



**\$600,000,000**  
**METROPOLITAN TRANSPORTATION AUTHORITY**  
**Revenue Anticipation Notes, Series 2009**  
**2.00% Coupon; Priced to Yield 0.39%**  
**CUSIP\*: 59259YAU3**

**Dated: Date of Delivery**

**DUE: December 31, 2009**

The Notes are being issued to finance, on a short-term basis, a portion of operating and maintenance expenses of the Related Transportation Entities (including any amounts necessary to pay all costs incurred in connection with the issuance of the Notes).

The Notes —

- are MTA's special obligations, payable solely from certain general operating subsidies, including a new Regional Mobility Tax described herein, and other sources pledged to noteholders as described in this official statement; and
- are not a debt of the State or The City of New York or any other local government unit.

MTA has no taxing power.

The Notes are being issued in accordance with the terms and provisions of the Series 2009 Transportation Revenue Anticipation Note Resolution, adopted by MTA on June 24, 2009, authorizing the issuance of the Notes. The Notes constitute Revenue Anticipation Notes as defined in the General Resolution Authorizing Transportation Revenue Obligations of MTA, adopted on March 26, 2002, as supplemented.

*In the opinion of Nixon Peabody LLP, Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Notes is:*

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

*Also, in Bond Counsel's opinion, under existing law, interest on the Notes is exempt from personal income taxes of New York State and any political subdivisions of the State, including The City of New York.*

The Notes are not subject to redemption prior to their stated maturity.

The Notes are offered when, as and if issued, subject to certain conditions, and are expected to be delivered through DTC's facilities on or about July 10, 2009.

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

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**BARCLAYS CAPITAL**  
**CITI**

**RAMIREZ & CO., INC**  
**J.P. MORGAN**

July 7, 2009

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\* Copyright 2008, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The MTA, the Paying Agent and the Underwriters do not assume any responsibility for the accuracy of such number.

**Metropolitan Transportation Authority**  
**347 Madison Avenue**  
**New York, New York 10017**  
**(212) 878-7000**  
**Website: [www.mta.info](http://www.mta.info)**

|                            |                   |
|----------------------------|-------------------|
| H. Dale Hemmerdinger.....  | Chairman          |
| David S. Mack.....         | Vice-Chairman     |
| Andrew M. Saul.....        | Vice-Chairman     |
| Andrew B. Albert.....      | Non-Voting Member |
| John H. Banks III.....     | Member            |
| Robert C. Bickford.....    | Member            |
| James F. Blair.....        | Non-Voting Member |
| Norman E. Brown.....       | Non-Voting Member |
| Allen P. Cappelli.....     | Member            |
| Donald Cecil.....          | Member            |
| Doreen M. Frasca.....      | Member            |
| Ira R. Greenberg.....      | Non-Voting Member |
| Jeffrey A. Kay.....        | Member            |
| Mark D. Lebow.....         | Member            |
| Susan G. Metzger.....      | Member            |
| Mark Page.....             | Member            |
| Mitchell H. Pally.....     | Member            |
| Norman I. Seabrook.....    | Member            |
| James L. Sedore, Jr.....   | Member            |
| Nancy Shevell.....         | Member            |
| Vincent Tessitore, Jr..... | Non-Voting Member |
| Ed Watt.....               | Non-Voting Member |
| Carl V. Wortendyke.....    | Member            |

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|                          |   |
|--------------------------|---|
| Helena E. Williams.....  | Interim Executive Director                    |
| Gary J. Dellaverson..... | Chief Financial Officer                       |
| Gary M. Lanigan.....     | Director, Budgets and Financial Management    |
| James B. Henly, Esq..... | Deputy Executive Director and General Counsel |
| Patrick J. McCoy.....    | Director, Finance                             |

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NIXON PEABODY LLP  
New York, New York  
*Bond Counsel*

GOLDMAN, SACHS & CO.  
New York, New York  
*Financial Advisor*

## SUMMARY OF TERMS

*MTA has prepared this Summary of Terms to describe the specific terms of the Notes. The information in this official statement, including the materials included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Notes. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Notes being offered.*

|  |   |  |
|--|---|--|
| Issuer .....                               | Metropolitan Transportation Authority, a public benefit corporation of the State of New York.   |  |
| Notes Being Offered .....                  | 2.00% Revenue Anticipation Notes, Series 2009.  |  |
| Purpose of the Notes .....                 | To finance, on a short-term basis, a portion of operating and maintenance expenses of the Related Transportation Entities (including any amounts necessary to pay all costs incurred in connection with the issuance of the Notes). MTA is issuing the Notes to address a timing mismatch between revenues and operating expenses resulting from the anticipated delay until December 2009 in the receipt of certain existing subsidies provided by the State and the commencement of receipt of certain new operating subsidies not occurring until November 2009. See “DESCRIPTION OF THE NOTES – Application of Proceeds.” |  |
| Denominations .....                        | \$100,000 and integral multiples of \$1,000 in excess thereof.  |  |
| Interest Payment Date and Maturity Date .. | December 31, 2009.  |  |
| Redemption .....                           | The Notes are not subject to redemption prior to their stated maturity.   |  |
| Principal Sources of Payment and Security  | <ul style="list-style-type: none"> <li>• Amounts received from the recently enacted Regional Mobility Tax by any Related Transportation Entity on or after the date the Notes are issued.</li> <li>• Other general operating subsidies and special tax supported operating subsidies received by any Related Transportation Entity starting November 25, 2009.</li> <li>• Under certain circumstances, Revenues, including principally Farebox Receipts, available to be transferred pursuant to the terms of the Transportation Resolution.</li> </ul>   |  |
| Registration of the Notes.....             | DTC Book-Entry-Only System. No physical certificate evidencing ownership of a Note will be delivered, except to DTC.  |  |
| Paying Agent.....                          | The Bank of New York Mellon, New York, New York.  |  |
| Bond Counsel.....                          | Nixon Peabody LLP, New York, New York.  |  |
| Tax Status.....                            | See “TAX MATTERS” in Part III.  |  |
| Ratings .....                              | <u>Rating Agency</u><br>Moody’s:<br>S&P:<br>Fitch:  | <u>Rating</u><br>MIG-1<br>SP-1+<br>F1+ |
|  | See “RATINGS” in Part III.  |  |
| Financial Advisor.....                     | Goldman, Sachs & Co.  |  |
| Underwriters.....                          | See cover page. Barclays Capital Inc. is the representative of the Underwriters for the Notes.  |  |
| Underwriters’ Discount.....                | See “UNDERWRITING” in Part III.   |  |
| Counsel to the Underwriters.....           | Orrick, Herrington & Sutcliffe LLP, New York, New York.   |  |

- ***No Unauthorized Offer.*** This Official Statement is not an offer to sell, or the solicitation of an offer to buy, the Notes, in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Notes, except as set forth in this Official Statement. No other information or representations should be relied upon.
- ***No Contract or Investment Advice.*** This Official Statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Official Statement and the Notes being offered, or anything else related to this note issue.
- ***Information Subject to Change.*** Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this Official Statement shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein.
- ***Forward-Looking Statements.*** Many statements contained in this Official Statement, including 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. 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 Official Statement.
- ***Projections.*** The projections set forth in this Official Statement, including those set forth under "CASH FLOW AND CASH FLOW PROJECTIONS" and "REGIONAL MOBILITY TAX ESTIMATES," 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 Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.
- ***No Guarantee of Information by Underwriters.*** The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.
- ***SEC Rule 15c2-12.*** SEC Rule 15c2-12 does not require MTA to enter into a written agreement for the benefit of holders of the Notes to provide continuing disclosure. MTA regularly files continuing disclosure in connection with other debt offerings.

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- Attachment 3 – Series 2009 Transportation Revenue Anticipation Note Resolution
- Attachment 4 – Form of Deposit Agreement

***Information Included by Specific Cross-reference.*** The following portions of MTA’s 2009 Combined Continuing Disclosure Filings, filed with the repositories identified in the “INTRODUCTION” to this Official Statement and with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this Official Statement, along with material that updates this Official Statement and that is either filed with those repositories, EMMA or, in the case of Official Statements, filed with the MSRB prior to the issuance date of the Notes, together with any supplements or amendments thereto:

- **Appendix A** – The Related Entities (in the form filed with the repositories and with EMMA on June 25, 2009)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2008 and 2007

The following documents have also been filed with the repositories identified in the “INTRODUCTION” and EMMA and are included by specific cross-reference in this Official Statement:

- **Summary of Certain Provisions of the Transportation Resolution**
- **Definitions and Summary of Certain Provisions of the Standard Resolution Provisions**
- **Form of the Interagency Agreement**
- **Summary of Certain Provisions of the DTF Resolution**
- **Summary of Certain Provisions of the MTA Bridges and Tunnels Senior Lien Resolution**
- **Summary of Certain Provisions of the MTA Bridges and Tunnels Subordinate Lien Resolution**

Copies of these documents can be found on MTA Website ([www.mta.info/mta/investor/index.html](http://www.mta.info/mta/investor/index.html)) under the caption “MTA Home – Financial Information – Investor Information.” Definitions of certain terms used in the summaries may differ from terms used in this Official Statement, such as the use herein of the popular names of MTA affiliates and subsidiaries.

## INTRODUCTION

### MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State legislation (the Act) 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), which consists of The City of New York (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 Metropolitan Suburban Bus Authority (MTA Long Island Bus); MTA Bus Company; and MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems, other than MTA Long Island Bus.

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 New York 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 Appendix A to MTA’s 2009 Combined Continuing Disclosure Filings (Appendix A), which is included by specific cross-reference in this Official Statement.

The following table sets forth the legal and popular names of the Related Entities. Throughout this Official Statement, 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                   |
| Metropolitan Suburban Bus Authority                     | MTA Long Island 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 by **Appendix A**.

## Information Provided in Appendix A

From time to time, the Governor, the State Comptroller, 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 **Appendix A**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings for information regarding the Related Entities and their financial condition.

