccount and the Debt Service Fund; and
- (B) the greatest amount for the then current or any future Debt Service Year of the sum of (a) Calculated Debt Service on all Outstanding Obligations, including the proposed Capital Cost Obligations and any proposed Refunding Obligations being treated as Capital Cost Obligations, but excluding any Obligations or Parity Debt to be refunded with the proceeds of such Refunding Obligations, plus (b) additional amounts, if any, payable with respect to Parity Debt;

and then state:

- (x) that the sum of the MTTF Receipts and investment income (other than investment income on the MMTOA Receipts Subaccount) set forth in clause (A) above is not less than 1.35 times the amount set forth in accordance with clause (B) above and
- (y) that the sum of the MTTF Receipts, MMTOA Receipts and investment income set forth in clause (A) above is not less than 2.5 times the amount set forth in clause (B) above.

See “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Capital Cost Obligations” included herein by specific cross-reference for a description of further provisions which apply to the additional bonds test if the percentage of available existing taxes deposited into the MTA Dedicated Tax Fund is increased or additional taxes are added to the amounts so deposited.

For a discussion of the requirements relating to the issuance of Refunding Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Refunding Obligations” included herein by specific cross-reference.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the DTF 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 DTF Resolution with respect to the Dedicated Tax Fund 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.

Appropriation by the State Legislature

The State Constitution provides that the State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the MTTF and MMTOA Accounts, to be approved by the State Legislature at least every two years. In addition, the State Finance Law provides, except as described below, that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th, depending upon the nature of the appropriation. The State Legislature may not be bound in advance to make any appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. MTA expects that the State Legislature will make appropriations from amounts on deposit in the MTTF and MMTOA Accounts in order to make payments when due. Until such time as payments pursuant to such appropriation are made in full, revenues in the MTTF shall not be paid over to any entity other than MTA.

The State Legislature has expressed its intent in the State Finance Law to enact for each State Fiscal Year in the future in an annual budget bill an appropriation from the MTTF (with respect to the PBT portion only) to the MTA Dedicated Tax Fund for the then current State Fiscal Year and an appropriation of the amounts projected by the Director of the Budget to be deposited in the MTA Dedicated Tax Fund from the MTTF (with respect to the PBT portion only) for the next succeeding State Fiscal Year. In any State Fiscal Year, if the Governor does not submit or if the State Legislature does not enact a current year appropriation from the MTTF (with respect to the PBT portion) to the MTA Dedicated Tax Fund, or such appropriation has been delayed, MTA is required to notify the State of amounts required to be disbursed from the appropriation made during the preceding State Fiscal Year for payment in the current State Fiscal Year. The State Comptroller may not make any payments from the MTTF to the MTA Dedicated Tax Fund from such prior year appropriation prior to May 1st of the current State Fiscal Year.

The adopted State budget for State Fiscal Year 2017-2018 included two appropriations from the MTTF to the MTA Dedicated Tax Fund. One such appropriation is for the State Fiscal Year that ends March 31, 2018 and the other such appropriation is for the succeeding State Fiscal Year that ends March 31, 2019. MTA has periodically availed itself of the latter appropriation to meet operating costs in response to delays in the adoption of the State budget in such years.

A budgetary imbalance in the present or any future State Fiscal Year could affect the ability and willingness of the State Legislature to appropriate and the availability of moneys to make the payments from the MTTF and the MMTOA Accounts. However, MTA believes that if the State Legislature does not make appropriations as contemplated, it would have a serious impact on the ability of the State and its public benefit corporations to raise funds in the public credit markets.

Agreement of the State

The MTA Act prohibits MTA from filing a voluntary petition in bankruptcy under Chapter 9 of the Federal Bankruptcy Code or such successor chapters or sections as may from time to time be in effect and the State has pledged that so long as any notes, bonds or lease obligations of the MTA are outstanding, it will not

limit or alter the denial of authority to MTA to so file. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Under the MTA Act, the State pledges to and agrees with the holders of any notes, bonds or lease obligations issued or incurred by MTA, including the Subseries 2008A-2a Bonds, that the State will not limit or alter the rights vested in MTA to fulfill the terms of any agreements made by MTA with the holders of its notes, bonds and lease obligations, including the Subseries 2008A-2a Bonds, or in any way impair the rights and remedies of such holders. Notwithstanding the foregoing, in accordance with State law, nothing in the DTF Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations which are the source of such Revenues. No default under the DTF Resolution would occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes or appropriations.

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PART III. OTHER INFORMATION ABOUT THE SUBSERIES 2008A-2a BONDS

Part III of this remarketing circular provides miscellaneous additional information relating to the Subseries 2008A-2a Bonds.

TAX MATTERS

General

On June 25, 2008, Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** in connection with the original issuance of the Series 2008A Bonds. On June 18, 2014, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** in connection with the remarketing on that date of the Subseries 2008A-2a Bonds, which remarketing was deemed a reissuance of the Subseries 2008A-2a Bonds for federal tax purposes. Each of the foregoing opinions (collectively referred to herein as the Prior Opinions) speaks only as of its respective date, only as to the matters expressly stated and none of such opinions is being re-delivered.

The Prior Opinions each concluded that under then existing law, as of their respective dates, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, that interest on the Series 2008A Bonds or Subseries 2008A-2a Bonds, as applicable, is:

- 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 Prior Opinions also concluded that, under then existing law, as of their respective dates, interest on the Series 2008A Bonds or Subseries 2008A-2a Bonds, as applicable, is exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

Neither current Co-Bond Counsel to MTA nor prior bond counsel is rendering an opinion on the current tax status of any of the Subseries 2008A-2a Bonds.

The Subseries 2008A-2a Bonds

The Internal Revenue Code of 1986 imposes requirements on the Subseries 2008A-2a Bonds that MTA must continue to meet after the Subseries 2008A-2a Bonds were issued (or reissued for federal tax purposes). These requirements generally involve the way that Subseries 2008A-2a Bond proceeds must be invested and ultimately used. If MTA does not meet these requirements, it is possible that a bondholder may have to include interest on the Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds.

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

Neither Hawkins Delafield & Wood LLP nor Nixon Peabody LLP is responsible for updating their respective opinions after the respective dates such opinions were provided. Although it is not possible to predict, as of the delivery of the Prior 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 Subseries 2008A-2a Bonds or affect the market price of the Subseries 2008A-2a Bonds.

Neither Hawkins Delafield & Wood LLP nor Nixon Peabody LLP expresses any 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 Subseries 2008A-2a Bonds or under State, local or foreign tax law.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Subseries 2008A-2a 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 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 Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a 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 of the interest on the Subseries 2008A-2a Bonds from gross income for federal or state income tax purposes, or otherwise. For example, presidential budget proposals in recent years have proposed legislation that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Internal Revenue Code of 1986 (including the Subseries 2008A-2a Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Subseries 2008A-2a Bonds may occur. Prospective purchasers of the Subseries 2008A-2a Bonds should consult their own tax advisors regarding the impact of any change in law on the Subseries 2008A-2a Bonds.

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

LEGALITY FOR INVESTMENT

The MTA Act provides that the Subseries 2008A-2a 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 Subseries 2008A-2a Bonds.

LITIGATION

There is no pending litigation concerning the Subseries 2008A-2a 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, 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 Subseries 2008A-2a 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.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. and Backstrom McCarley Berry & Co., LLC are MTA's Co-Financial Advisors for the Subseries 2008A-2a Bonds. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the pricing of the Subseries 2008A-2a 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

After competitive bidding on May 15, 2017, the Subseries 2008A-2a Bonds were awarded to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the Remarketing Agent) for a purchase price of 100% of the par amount of the Subseries 2008A-2a Bonds.

The Subseries 2008A-2a Bonds are being remarketed at a price not in excess of the price stated on the cover of this remarketing circular. The Remarketing Agent will be paid a fee of \$45,416.25 for services rendered in connection with the remarketing of the Subseries 2008A-2a Bonds.

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 Subseries 2008A-2a Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings
33 Whitehall Street
New York, New York 10004
(212) 908-0500

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 Subseries 2008A-2a Bonds, including information not included in this remarketing circular, about MTA and the Subseries 2008A-2a 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 Subseries 2008A-2a Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Subseries 2008A-2a Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Subseries 2008A-2a Bonds. On June 25, 2008, the date of original issuance and delivery of the Series 2008A Bonds, Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** in connection with the original issuance of the Series 2008A Bonds. On June 18, 2014, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-2** in connection with the remarketing of the Subseries 2008A-2a Bonds, which remarketing was deemed a reissuance for federal tax purposes. 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.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, special disclosure counsel to MTA.

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

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, MTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA's annual audited financial statements prepared in

accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA has undertaken to file such information (the Annual Information) with EMMA.

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 Subseries 2008A-2a Bonds or other material events affecting the tax status of the Subseries 2008A-2a 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 Subseries 2008A-2a Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership 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; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material.