## Where to Find Information

**Information in this Official Statement.** This Official Statement is organized as follows:

- This **Introduction** provides a general description of the MTA and certain recent developments.
- **Part I** provides specific information about the Notes.
- **Part II** describes the security for and principal sources of payment of the Notes.
- **Part III** provides miscellaneous information relating to the Notes.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Notes.
- **Attachment 2** is the form of approving opinion of Nixon Peabody LLP, to be delivered in connection with the issuance of the Notes.
- **Attachment 3** is the Series 2009 Transportation Revenue Anticipation Note Resolution.
- **Attachment 4** is the form of the Deposit Agreement.
- **Information Included by Specific Cross-reference** in this Official Statement and identified in the Table of Contents may be obtained, as described below, from the repositories or EMMA and from MTA.

**Information from Repositories and EMMA.** MTA has filed, and will until July 1, 2009 file, annual and other information with each Nationally Recognized Municipal Securities Information Repository (NRMSIRs). MTA has commenced filing and will in the future file annual and other information with EMMA. Documents filed by MTA should be available from those repositories designated as such at the time of the filing and from EMMA. The repositories may charge a fee for access to those documents. The current repositories are as follows:

***Bloomberg Municipal Repository***

100 Business Park Drive  
Skillman, NJ 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
Email: munis@bloomberg.com

***FT Interactive Data***

Attn: NRMSIR  
100 William Street, 15th Floor  
New York, NY 10038  
Phone: (212) 771-6999; (800) 689-8466  
Fax: (212) 771-7390  
Email: NRMSIR@interactivedata.com

***DPC Data Inc.***

One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
Email: nrmsir@dpcdata.com

***Standard & Poor's Securities Evaluations, Inc.***

55 Water Street  
45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
Email: nrmsir\_repository@sandp.com

Information on file with EMMA 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" in the Table of Contents, as filed with the repositories and EMMA to date, is "included by specific cross-reference" in this Official Statement. 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 Official Statement. **This Official Statement, 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 Notes.**

**Information Available at No Cost.** Information filed with the repositories and 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.

### **Recent Developments Affecting MTA**

**MTA Legislation.** On May 7, 2009, legislation was enacted in New York State (the May Legislation) providing additional sources of revenues in the form of taxes, fees and surcharges to address the financial needs of the MTA. The new law (Chapter 25 of the Laws of 2009) among other things:

- imposes a payroll mobility tax (the Regional Mobility Tax) of 0.34 percent on payroll expenses and net earnings from self-employment within the MTA Commuter Transportation District (effective as of March 1, 2009, except school districts, effective September 1, 2009);
- imposes a supplemental fee of one dollar for each six month period of validity of a learner's permit or a driver's license issued to a person residing in the MTA Commuter Transportation District (effective September 1, 2009);
- imposes a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MTA Commuter Transportation District (effective September 1, 2009);
- imposes on taxicab owners a tax of fifty cents per ride on taxicab rides originating in New York City and terminating within the MTA Commuter Transportation District (effective November 1, 2009);
- imposes a supplemental tax of five percent of the cost of rentals of automobiles rented within the MTA Commuter Transportation District (effective June 1, 2009).

The May Legislation amends the Public Authorities Law in a number of ways, including by providing for the chair of the MTA to serve as its chief executive officer, effective upon appointment by the Governor, with the advice and consent of the State Senate, of a Chairman to fill the new term of office created by the legislation.

The new sources of revenue noted above are preliminarily projected to provide an additional \$1.1 billion to MTA for calendar year 2009 and an additional \$1.9 billion to MTA in calendar year 2010.

The revenues from the Regional Mobility Tax (the Regional Mobility Tax Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Regional Mobility Tax Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary.

The other new revenues may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such new revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine.

It is anticipated that in 2009 all of the new revenues will be applied to pay operating expenses of MTA and certain of its subsidiaries and affiliates and to repay the Notes.

**2009 Fare and Toll Charge Adjustments.** After passage of the May Legislation providing for additional sources of revenue to the MTA, a special meeting of the MTA board was convened on May 11, 2009 to address

2009 fare and toll charge adjustments. At the May 11, 2009 meeting, the MTA board rescinded the fare and toll increases adopted on March 25, 2009, which had been structured to yield a 23% increase in passenger and toll revenues, and adopted revised fare and toll schedules that will increase existing fares and tolls by approximately 10%. Implementation of the newly adopted fare and toll schedules will occur in late June and early July, 2009.

**2009 Scheduled Service Reductions.** The MTA's February Financial Plan included a number of significant deficit reduction measures in order to achieve a balanced 2009 budget and reduced budget gaps thereafter. These included certain proposed reductions to scheduled service and a variety of other deficit reducing actions. The additional revenues from taxes and fees that MTA expects to receive as a result of enacted legislation, combined with the revenues from fare increases adopted by the MTA board on May 11, 2009 and other revenues to be received and actions to be taken by the MTA, are projected to enable MTA to meet its operating needs for 2009 and 2010 without implementing reductions in scheduled service. Accordingly, the MTA board, at its regularly scheduled meeting held on May 27, 2009, restored the planned reductions to scheduled service, while leaving in place other deficit reducing actions contained in the February Financial Plan.

#### ***Adjustments to 2009-2012 Financial Plan and 2009 Budget.***

**April Re-Forecast.** On April 27, 2009 the MTA issued an April Re-Forecast to address falling revenues in Real Estate Taxes, Passenger and Toll Revenue and State Dedicated Taxes (such forecast of diminished revenues having occurred subsequent to the issuance of the February Financial Plan). Expenses were not re-forecast at that time. The projection contained in the April Re-forecast anticipated revenues being reduced by as much as \$670 million in 2009 and \$732 million in 2010 as compared to the February Financial Plan.

On April 29, 2009 the MTA board approved, on a temporary basis, an amendment to revise the budget and reporting procedures applicable to the MTA and all of its operating agencies for the 2010 budget process. The MTA board rescinded the April action that authorized the temporary budgeting procedures at its regularly scheduled meeting in May following the enactment in early May of the above-noted legislation providing additional sources of revenues to address the financial needs of the MTA. The MTA staff accordingly will follow its ordinary budgeting and reporting procedures and schedule for making adjustments to the 2009-2012 Financial Plan and 2009 Budget, which contemplates adjustments to the 2009 Budget and the 2009-2012 Financial Plan to be presented to the MTA board at its July 29, 2009 meeting.

**July Financial Plan.** The MTA will incorporate in its July Financial Plan, among other things, the amount and timing of receipt of revenues MTA expects to receive as a result of the new legislation, updated projections for real estate related tax receipts, New York State subsidies, ridership/toll revenue based on the revised level of fare and toll increases adopted by the board on May 11, 2009, and the rescission of the scheduled service reductions addressed at the regularly scheduled board meeting held on May 27, 2009.

MTA will continue to closely monitor its finances, including the subsidies referenced above, and will continue to update all MTA receipts and expenditures and propose actions that are necessary to maintain budgetary balance.

**MTA Capital Programs.** Section 1269(b) of the Public Authorities Law requires MTA to submit capital plans to the MTA Capital Program Review Board (the Review Board). New five-year MTA Capital Programs for the Transit and Commuter Systems for the 2010-2014 period are required to be submitted by MTA to the Review Board on or before October 1, 2009. The size of such Programs, the elements to be included therein, and the funding sources have not yet been determined. The successful funding of the new MTA Capital Programs, including issuance of bonds in connection therewith, would likely require that the MTA receive significant amounts of additional new financial support beyond the new revenue sources provided to the MTA in the legislation enacted on May 7, 2009.

**MTA Executive Director / Chief Executive Officer.** Mr. Elliot G. Sander, the Executive Director of the MTA, departed from this position in late May, 2009, whereupon, on May 27, 2009, the MTA board appointed Helena Williams as interim Executive Director of the MTA. The above-noted legislation enacted in early May, 2009, amends the Public Authorities Law to provide for the chair of the MTA to serve as its chief executive officer,

effective upon appointment by the Governor, with the advice and consent of the State Senate, of a chairman to fill the new term of office created by the legislation.

***Debt.*** On April 23, 2009 MTA issued Dedicated Tax Fund Bonds Series 2009B in the amount of \$500,000,000 and Series 2009C Federally Taxable-Issuer Subsidy-Build America Bonds in the amount of \$750,000,000.

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## PART I. THE NOTES

*Part I* of this Official Statement, together with the Summary of Terms, provides specific information about the Notes.

### DESCRIPTION OF THE NOTES

#### General

The Notes will be issued in the principal amount of \$600,000,000, will be dated their date of delivery and will mature on December 31, 2009. The Notes will bear interest from their dated date payable at maturity at the rate per annum shown on the cover page hereof. Interest on the Notes will be calculated on the basis of twelve (12) 30-day months and a 360-day year.

***Book-Entry-Only System.*** The Notes will be issued as registered notes, registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$100,000 or any integral multiple of \$1,000 in excess thereof. So long as DTC is the registered owner of the Notes, all payments on the Notes 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.”

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

***Paying Agent.*** The Bank of New York Mellon, New York, New York is acting as Paying Agent for MTA (the Paying Agent). The Paying Agent will hold the Payment Fund created under the Note Resolution as a separate account for the benefit of the holders of the Notes. The payment of the principal of and interest on the Notes will be made by the Paying Agent on the maturity date of the Notes.

***Redemption Prior to Maturity.*** The Notes are not subject to redemption prior to maturity.

The holders of the Notes, by their acceptance of and holding of the Notes, waive the rights under Section 1273 of the Act for the Notes to be declared due and payable prior to their scheduled maturity and for a receiver to be appointed.

#### Application of Proceeds

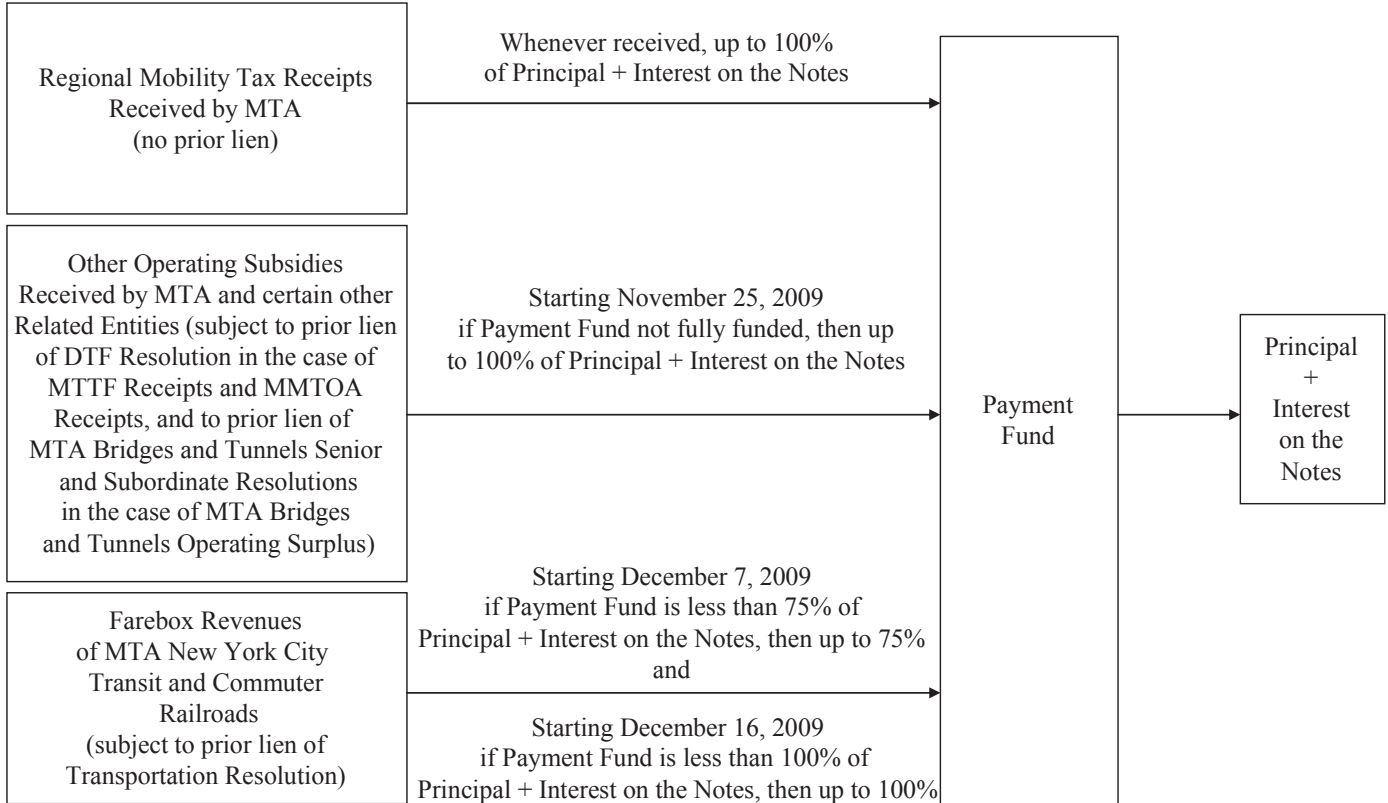
MTA anticipates that the net proceeds of the Notes (the principal amount thereof less certain financing, legal and miscellaneous expenses) will be used to finance, on a short term basis, a portion of operating and maintenance expenses of the Related Transportation Entities (as defined in the Note Resolution defined below) in accordance with the Transportation Resolution (as hereinafter defined). MTA is issuing the Notes to address a timing mismatch between revenues and operating expenses of the Transit and Commuter Systems resulting from (1) the anticipated delay in the receipt of existing State subsidies consisting of MMTOA Receipts (as defined below), which MTA had expected to receive between April and November 2009, until December 2009 and (2) the delay in the receipt of certain new State subsidies until late in 2009. The new State subsidies consist of (a) the Regional Mobility Tax described under “PRINCIPAL SOURCES OF PAYMENTS—Regional Mobility Tax” which, although it became effective on March 1, 2009 for most employers, will not start being paid to MTA until November 2009 and (b) a package of four new taxes and fees described under “PRINCIPAL SOURCES OF PAYMENTS—Additional Taxes and Fees” with various effective dates between June 1 and November 1, 2009.

Since the Notes will mature and be paid off by their stated maturity date of December 31, 2009, the proceeds thereof will be used only to address the 2009 timing mismatch between expenses and revenues and not to finance 2009 operating gaps with revenues from future years.

**PART II. SECURITY FOR THE NOTES**

*Part II* of this Official Statement describes the security for the Notes.

**NOTE RESOLUTION FLOW OF FUNDS\***



\* Shows flow of Payments and Additional Payments more specifically described under “SECURITY.”

## SECURITY

### General

The Notes are to be issued pursuant to Title 11 of Article 5 of the Public Authorities Law (the Act) and the Series 2009 Revenue Anticipation Note Resolution, adopted on June 24, 2009 (the Note Resolution). Such Notes will constitute Revenue Anticipation Notes as defined in the General Resolution Authorizing Transportation Revenue Obligations adopted by MTA on March 26, 2002, as supplemented (the Transportation Resolution).

The Notes are special obligations of the MTA payable as to principal and interest from the security, sources of payment, and funds specified in the Note Resolution.

- The payment of principal and interest on the Notes is secured, *on a basis senior to the lien of the Transportation Resolution*, by the general operating subsidies and special tax supported operating subsidies discussed below under “PRINCIPAL SOURCES OF PAYMENTS,” including the Regional Mobility Tax.
- Under certain circumstances described below, the payment of principal and interest on the Notes is also secured by any available operating revenues of MTA New York City Transit, MTA Long Island Rail Road and MTA Metro-North Railroad (MTA Long Island Rail Road and MTA Metro-North Railroad together are the Commuter Railroads) which are available to be transferred pursuant to Section 504(d) of the Transportation Resolution to MTA and other Related Transportation Entities, *subordinate to the payment of debt service under the Transportation Resolution*, free and clear of the lien of the Transportation Resolution, for the payment of costs of operation and maintenance of MTA and other Related Transportation Entities which amounts are referred to as Additional Payments and are described under “SOURCES OF ADDITIONAL PAYMENTS” below.
- The Notes are not a debt of the State or the City, or any other local government unit.
- The MTA has no taxing power.

### The Pledge Effected by the Note Resolution

The Note Resolution provides that there are pledged for the payment of the Notes on a basis senior to the lien of the Transportation Resolution:

- the portion of Payments consisting of the Regional Mobility Tax, described below under “PRINCIPAL SOURCES OF PAYMENTS – Regional Mobility Tax,” received by any Related Transportation Entity starting on the date of issuance of the Notes;
- all other Payments, described below under “PRINCIPAL SOURCES OF PAYMENTS,” received by any Related Transportation Entity starting November 25, 2009; and
- any amounts on deposit in the Payment Fund established under the Note Resolution and held by the Paying Agent, into which all Payments and Additional Payments are required to be deposited, including the investment income thereon.

If and to the extent, (i) starting December 7, 2009, the amount on deposit in the Payment Fund under the Note Resolution is less than seventy-five percent (75%) of the principal amount of and interest on the Notes; (ii) starting December 16, 2009, the amount on deposit in the Payment Fund is less than one hundred percent (100%) of the principal amount of and interest on the Notes; and (iii) if the amount of deposit in the Payment Fund is insufficient to pay the Notes when due, the Additional Payments, which consist of operating revenues of MTA New York City Transit and the Commuter Railroads described below under “SOURCES OF ADDITIONAL

PAYMENTS” are also pledged for the payment of the Notes, on a basis *subordinate* to the lien of the Transportation Resolution and certain other contingent claims described in the Note Resolution.

Prior to their deposit into the Payment Fund, all Additional Payments are subject to the prior liens created and existing under the Interagency Agreement and the Transportation Resolution securing Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations and to the covenant of MTA to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to the Transportation Resolution. The Interagency Agreement and the Transportation Resolution are collectively referred to herein as the Existing Lien Documents.

Under the Deposit Agreement, the MTA, MTA New York City Transit, MaBSTOA, MTA Bus Company, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bridges and Tunnels have covenanted, subject to the requirements of the Existing Lien Documents, to deposit from Revenues amounts which, together with the earnings thereon, shall equal the principal of and the interest to maturity on the Notes. MTA has covenanted in the Note Resolution to enforce the Deposit Agreement for the benefit of the holders of the Notes.

The receipts from the Regional Mobility Tax are not pledged to any debt prior to the Notes; all such receipts received on or after the issuance of the Notes are pledged on a priority basis to the Notes. MTA’s tax supported subsidies consisting of MTF Receipts and MMTOA Receipts described below are pledged first to the debt service on Dedicated Tax Fund Bonds prior to becoming available for payment of the Notes. MTA Bridges and Tunnels revenues transferred as surplus for transit and commuter railroad subsidies are required to be applied to pay operating expenses of MTA Bridges and Tunnels’ own facilities and to pay debt service on senior and subordinate MTA Bridges and Tunnels bonds before becoming available for payment of the Notes. Operating subsidies, other than receipts from the Regional Mobility Tax, received by MTA starting November 25, 2009, are available on a senior lien basis to the extent needed for the required set-aside for the payment of the Notes.

The Note Resolution extends to the holders of the Notes the benefit of the rate covenant with respect to operation of the System set forth in the Transportation Resolution.

Under the terms of the Note Resolution, amounts held in the Payment Fund may not be withdrawn for any purpose other than the payment of the Notes and may be invested in eligible investment securities. Eligible investment securities consist of obligations of the State, obligations of, or guaranteed by, the United States of America or any agency thereof, banker’s acceptances and repurchase agreements secured by such obligations, which have a maturity no later than the maturity date of the Notes. Earnings on such securities will be retained in the Payment Fund and are pledged as security for the Notes.