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

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

FURTHER INFORMATION

MTA may place a copy of this remarketing circular on MTA's website at <http://web.mta.info/mta/investor/>. 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
Director, Finance

ATTACHMENT 1 BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Subseries 2008A-2a Bonds. The Subseries 2008A-2a 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 Subseries 2008A-2a Bond will be issued for each maturity of the Subseries 2008A-2a 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 Subseries 2008A-2a 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 and www.dtc.org.

3. Purchases of Subseries 2008A-2a Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Subseries 2008A-2a Bonds on DTC's records. The ownership interest of each actual purchaser of each Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds, except in the event that use of the book-entry-only system for the Subseries 2008A-2a Bonds is discontinued.

4. To facilitate subsequent transfers, all Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subseries 2008A-2a 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 Subseries 2008A-2a Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Subseries 2008A-2a Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Subseries 2008A-2a Bond documents. For example, Beneficial Owners of the Subseries 2008A-2a Bonds may wish to ascertain that the nominee holding the Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds unless authorized by a Direct Participant in accordance with DTC's 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 Subseries 2008A-2a 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 Subseries 2008A-2a 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 Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Subseries 2008A-2a 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 Subseries 2008A-2a 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 Subseries 2008A-2a Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY 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 Subseries 2008A-2a Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to MTA by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2017 (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 enumerated events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of the Subseries 2008A-2a Bonds to provide or cause to be provided either directly or through the Trustee, audited combined 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, 2017, when and if such audited financial statements become available and, if such audited financial statements of MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA for such fiscal year.

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

1. description of the transit and commuter systems operated by the MTA and its affiliates and subsidiaries and their operations,
2. information regarding the transit and commuter capital programs, including information of the type included in MTA Annual Disclosure Statement (the ADS) under the caption "FINANCIAL PLANS AND CAPITAL PROGRAMS,"
3. presentation of changes to indebtedness issued by MTA under the DTF Resolution, as well as information concerning changes to MTA's debt service requirements on such indebtedness payable from DTF Revenues,
4. financial information and operating data of the type included in the ADS under the caption "DEDICATED TAX FUND BONDS" which shall include information relating to the following:
 - a. description of how the State allocates taxes to the MTA Dedicated Tax Fund;
 - b. description of the material taxes allocated to the MTA Dedicated Tax Fund, currently the petroleum business tax, the motor fuel tax on gasoline and diesel fuel, certain motor vehicle fees, including both registration and non-registration fees, the District Sales Tax, the Franchise Taxes, and the Franchise Surcharge, together with a description of the tax rate, the tax base and the composition and collection of such taxes by the State (unless the taxes constituting the sources of revenue have been materially changed or modified, in which case similar information about such new or modified taxes will be provided); and
 - c. for the material taxes then constituting a source of revenue for the MTA Dedicated Tax Fund, an historical summary of such revenue, if available, together with an explanation of the factors affecting collection levels, for a period of at least the five most recent completed fiscal years then available,

5. information concerning the amounts, sources, material changes in and material factors affecting DTF Revenues and debt service incurred under the DTF Resolution,
6. material litigation related to any of the foregoing, and
7. 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, MTA.

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. 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 Subseries 2008A-2a Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of ten 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 Subseries 2008A-2a 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 MTA.

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 Subseries 2008A-2a 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 Subseries 2008A-2a 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 the Subseries 2008A-2a 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 Subseries 2008A-2a Bonds at the time outstanding which are affected thereby. MTA and the Trustee reserve 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 DTF Resolution nor give right to the Trustee or any Holder to exercise any remedies under the DTF 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 Subseries 2008A-2a Bonds have been paid in full or legally defeased pursuant to the DTF 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 OF NIXON PEABODY LLP
DELIVERED ON JUNE 25, 2008 IN CONNECTION WITH
THE ISSUANCE OF THE SERIES 2008A BONDS**

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

June 25, 2008

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

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Metropolitan Transportation Authority (“MTA”) and other proofs submitted to us relative to the issuance of \$352,915,000 aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund Variable Rate Refunding Bonds, Series 2008A (the “Series 2008A Bonds”).

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

The Series 2008A 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 “Dedicated Tax Fund Obligation Resolution”, as supplemented by a resolution of said members adopted on January 30, 2008 as amended and restated by a resolution of said members adopted on April 30, 2008 (collectively, the “Resolution”).

The Series 2008A Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2008A Bonds in order that interest on the Series 2008A 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 MTA, dated the date hereof (the “Tax 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 2008A Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2008A Bonds and the investment of certain funds. The Tax Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2008A 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 2008A 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 2008A 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 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 of interest on the Series 2008A 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 Tax Certificate as to such tax matters.