The Act contains a State pledge to, and agreement with, the holders of the bonds and notes of MTA that the State will not limit or alter the rights and powers vested in MTA by the Act to fulfill the terms of any contract made by MTA with the holders of its bonds and notes or in any way impair the rights and remedies of the holders of such bonds and notes until they are discharged. The Act also provides that so long as MTA has outstanding notes and bonds, including the Notes, neither it nor any of its subsidiaries shall have the authority to file a voluntary petition under Chapter Nine of the Federal Bankruptcy Code or such corresponding chapter as may from time to time be in effect. The Act authorizes MTA to extend, and the Note Resolution extends, this pledge and agreement of and denial of authority by the State to the holders of the Notes.

The Note Resolution provides that upon the deposit into and setting aside in a separate account to be held for the benefit of the holders of the Notes of monies and eligible investment securities (as described above) sufficient to pay the principal of and interest on the Notes, the covenants and provisions of the Note Resolution shall no longer apply.

#### **LIMITATIONS ON LIENS AND ADDITIONAL INDEBTEDNESS**

MTA has covenanted in the Note Resolution not to authorize or issue any notes or other evidences of indebtedness payable from or secured by the Payments and the Additional Payments or to pledge or create a lien on

the Payments and the Additional Payments on a basis equal, prior or superior to the pledge created under the Note Resolution.

The Note Resolution expressly permits MTA to issue bonds, notes or other obligations payable from the Regional Mobility Tax so long as no amounts payable to MTA from the Regional Mobility Tax are deposited for the benefit of or applied to the payment of principal of and interest on such obligations on or prior to December 31, 2009 or such earlier date on which amounts sufficient to pay principal and interest on the Notes have been set aside in compliance with the Note Resolution.

The covenants do not prohibit MTA from issuing any notes or other evidences of indebtedness payable from or secured by Payments if (i) any claim, lien or pledge securing such indebtedness is expressly made subordinate to any such claim, lien or pledge for the benefit of the Notes; (ii) such indebtedness has no interest payment dates, redemption dates or maturity dates on or prior to December 31, 2009; and (iii) such indebtedness requires no deposit from the Payments prior to December 31, 2009 or such earlier date on which amounts sufficient to pay principal and interest on the Notes have been set aside in compliance with the Note Resolution.

Such covenants are expressly made subject to the lien of the Transportation Resolution on amounts available to become Additional Payments and to the obligations of MTA to make certain contingent payments which could become due under existing leveraged lease transactions from such amounts prior to amounts becoming available to become Additional Payments.

The Note Resolution contains no covenants or restrictions on the issuance of bonds under the Transportation Resolution, the DTF Resolution or the MTA Bridges and Tunnels Senior and Subordinate Resolutions.

#### **PRINCIPAL SOURCES OF PAYMENTS**

Payments are available to secure payment of principal and interest on the Notes on a basis senior to the lien of the Transportation Resolution. Payments include monies:

(a) which the State is legally obligated to pay to MTA for the benefit of any Related Transportation Entity under

(i) Section 92-ff of Article VI of the State Finance Law described under “Regional Mobility Tax” below,

(ii) Section 18-b of the Transportation Law described under “Section 18-b Program” below,

(iii) Sections 88-a of Article VI of the State Finance Law described under “State Special Tax Supported Operating Subsidies—*MMTOA Receipts*” below,

(iv) Section 89-c of Article VI of the State Finance Law described under “State Special Tax Supported Operating Subsidies—*MTTF Receipts*” below, and

(v) Section 92-ff of Article VI of the State Finance Law described under “Additional New Fees and Taxes” below;

(b) which MTA Bridges and Tunnels is legally obligated to pay to MTA for the benefit of the Commuter Railroads under Section 569-c of the Public Authorities Law and to MTA New York City Transit under Section 219-a of the Public Authorities Law described under “MTA Bridges and Tunnels Operating Surplus” below;

(c) which the City and the counties in the MTA Commuter Transportation District are legally obligated to pay to MTA for the costs of operation, maintenance and use of each passenger station of the Commuter

System located within their respective areas under and pursuant to Section 1277 of the Act for the twelve month period ended March 31, 2009, described under “Commuter System Station Maintenance Payments” below; and

(d) certain mortgage recording taxes and real property taxes with respect to certain real property located in the City required by State statute to be paid to MTA New York City Transit described under “State Special Tax Supported Operating Subsidies—Urban Taxes for Transit System” below.

All of the Payments listed above under subparagraph (a) have been appropriated to MTA by the State Legislature for the State’s fiscal year ending March 31, 2010.

### **Regional Mobility Tax**

The May Legislation imposes the Regional Mobility Tax within the MTA Commuter Transportation District. Pursuant to new Section 801 of the New York State Tax Law, a tax of 0.34 percent is imposed on the payroll expense of every employer, with certain limited exceptions, who engages in business within the MTA Commuter Transportation District and the net self-employment earnings of individuals that are attributable to the MTA Commuter Transportation District. The Regional Mobility Tax is effective as of March 1, 2009 for employers other than public school districts; for public school districts the effective date is September 1, 2009. Initial payment of the Regional Mobility Tax, including all retroactive liability, is due coincident with an employer’s first withholding tax payment due starting October 31, 2009. Subject to annual appropriation by the State Legislature, the Regional Mobility Tax Revenues will be transferred monthly to MTA and deposited by MTA when received into a newly created fund, the MTA Finance Fund. The Regional Mobility Tax Revenues can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Regional Mobility Tax Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary.

### **Section 18-b Program**

A statewide mass transportation operating assistance program (Section 18-b Program) is administered by the State Commissioner of Transportation. Section 18-b Program payments to MTA for the Transit System and Commuter System are made quarterly on the basis of specific annual appropriations by the Legislature rather than pursuant to the formula set forth in the statute that is applicable to other transportation systems throughout the State.

The State appropriates substantially all of such Section 18-b Program payments from a separate account (the Transportation District Account) in a special State fund derived from the special taxes described below, the Metropolitan Mass Transportation Operating Assistance Fund (the MMTOA Fund). The remainder of such payments is appropriated from the State’s General Fund. Appropriation from the Transportation District Account reduces the amount that would otherwise be available to be appropriated to (1) MTA New York City Transit and MaBSTOA, and (2) MTA for the Commuter System, from such Account, as described below under “State Special Tax Supported Operating Subsidies – MMTOA Receipts.”

Under the Section 18-b Program:

- Whenever MTA New York City Transit or MaBSTOA receives a payment from the State, the City is required to make a matching payment in accordance with amounts established by the Legislature. In the event the City fails to make any required payment, the State Comptroller is authorized to withhold an equivalent amount from certain State aid to the City and to pay such amount directly to MTA New York City Transit or MaBSTOA.
- Whenever MTA receives a payment from the State for the Commuter System, the City and counties served by the Commuter System are required to make a matching payment in accordance with amounts established by the Legislature. In the event the City and counties fail to make any required payment, the

State Comptroller is authorized to withhold an equivalent amount from certain State aid to the City and counties and to pay such amount directly to MTA for the Commuter System.

### **State Special Tax Supported Operating Subsidies**

***MTTF Receipts.*** Subject to annual appropriation, a specified share of the following (the MTTF Receipts) are deposited in the State's dedicated mass transportation trust fund and paid to MTA by deposit into a dedicated tax fund (the Dedicated Tax Fund):

- a portion of the revenues derived from certain business privilege taxes imposed by the State on petroleum businesses (see "DEDICATED TAX FUND BONDS – MTTF Receipts – Dedicated Petroleum Business Tax" in Part 4 of Appendix A),
- a portion of the motor fuel tax on gasoline and diesel fuel (see "DEDICATED TAX FUND BONDS – MTTF Receipts – Motor Fuel Tax" in Part 4 of Appendix A), and
- a portion of certain motor vehicle fees, including both registration and non-registration fees (see "DEDICATED TAX FUND BONDS – MTTF Receipts – Motor Vehicle Fees" in Part 4 of Appendix A).

***MMTOA Receipts.*** Subject to annual appropriation, a specified share of the following (the MMTOA Receipts) are deposited in the MMTOA Account and paid to MTA by deposit into the Dedicated Tax Fund:

- a 3/8 of one percent regional sales tax,
- a temporary regional franchise tax surcharge,
- a portion of taxes on certain transportation and transmission companies, and
- an additional portion of the business privilege tax imposed on petroleum businesses.

See "DEDICATED TAX FUND BONDS – MMTOA Account – Special Tax Supported Operating Subsidies" in Part 4 of Appendix A for a more detailed description of the MMTOA Receipts.

***Use of MTTF Receipts and MMTOA Receipts.*** MTTF Receipts are used first to pay debt service on the Dedicated Tax Fund Bonds described under "PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS" in Part 4 of Appendix A. To the extent that MTTF Receipts are insufficient, MMTOA Receipts are used to pay the remainder of the debt service on the Dedicated Tax Fund Bonds. All remaining MTTF Receipts and MMTOA Receipts are then allocated to the Transit System and the Commuter System in accordance with the formula provided by statute (85% to the Transit System and 15% to the Commuter System in the case of MTTF Receipts; the relative percentage of that year's State appropriation to the Transit System and the Commuter System, respectively, in the case of MMTOA Receipts; in each case reducing from their final payments the respective amounts used for debt service).

A table showing five-year historical MTTF Receipts and MMTOA Receipts is set forth under "DEDICATED TAX FUND BONDS – Sources of Payment – Revenues from Dedicated Taxes" in Part 4 of Appendix A.

***Urban Taxes for Transit System.*** In addition to the aforementioned special tax supported subsidies, a portion of the amounts collected by the City from certain mortgage recording and real property transfer taxes with respect to certain real property located within the City (collectively, the Urban Taxes) are, as required by State statute, paid by the City's Commissioner of Finance directly to MTA New York City Transit on a monthly basis. The Urban Taxes can change dramatically from year to year depending on the level of real estate activity.

### **Additional New Taxes and Fees**

The May legislation also directed revenues from the following four new taxes/fees to the Corporate Transportation Account of the MTA Special Assistance Fund:

- A supplemental motor vehicle license fee of a dollar per six month interval in the MTA Commuter Transportation District;
- In the MTA Commuter Transportation District, a supplemental motor vehicle registration fee of \$25 for each year that the registration is valid;
- A tax of fifty cents per taxicab ride on every ride that originates in the City and terminates anywhere within the territorial boundaries of the MTA Commuter Transportation District; and
- A supplemental tax of 5 percent on passenger car rentals in the MTA Commuter Transportation District.

The new revenues, to be deposited in the Corporate Transportation Account, may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such new revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine.

### **Commuter System Station Maintenance Payments**

The City and each of the seven counties in the MTA Commuter Transportation District outside the City are each billed an amount fixed by statute for the operation, maintenance and use of Commuter System passenger stations within the City and each such county as adjusted each year for increases or decreases in the consumer price index for wage earners and clerical workers in the New York, Northeastern-New Jersey Consolidated Metropolitan Statistical Area. The State Legislature has not made any changes in the base amounts since 2000. Further modifications may be recommended to the State Legislature every five years (the next such year being 2010) based upon changes made to commuter services.

### **MTA Bridges and Tunnels Operating Surplus**

Section 569-c of the MTA Bridges and Tunnels Act and Section 1219-a of the MTA New York City Transit Act require MTA Bridges and Tunnels to transfer its operating surplus (MTA Bridges and Tunnels Operating Surplus) to MTA New York City Transit and to MTA for the Commuter Railroads in accordance with a statutorily mandated formula hereinafter described.

For such purposes, the MTA Bridges and Tunnels Operating Surplus subject to such transfer is the amount remaining from all tolls and other operating revenues derived from the MTA Bridges and Tunnels Facilities after (1) payment of (a) operating, administration and other expenses of MTA Bridges and Tunnels properly chargeable to such projects, and (b) principal of and sinking fund installments and interest on its bonds, including bonds issued under the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution (as defined under "PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS" in Part 4 of Appendix A) to the extent, if any, paid from such sources, and (2) provision for (x) reserves and for all contract provisions with respect to any such bonds and (y) other obligations, including MTA Bridges and Tunnels' base rent payments in connection with the 2 Broadway Certificates of Participation, incurred in connection with any of its authorized projects. See "PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS" in Part 4 of Appendix A.

The first \$24 million of MTA Bridges and Tunnels Operating Surplus must be allocated to MTA New York City Transit, and any excess is divided equally between MTA New York City Transit and MTA for the benefit of

the Commuter Railroads; however, the cash payments are reduced by the proportional amounts of MTA Bridges and Tunnels' debt service reasonably attributable to the bond proceeds used for their respective benefit.

The MTA Chairman is authorized in his discretion to advance to MTA and MTA New York City Transit monthly, from available funds, an aggregate amount not to exceed 90% of the Chairman's estimate of the sum which that month's operations will contribute to the "operating surplus" of MTA Bridges and Tunnels that he anticipates will or may be certified and transferred for the fiscal year in which such month falls.

For a further description of this subsidy, see "REVENUES OF THE RELATED ENTITIES – MTA Bridges and Tunnels Surplus" in Part 3 of Appendix A.

### **SOURCES OF ADDITIONAL PAYMENTS**

Additional Payments are primarily operating revenues of MTA New York City Transit and the Commuter Railroads, consisting of any available Revenues or Net Proceeds of Qualified Agreements (each as defined in the Transportation Resolution) which are available to be transferred to accounts held by MTA or any other Related Transportation Entity pursuant to the Transportation Resolution. See "REVENUES OF THE RELATED ENTITIES" in Part 3 of Appendix A. Such Additional Payments are available to secure payment of principal and interest on the Notes on a basis subordinate to the payment of debt service under the Transportation Resolution.

### **CASH FLOW AND CASH FLOW PROJECTIONS**

The table on the following page sets forth a summary of the actual cash flow by month for the period January 1, 2009 through May 31, 2009 and projected cash flow for the period June 1, 2009 through December 31, 2009. The projected cash flow is based in part upon information and projections provided to MTA from the State and other sources. MTA has from time to time experienced delays in the receipt of subsidies provided by the State, the City and other local governments. There can be no assurance that such subsidies will be received in the specific time periods reflected in the table, nor can there be any assurance that farebox and other revenues of MTA New York City Transit or the Commuter Railroads will be received at the times or in the amounts reflected in the table.

Cash balances include the receipt of subsidies held at MTA for the benefit of the Transit and Commuter systems, set-asides designated for eventual deposit into OPEB trusts, amounts made temporarily available from MTA Bridges and Tunnels's Necessary Construction Reserve, accumulated Mortgage Recording Tax receipts and non-bond capital program funds temporarily made available for payment of operating expenses as an interagency loan. Except for the subsidy receipts, these funds are cash resources that are, and have been, available to MTA for managing its consolidated cash flow needs prior to their expenditure for intended purposes. These cash balances do not include funds held in dedicated accounts for restricted purposes such as bond proceeds and debt service accounts.

**CASH FLOW AND CASH FLOW PROJECTIONS**  
**CALENDAR YEAR 2009**  
**(\$ IN MILLIONS)**

|   | ACTUAL       |                |                |                |                | FORECAST     |              |              |               |                |              |                           | FULL YEAR<br>TOTAL |
|---|--------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|---------------|----------------|--------------|---------------------------|--------------------|
|   | Jan          | Feb            | Mar            | Apr            | May            | June         | July         | Aug          | Sept          | Oct            | Nov          | Dec                       |                    |
| <b>Transit Authority</b>                            |              |                |                |                |                |              |              |              |               |                |              |                           |                    |
| Farebox Revenues                                    | \$244.9      | \$221.3        | \$254.6        | \$252.9        | \$231.4        | \$266.8      | \$271.8      | \$269.0      | \$266.2       | \$277.7        | \$261.4      | \$265.8                   | \$3,083.8          |
| Other Income and Reimbursements                     | <u>136.5</u> | <u>81.2</u>    | <u>103.1</u>   | <u>72.6</u>    | <u>70.0</u>    | <u>163.3</u> | <u>115.3</u> | <u>90.8</u>  | <u>92.3</u>   | <u>90.8</u>    | <u>91.3</u>  | <u>86.3</u>               | <u>1,193.5</u>     |
| Total Revenues <sup>1</sup>                         | \$381.4      | \$302.5        | \$357.7        | \$325.5        | \$301.4        | \$430.1      | \$387.1      | \$359.8      | \$358.5       | \$368.5        | \$352.7      | \$352.1                   | \$4,277.3          |
| Total Subsidies <sup>2</sup>                        | <u>41.6</u>  | <u>53.8</u>    | <u>33.2</u>    | <u>42.0</u>    | <u>203.7</u>   | <u>223.3</u> | <u>107.9</u> | <u>199.5</u> | <u>113.9</u>  | <u>116.9</u>   | <u>202.7</u> | <u>535.2</u> <sup>3</sup> | <u>1873.8</u>      |
| Total Transit Authority Cash Inflow                 | \$423.0      | \$356.3        | \$390.9        | \$367.5        | \$505.1        | \$653.4      | \$495.0      | \$559.3      | \$472.4       | \$485.4        | \$555.4      | \$887.3                   | \$6,151.1          |
| Total Expenses                                      | \$(462.6)    | \$(512.5)      | \$(520.7)      | \$(597.1)      | \$(492.8)      | \$(541.3)    | \$(830.2)    | \$(509.0)    | \$(514.4)     | \$(638.2)      | \$(498.0)    | \$(792.8)                 | \$(6,909.6)        |
| <b>Commuter Railroads</b>                           |              |                |                |                |                |              |              |              |               |                |              |                           |                    |
| Farebox Revenues                                    | \$80.7       | \$76.0         | \$83.1         | \$82.8         | \$82.6         | \$93.3       | \$98.1       | \$95.3       | \$92.1        | \$91.5         | \$91.7       | \$92.6                    | \$1059.7           |
| Other Income and Reimbursements                     | <u>36.5</u>  | <u>54.7</u>    | <u>47.9</u>    | <u>36.8</u>    | <u>46.0</u>    | <u>53.8</u>  | <u>56.0</u>  | <u>59.5</u>  | <u>58.8</u>   | <u>58.1</u>    | <u>62.7</u>  | <u>75.0</u>               | <u>645.8</u>       |
| Total Revenues <sup>1</sup>                         | \$117.2      | \$130.7        | \$131.0        | \$119.6        | \$128.5        | \$147.1      | \$154.1      | \$154.8      | \$150.8       | \$149.6        | \$154.4      | \$167.7                   | \$1,705.5          |
| Total Subsidies <sup>2</sup>                        | <u>4.4</u>   | <u>43.4</u>    | <u>21.8</u>    | <u>16.4</u>    | <u>82.7</u>    | <u>132.5</u> | <u>39.3</u>  | <u>81.3</u>  | <u>130.5</u>  | <u>45.2</u>    | <u>80.4</u>  | <u>240.1</u> <sup>3</sup> | <u>918.0</u>       |
| Total Commuter Cash Inflow                          | \$121.5      | \$174.1        | \$152.8        | \$136.0        | \$211.3        | \$279.7      | \$193.4      | \$236.1      | \$281.4       | \$194.8        | \$234.8      | \$407.7                   | \$2,623.6          |
| Total Expenses                                      | \$(204.2)    | \$(189.1)      | \$(219.5)      | \$(214.4)      | \$(211.0)      | \$(230.5)    | \$(242.7)    | \$(213.2)    | \$(209.3)     | \$(231.6)      | \$(203.8)    | \$(242.5)                 | \$(2,611.9)        |
| <b>Transit and Commuter Debt Service</b>            | \$(59.6)     | \$(54.4)       | \$(57.2)       | \$(54.5)       | \$(55.8)       | \$(58.3)     | \$(67.6)     | \$(67.5)     | \$(67.4)      | \$(18.1)       | \$(72.2)     | \$(76.8)                  | \$(709.4)          |
| <b>Capital Cash Use / Reimbursement<sup>4</sup></b> | \$572.7      | \$3.5          | \$151.5        | \$137.2        | \$(181.0)      | --           | --           | --           | --            | --             | --           | \$(500.0)                 |                    |
| <b>New Taxes</b>                                    |              |                |                |                |                |              |              |              |               |                |              |                           |                    |
| Regional Mobility Tax                               | --           | --             | --             | --             | --             | --           | --           | --           | --            | --             | \$858.0      | \$163.0                   | \$1,021.0          |
| Other Taxes   | --           | --             | --             | --             | --             | --           | --           | --           | --            | --             | <u>69.0</u>  | <u>0.0</u>                | <u>69.0</u>        |
| Total New Taxes                                     |              |                |                |                |                |              |              |              |               |                | \$927.0      | \$163.0                   | \$1,090.0          |
| <b>Revenue Anticipation Notes</b>                   |              |                |                |                |                |              |              |              |               |                |              |                           |                    |
| Proceeds Received                                   | --           | --             | --             | --             | --             | --           | \$603.3      | --           | --            | --             | --           | --                        |                    |
| Repayment Set-asides                                | --           | --             | --             | --             | --             | --           | --           | --           | --            | --             | \$(605.7)    | --                        |                    |
| Cash Position – Beginning of Month <sup>5</sup>     | \$542.5      | \$933.3        | \$711.3        | \$609.1        | \$383.7        | \$159.5      | \$262.5      | \$413.8      | \$419.4       | \$382.1        | \$174.3      | \$511.8                   |                    |
| Net Change in Cash                                  | <u>390.7</u> | <u>(222.0)</u> | <u>(102.2)</u> | <u>(225.3)</u> | <u>(224.3)</u> | <u>103.0</u> | <u>151.3</u> | <u>5.6</u>   | <u>(37.4)</u> | <u>(207.7)</u> | <u>337.4</u> | <u>(154.0)</u>            |                    |
| Cash Position – End of Month <sup>5</sup>           | \$933.3      | \$711.3        | \$609.1        | \$383.7        | \$159.5        | \$262.5      | \$413.8      | \$419.4      | \$382.1       | \$174.3        | \$511.8      | \$357.7 <sup>6</sup>      |                    |