We have also examined one of said Series 2008A Bonds as executed and, in our opinion, the form of said Series 2008A 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 2008A 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 2008A 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 2008A Bonds.

4. MTA, the holders of the Series 2008A 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 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 2008A 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 2008A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2008A 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 2008A 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 2008A Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2008A Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2008A 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 OF HAWKINS DELAFIELD & WOOD LLP
DELIVERED ON JUNE 18, 2014 IN CONNECTION WITH
THE REMARKETING OF THE SUBSERIES 2008A-2a BONDS**

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

June 18, 2014

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

Ladies and Gentlemen:

On June 25, 2008, in connection with the issuance by the Metropolitan Transportation Authority (“MTA”) of its Dedicated Tax Fund Variable Rate Refunding Bonds, Subseries 2008A-2 (the “Original Subseries 2008A-2 Bonds”), Nixon Peabody LLP delivered their opinion as bond counsel for MTA. On June 22, 2011, Hawkins Delafield & Wood LLP delivered their opinion as bond counsel for MTA related to the remarketing of the Subseries 2008A-2 Bonds and termination of a bond insurance policy and substitution of the standby letter of credit relating to the Original Subseries 2008A-2 Bonds with an irrevocable direct-pay letter of credit issued by The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch (the “Tokyo-Mitsubishi Facility”)

The Original Subseries 2008A-2 Bonds were issued pursuant to the MTA Resolution Authorizing Dedicated Tax Fund Obligations, adopted by the Board of MTA on March 26, 2002 (the “Original General Resolution”), as amended and supplemented to the date of issuance thereof, including by a resolution adopted on January 30, 2008, as amended and restated by a resolution adopted on April 30, 2008 (collectively with the Original General Resolution, the “Original Resolution”), along with a Certificate of Determination relating to the Original Subseries 2008A-2 Bonds, as amended June 22, 2011 (the “Original Certificate of Determination” and, collectively with the Original Resolution, the “Resolution”).

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

On the date hereof, MTA intends to terminate the Tokyo-Mitsubishi Facility and will (i) further amend the Original Certificate of Determination (the “Amended Certificate of Determination”), to provide for, among other things, the redesignation of the Subseries 2008A-2 Bonds in two subseries consisting of Subseries 2008A-2a (SIFMA Floating Rate Tender Notes) (the “Subseries 2008A-2a Bonds”) and Subseries 2008A-2b (SIFMA Floating Rate Tender Notes) (the “Subseries 2008A-2b Bonds”); (ii) modify the terms and provisions of the Subseries 2008A-2a Bonds and the Subseries 2008A-2b Bonds, relating to the Term Rate Mode; and (iii) convert the Subseries 2008A-2 Bonds from a Weekly Mode to a Term Mode (as further described in the Amended Certificate of Determination).

In order for MTA to effectuate the mode change and the other changes described above, MTA was required to provide to the Trustee a Mandatory Tender Notice pursuant to Section A-406 of Appendix A to the Original Certificate of Determination (the “Mandatory Tender Notice”). In accordance with such requirement, the Trustee disseminated the Mandatory Tender Notice to the owners of the Original Subseries 2008A-2 Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the mandatory tender and remarketing of the Subseries 2008A-2 Bonds; the termination of the Tokyo-Mitsubishi Facility; the change in mode from the Weekly Mode to the Term Mode with interest at a floating rate based the Adjusted SIFMA Rate (as defined in the Amended Certificate of Determination) and the amendment of the terms and provisions of the Subseries 2008A-2 Bonds to reflect the terms and provisions described herein, will result in a reissuance for tax purposes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Subseries 2008A-2 Bonds in order that interest on the Subseries 2008A-2 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the “Arbitrage and Use of Proceeds Certificate”), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Subseries 2008A-2 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Subseries 2008A-2 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Subseries 2008A-2 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Subseries 2008A-2 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Subseries 2008A-2 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in the following paragraphs, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Subseries 2008A-2 Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We are further of the opinion that, under existing statutes and court decisions and assuming continued compliance with certain tax covenants described herein, (i) interest on the Subseries 2008A-2 Bonds, as reissued, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Subseries 2008A-2 Bonds, as reissued, is not treated as a preference item in calculating the alternative minimum tax imposed on individual and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

In addition, we are of the opinion that interest on the Subseries 2008A-2 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in the preceding paragraphs, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Subseries 2008A-2 Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Subseries 2008A-2 Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2008A-2 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not

taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

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