<sup>1</sup> These amounts represent amounts that would be available as Additional Payments as described in this Official Statement. Such Additional Payments would secure payment of principal and interest on the Notes on a basis subordinate to the payment of debt service under the Transportation Resolution.

<sup>2</sup> These amounts represent amounts that would be available as Payments as described in this Official Statement. Such Payments would secure payment of principal and interest on the Notes on a basis senior to the payment of debt service under the Transportation Resolution.

<sup>3</sup> Includes anticipated receipt in December of previously delayed MMTA receipts as well as the advance of substantially all of the first-quarter 2010 MMTA Receipts, following the practice of the State since 2003.

<sup>4</sup> Includes \$500 million transfer in January from the Capital Financing Fund as an interagency loan, which was actually transferred at the end of December 2008 but not available to be expended until January 2009, and repayment of such loan in December 2009.

<sup>5</sup> These cash balances do not include funds held in dedicated accounts for restricted purposes such as bond proceeds and debt service accounts.

<sup>6</sup> December ending cash balance represents total cash available for liquidity purposes, including MTA Bridges and Tunnels' Necessary Construction Reserve and OPEB set-asides.

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## REGIONAL MOBILITY TAX ESTIMATES

Pursuant to new Section 801 of the New York State Tax Law, the Regional Mobility Tax of 0.34 percent is imposed on the payroll expense of every employer, with certain limited exceptions, who engages in business within the MTA Commuter Transportation District and the net self-employment earnings of individuals that are attributable to the MTA Commuter Transportation District. The tax is effective as of March 1, 2009 for employers other than public school districts; for public school districts the effective date is September 1, 2009. Initial revenue from the mobility tax, including all retroactive liability, is due coincident with an employer's first withholding tax payment due starting October 31, 2009. Non-PromptTax taxpayers pay on a quarterly basis and PromptTax users pay on their regularly scheduled payroll withholding dates. Once received by the State, monies are segregated and held in trust by the State on behalf of MTA. The State may not use funds in the trust account for any purpose other than to transfer the monies to MTA. Pursuant to the May Legislation, Regional Mobility Tax Revenue is to be transferred monthly to MTA and deposited into a newly created fund held by MTA, the MTA Finance Fund.

The tables below provide historical and estimated and projected data regarding the Regional Mobility Tax base for the MTA Commuter Transportation District. The tables also provide pro forma annual receipts of the Regional Mobility Tax. Pro forma Regional Mobility Tax receipts for 2009, the initial year of collection, are adjusted for the implementation and collection timing for different taxpayer classes. The estimated Regional Mobility Tax receipts reflected in the table are based on historical data for wages and salaries and proprietors' income from the U.S. Bureau of Economic Analysis for the 12-county MTA Commuter Transportation District for 2000 through 2007 and estimates and projections of such wages, salaries and income prepared by MTA for 2008 and 2009, respectively. Such estimates have been reduced to give effect to the elimination of wages of federal employees who are not subject to the Regional Mobility Tax. No reductions have been made to reflect wages, salaries and income of other excluded employees or amounts deducted for reserve of tax refunds and State administrative expenses. Please refer to the footnotes in the tables for important information regarding the data. There can be no assurance that wages, salaries and income for 2009 will be at the levels projected in the table or that the amounts shown as pro forma Regional Mobility Tax receipts for the initial year in the table will actually be received by MTA during 2009. The reference in the following table to RMT is a reference to the Regional Mobility Tax as used throughout this Official Statement.

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**REGIONAL MOBILITY TAX BASE (HISTORICAL)**  
(000's)

|  | 2000                 | 2001                 | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Wage &amp; salary disbursements<sup>1</sup></b>                 | <b>\$309,023,216</b> | <b>\$316,566,844</b> | <b>\$305,678,974</b> | <b>\$309,884,058</b> | <b>\$331,573,289</b> | <b>\$349,984,315</b> | <b>\$380,086,704</b> | <b>\$417,299,946</b> |
| New York City  | 227,584,315          | 232,153,585          | 219,912,957          | 220,915,571          | 237,864,825          | 252,622,168          | 277,271,994          | 308,186,404          |
| Long Island  | 48,675,782           | 49,569,681           | 50,500,735           | 52,531,299           | 54,843,894           | 56,919,467           | 60,234,747           | 63,823,312           |
| Hudson Valley  | 32,763,119           | 34,843,578           | 35,265,282           | 36,437,188           | 38,864,570           | 40,442,680           | 42,579,963           | 45,290,230           |
| <b>Proprietors' income<sup>2</sup></b>                             | <b>\$56,279,037</b>  | <b>\$57,279,471</b>  | <b>\$58,791,125</b>  | <b>\$58,880,760</b>  | <b>\$63,450,736</b>  | <b>\$67,339,936</b>  | <b>\$73,068,999</b>  | <b>\$73,993,230</b>  |
| New York City  | 42,517,173           | 41,988,436           | 43,213,509           | 43,649,557           | 46,765,071           | 49,600,895           | 53,878,409           | 54,885,503           |
| Long Island  | 7,614,334            | 8,654,556            | 8,882,473            | 8,632,512            | 9,320,602            | 9,950,600            | 10,722,263           | 10,705,087           |
| Hudson Valley  | 6,147,530            | 6,636,479            | 6,695,143            | 6,598,691            | 7,365,063            | 7,788,441            | 8,468,327            | 8,402,640            |
| <b>Total</b>   | <b>\$365,302,253</b> | <b>\$373,846,315</b> | <b>\$364,470,099</b> | <b>\$368,764,818</b> | <b>\$395,024,025</b> | <b>\$417,324,251</b> | <b>\$453,155,703</b> | <b>\$491,293,176</b> |
| <b>Estimated adjusted RMT base<sup>3</sup></b>                     | <b>\$359,554,421</b> | <b>\$367,958,172</b> | <b>\$358,784,470</b> | <b>\$363,000,975</b> | <b>\$388,856,762</b> | <b>\$410,814,543</b> | <b>\$446,086,090</b> | <b>\$483,531,397</b> |
| <b>Pro forma annual RMT receipts</b>                               | <b>\$1,222,485</b>   | <b>\$1,251,058</b>   | <b>\$1,219,867</b>   | <b>\$1,234,203</b>   | <b>\$1,322,113</b>   | <b>\$1,396,769</b>   | <b>\$1,516,693</b>   | <b>\$1,644,007</b>   |
| <b>Pro forma RMT receipts for initial partial year<sup>4</sup></b> | <b>\$842,292</b>     | <b>\$861,979</b>     | <b>\$840,488</b>     | <b>\$850,366</b>     | <b>\$910,936</b>     | <b>\$962,374</b>     | <b>\$1,045,001</b>   | <b>\$1,132,721</b>   |

<sup>1</sup> Source: Bureau of Economic Analysis, US Department of Commerce. Wage and salary disbursements consists of the monetary remuneration of employees, including corporate officers' salaries and bonuses, commissions, pay-in-kind, incentive payments, and tips. It reflects the amount of payments disbursed, but not necessarily earned during the year. Wage and salary disbursements is measured before deductions, such as social security contributions and union dues.

<sup>2</sup> Source: Bureau of Economic Analysis, US Department of Commerce. Proprietors' income is the current-production income (including income in kind) of sole proprietorships and partnerships and of tax-exempt cooperatives. Corporate directors' fees are included in proprietors' income, but the imputed net rental income of owner-occupants of all dwellings is included in rental income of persons. Proprietors' income excludes dividends and monetary interest received by nonfinancial business and rental incomes received by persons not primarily engaged in the real estate business; these incomes are included in dividends, net interest, and rental income of persons, respectively.

<sup>3</sup> Data from Bureau of Economic Analysis does not include certain adjustments to reflect certain non-taxpayers. Estimated adjusted RMT tax base excludes estimated wages for federal employees, based on data from the Bureau of Economic Analysis regarding federal earnings as percentage of total earnings for the 2000-2007 period. No adjustments have been made for wages, salaries and income of other excluded employees or for amounts deducted for reserves for tax refunds or State administrative expenses.

<sup>4</sup> Pro Forma RMT receipts, as adjusted for initial tax collection partial year. Adjustments include effective date of September 1 for public school district employers; effective date of March 1 for other employers; and collection timing differences for PrompTax filers and quarterly filers.

**REGIONAL MOBILITY TAX BASE (ESTIMATED AND PROJECTED)**  
(000's)

|  | 2008 (estimated)     | 2009 (projected)               |
|--|----------------------|--------------------------------|
| <b>Wage &amp; salary disbursements<sup>5</sup></b>                 | <b>\$431,204,243</b> | <b>\$409,357,919</b>           |
| New York City  | 318,942,109          | 301,846,812                    |
| Long Island  | 65,623,129           | 62,768,523                     |
| Hudson Valley  | 46,639,004           | 44,742,583                     |
| <b>Proprietors' income<sup>5</sup></b>                             | <b>\$76,460,854</b>  | <b>\$72,585,676</b>            |
| New York City  | 56,801,007           | 53,756,473                     |
| Long Island  | 11,006,970           | 10,528,167                     |
| Hudson Valley  | 8,652,876            | 8,301,036                      |
| <b>Total</b>   | <b>\$507,665,096</b> | <b>\$481,943,595</b>           |
| <b>Estimated adjusted RMT base<sup>6</sup></b>                     | <b>\$499,644,697</b> | <b>\$474,329,538</b>           |
| <b>Pro forma annual RMT receipts</b>                               | <b>\$1,698,792</b>   | <b>\$1,482,000<sup>7</sup></b> |
| <b>Pro forma RMT receipts for initial partial year<sup>8</sup></b> | <b>\$1,170,468</b>   | <b>\$1,021,098</b>             |

<sup>5</sup> Based on economic forecasting resources of MTA for estimates of changes in wages and salary in the MTA Commuter Transportation District since 2007.

<sup>6</sup> Estimated adjusted RMT tax base excludes estimated wages for federal employees, based on data from the Bureau of Economic Analysis regarding federal earnings as percentage of total earnings for the 2000-2007 period. No adjustments have been made for wages, salaries and income of other excluded employees or for amounts deducted for reserves for tax refunds or State administrative expenses.

<sup>7</sup> Reflects amount appropriated by the State to MTA for State fiscal year 2009-2010 (ending March 31, 2010), rather than the tax which would be paid based on projected wages, salaries and income for 2009.

<sup>8</sup> Pro Forma RMT receipts, as adjusted for initial tax collection partial year. Adjustments include effective date of September 1 for public school district employers; effective date of March 1 for other employers; and collection timing differences for PromptTax filers and quarterly filers. 2009 amount reflects projected RMT to be received in 2009 based on the appropriated amount for State's fiscal year.

### **PART III. OTHER INFORMATION ABOUT THE NOTES**

*Part III* of this Official Statement provides miscellaneous additional information relating to the Notes.

#### **UNDERWRITING**

The Underwriters for the Notes have agreed, subject to certain conditions, to purchase from MTA, the Notes at an aggregate purchase price of \$604,033,868.96, reflecting a net original issue premium of \$4,578,000.00 and an Underwriters' discount of \$544,131.04.

The Notes may be offered and sold to certain dealers (including dealers depositing such Notes into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Notes if any Notes are purchased.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Notes, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Notes.

J.P. Morgan Securities Inc., one of the underwriters of the Notes, has entered into an agreement (the Distribution Agreement) with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings, including the Notes, at the original issue prices. Pursuant to the Distribution Agreement, J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Notes with UBS Financial Services Inc.

#### **TAX MATTERS**

##### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the Code), imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Notes. MTA has covenanted in the Note Resolution to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Nixon Peabody LLP (Bond Counsel) under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the MTA described above, interest on the Notes is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a specific preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Notes is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

##### **State and Local Taxes**

Bond Counsel is also of the opinion that interest on the Notes is exempt, by virtue of the Act, from New York State, New York City and City of Yonkers income taxes.

## **Bond Premium**

Any Notes purchased, whether at original issuance or otherwise, for an amount greater than their stated redemption price at maturity (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a purchaser’s basis in a Premium Note, and under Treasury Regulations, the amount of tax exempt interest received, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

## **Ancillary Tax Matters**

Ownership of the Notes may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Notes may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Notes; for certain debt obligations issued during 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the application of those rules as they apply to financial institutions. Prospective investors are advised to consult their own tax advisors regarding these rules and their application to the Notes.

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Notes is subject to information reporting to the Internal Revenue Service (the IRS) in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those described in the opinions attached as Attachment 2. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

## **Changes in Law and Post Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for Federal or state income tax purposes, and thus on the value or marketability of the Notes. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Notes from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Notes may occur. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes. Bond Counsel expresses no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other counsel.

## **LEGALITY FOR INVESTMENT**

Under the Act, the Notes are made securities in which all public officers and bodies of the State and all municipalities and municipal 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 whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may, to the extent that the legality of their investments is governed by the laws of the State, properly and legally invest funds including capital in their control or belonging to them. The Notes are also made securities which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and municipal subdivisions, to the extent that the legality of their investments is governed by the laws of the State, for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

## LITIGATION

There is no material pending litigation concerning the Notes being offered.

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 Notes. A summary of certain of these potentially material claims and actions is set forth in **Appendix A** — “THE RELATED ENTITIES — Litigation.”

## LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Notes are subject to the approval of Nixon Peabody LLP, Bond Counsel to MTA. The form of Bond Counsel’s opinion is attached hereto as Attachment 2.

## RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that have been assigned to the Notes. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings from each identified agency may be obtained as follows:

| Moody’s Investors Service, Inc.                                    | Fitch Ratings  | Standard & Poor’s Ratings Services                            |
|--|--|---|
| 7 World Trade Center<br>New York, New York 10007<br>(212) 553-0300 | One State Street Plaza<br>New York, New York 10004<br>(212) 908-0500 | 55 Water Street<br>New York, New York 10041<br>(212) 438-2000 |

MTA has furnished to each rating agency rating the Notes being offered information, including information not included in this official statement, about MTA and the Notes. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. 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 Notes. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Notes.

## FINANCIAL ADVISOR

Goldman, Sachs & Co. is MTA’s financial advisor for the Notes. The financial advisor has provided MTA advice on the plan of financing and reviewed the pricing of the Notes. The financial advisor has not independently verified the information contained in this official statement and does not assume responsibility for the accuracy, completeness or fairness of such information. The financial advisor’s fee for serving as financial advisor is contingent upon the issuance of the Notes.

## FURTHER INFORMATION

MTA may place a copy of this official statement on its website at [www.mta.info](http://www.mta.info). No statement on the 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.

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The delivery of this Official Statement has been duly authorized by MTA.

## METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Gary J. Dellaverson  
Chief Financial Officer  
Metropolitan Transportation Authority

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## ATTACHMENT 1

### BOOK-ENTRY-ONLY SYSTEM

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

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2009 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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of

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

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Paying Agent, 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 Paying Agent 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 Paying Agent, 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 Notes at any time by giving reasonable notice to MTA or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Notes are required to be printed and delivered.

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

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

**ATTACHMENT 2**

**FORM OF OPINION OF BOND COUNSEL**

**Upon delivery of the Notes in definitive form, Nixon Peabody LLP, New York, New York, Bond Counsel to the MTA, proposes to render its final approving opinion in substantially the following form:**

[Closing Date]

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

Ladies and Gentlemen:

We have examined a copy of the proceedings of the Metropolitan Transportation Authority (the "Authority") and other proofs submitted to us relative to the issuance and sale of \$600,000,000 aggregate principal amount of Metropolitan Transportation Authority Revenue Anticipation Notes, Series 2009, dated July \_\_, 2009 (the "Series 2009 Notes"), more particularly described below.

The Series 2009 Notes are numbered from one (1) consecutively upwards, mature on December 31, 2009, and bear interest from their date at the rate of two percent (2.00%) per annum, payable at maturity.

The Series 2009 Notes are not subject to redemption prior to maturity.

The Series 2009 Notes are issuable in the form of fully registered notes in the denomination of \$100,000 or any integral multiple of \$1,000 in excess thereof.

The principal of and interest on the Series 2009 Notes are payable at the principal corporate trust office of The Bank of New York, New York, New York, as Paying Agent (the "Paying Agent").

All terms defined in the Note Resolution described below and used herein shall have the meanings assigned in the Resolution, except where the context hereof otherwise requires.

We have also examined one of said Series 2009 Notes as executed and, in our opinion, the form of said Series 2009 Note and its execution are regular and proper.

We are of the opinion that:

1. The Authority is a validly existing public benefit corporation under the Constitution and laws of the State of New York, and such proceedings and proofs show lawful authority, for the issuance and sale of said Series 2009 Notes pursuant to Title 11 of Article 5 of the Public Authorities Law, constituting Chapter 43-A of the Consolidated Laws of the State of New York, as amended (the "Act"), and the, Series 2009 Transportation Revenue Anticipation Note Resolution (the "Note Resolution") of the Authority, adopted on June 24, 2009.

2. The Note Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms.

3. The Series 2009 Notes are valid and legally binding special obligations of the Authority payable and enforceable in accordance with their terms and are secured by a pledge of (i) the first Payments (as defined in the Note Resolution) received on or after the date of issuance of the Notes of monies which the State is legally

obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 92-ff of Article VI of the State Finance Law from amounts required to be deposited in the Mobility Tax Trust Account in the Metropolitan Transportation Authority Financial Assistance Fund up to any amount equal to principal of and interest on the Notes, (ii) the first Payments, other than those described in the preceding clause (i) received by any Related Transportation Entity on or after November 25, 2009 up to any amount equal to principal of and interest on the Notes, (iii) all of the monies deposited or caused to be deposited in the Payment Fund (as defined in the Note Resolution) pursuant to the Deposit Agreement, dated as of July 1, 2009 by and among the Authority, the New York City Transit Authority (the "Transit Authority"), the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), MTA Bus Company ("MTA Bus"), The Long Island Rail Road Company ("LIRR"), the Metro-North Commuter Railroad Company ("MNCRC") and Triborough Bridge and Tunnel Authority ("TBTA") (the "Deposit Agreement") (such monies being hereinafter referred to as the "Deposited Monies"), and (iv) the Payment Fund including any investment income thereon (collectively, the "Pledged Amounts"). If the Pledged Amounts are insufficient to pay the Series 2009 Notes when due, the Series 2009 Notes are also payable from, and secured by, any other available Revenues and Net Proceeds of Qualified Agreements (each as defined in the General Resolution Authorizing Transportation Revenue Obligations, adopted by the Authority on March 26, 2002, as supplemented (the "Transportation Resolution"), which are referred to in the Note Resolution as Additional Payments. Prior to their deposit into the Payment Fund, all such Additional Payments are subject to the prior liens created and existing under the Transportation Resolution and the Interagency Agreement, as amended and restated as of April 1, 2006, by and among the Authority, the Transit authority, MaBSTOA, the LIRR, MNCRC and MTA Bus (collectively, the "Existing Lien Documents"). The Payments consist of the monies (a) which the State (along with The City of New York City (the "City") and certain counties) is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 18-b of the Transportation Law and Sections 88-a, 89-c and 92-ff of Article VI of the State Finance Law, (b) which TBTA is legally obligated to pay to the Authority for the benefit of LIRR and MNCRC under Section 569-c of the Public Authorities Law and to the Transit Authority under Section 1219-a of the Public Authorities Law, (c) which the City and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties are legally obligated to pay to the Authority for the costs of operation, maintenance and use of each passenger station of the Commuter System located within their respective areas under and pursuant to Section 1277 of the Act for the twelve month period ended March 31, 2009, (d) certain mortgage recording taxes and real property taxes with respect to certain real property located in the City required by State statute to be paid to the Transit Authority, and (e) that are made available from amounts allocable to the payment of capital costs to reimburse the Authority or any other Related Transportation Entity for expenses related to employees working on capital projects. The lien created by the Existing Lien Documents is subordinate to the lien on the Payments created and existing under the Note Resolution.

4. The Authority, the Transit Authority, MaBSTOA, the LIRR, MNCRC, MTA Bus and TBTA have the right and power to execute the Deposit Agreement; such Deposit Agreement has been duly and lawfully authorized, executed and delivered by the Authority, the Transit Authority, MaBSTOA, the LIRR, MNCRC, MTA Bus and TBTA; and such Deposit Agreement is in full force and effect and is valid and binding upon the Authority, the Transit Authority, MaBSTOA, the LIRR, MNCRC and MTA Bus and enforceable in accordance with its terms.

5. The Series 2009 Notes are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and saving 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 now or may hereinafter be authorized to invest in bonds or other obligations of the State of New York, 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 of New York; and are eligible for deposit with and shall be received by all public officers and bodies of the State of New York and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations for the State is now or may hereinafter be authorized.

6. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009 Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2009 Notes to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2009 Notes. The Authority has covenanted in the Resolution to comply with the

applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2009 Notes from gross income for Federal income tax purposes pursuant to Section 103 of the Code.

Under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority in connection with the delivery of the Series 2009 Notes, interest on the Series 2009 Notes is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Such interest is not treated as a specific preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations, and is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

7. The interest on the Series 2009 Notes is exempt, by virtue of the Act, from New York State, New York City and City of Yonkers income taxes.

Except as stated in the preceding three paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Series 2009 Notes.

The opinions set forth above are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights. By use of the word "enforceable" in this opinion we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

Very truly yours,

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**ATTACHMENT 3**

**SERIES 2009 TRANSPORTATION REVENUE ANTICIPATION NOTE RESOLUTION**

**METROPOLITAN TRANSPORTATION AUTHORITY**

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**SERIES 2009 TRANSPORTATION REVENUE ANTICIPATION NOTE RESOLUTION**

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**Adopted June 24, 2009**

## **SERIES 2009 TRANSPORTATION REVENUE ANTICIPATION NOTE RESOLUTION**

BE IT RESOLVED by the Metropolitan Transportation Authority (the "Authority"), as follows:

SECTION 1. Pursuant to Title 11 of Article 5 of the Public Authorities Law, as amended (the "Act"), there is hereby authorized to be issued in one or more series from time to time by the Authority notes, designated "Revenue Anticipation Notes, Series 2009" (the "Notes"), in the aggregate principal amount of up to Six Hundred Million (\$600,000,000) for the purpose of paying a portion of the Operating and Maintenance Expenses (as defined in the General Resolution Authorizing Transportation Revenue Obligations adopted by the Authority on March 26, 2002, as supplemented, the "Transportation Resolution") or providing working capital for any one or more Related Transportation Entities in accordance with the provisions of the Transportation Resolution (including any amounts necessary to pay all costs incurred in connection with the issuance of the Notes). Such Notes shall constitute Revenue Anticipation Notes as defined in the Transportation Resolution.

SECTION 2. The Notes shall be issued in fully-registered form, subject to the provisions of a book-entry system (as hereinafter described), shall be in the denomination of \$100,000 or any integral multiple of \$1,000 in excess of \$100,000 and shall be numbered from one (1) consecutively upwards. The Notes shall be dated the date or dates, mature on the date or dates (not later than December 31, 2009), and shall bear interest from such date or dates at the rate or rates set forth (i) in the letter or letters of the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority delivered to the successful bidder or bidders pursuant to Section 16 hereof if the Notes are sold by competitive bid or (ii) in the certificate or certificates of the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority delivered pursuant to Section 16 hereof if the Notes are sold in a negotiated sale. The rate or rates of interest on the Notes shall be calculated on the basis of twelve (12) 30-day months and a three hundred sixty (360) day year for a term of days specified in the letter or letters or certificate or certificates referred to in the preceding sentence. The Notes shall be designated as "Revenue Anticipation Notes, Series 2009" or such other title or titles set forth in the letter or letters or certificate or certificates delivered pursuant to Section 16 hereof.

SECTION 3. The payment of the principal of and interest on the Notes shall be made in lawful money of the United States of America in immediately available funds at the principal corporate trust office of The Bank of New York Mellon, New York, New York, which is hereby appointed Paying Agent for the Notes (the "Paying Agent"), upon presentation and surrender, subject to the provisions of the Letter of Representations (as hereinafter defined), of the Notes to the Paying Agent at maturity. The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to enter into such agreements and make such other arrangements with the Paying Agent as such officer deems necessary or appropriate to enable the Paying Agent to accomplish its duties under this resolution.

SECTION 4. The Notes shall be executed in the name of the Authority by the facsimile signature of its Chairman, any Vice-Chairman, the interim Executive Director or Chief Financial Officer of the Authority and the seal of the Authority (or a facsimile thereof) shall be affixed, impressed, imprinted, engraved or otherwise reproduced thereon and attested by the Secretary or an Assistant Secretary of the Authority. The Notes shall be issued in substantially the form attached hereto as Exhibit A, with such changes therein or variations thereof as the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer Director of the Authority may deem necessary or appropriate upon the issuance thereof. The Authority may, pending the delivery of the Notes in definitive form, issue and deliver the Notes in temporary form.

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said Notes. All expenses in relation to the printing of CUSIP numbers on said Notes shall be paid for by the Authority.

SECTION 5. The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to take all actions required for the Notes to be eligible under the rules and regulations of The Depository Trust Company ("DTC"), 55 Water Street, New York, New York, for investment and rating as uncertificated securities and, to the extent required, to execute and deliver the Letter of

Representations, among DTC, the Authority and the Paying Agent, in form satisfactory to DTC (the “Letter of Representations”). DTC is hereby appointed as the initial Securities Depository (as hereinafter defined) for the Notes, with Cede & Co., as nominee thereof, being the initial Securities Depository Nominee (as hereinafter defined) and initial registered owner of the Notes. The Authority, the Paying Agent and any agent of the Authority may treat any Securities Depository Nominee in whose name any Note is registered as the owner of such Note for all purposes under this resolution. For so long as the Securities Depository Nominee is the registered owner of the Notes, procedures with respect to the transfer of ownership of and payment of principal of and interest on such Notes so held shall be in accordance with arrangements among the Authority, the Paying Agent and the Securities Depository.

So long as the Notes are registered in the name of the Securities Depository Nominee, the Authority and the Paying Agent shall have no responsibility or obligation to any Securities Depository participant, indirect participant or beneficial owner of the Notes. Without limiting the immediately preceding sentence, the Authority and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of any Securities Depository, any Securities Depository Nominee or any Securities Depository participant or indirect participant with respect to any beneficial ownership interest in the Notes, (ii) the delivery to any Securities Depository participant, indirect participant, beneficial owners or any other person, other than the Securities Depository Nominee, of any notice with respect to the Notes, or (iii) the payment to any Securities Depository participant, indirect participant, beneficial owner or any other person, other than the Securities Depository Nominee, of any amount with respect to the principal of or interest on the Notes.

The Authority, in its sole discretion and without the consent of any other person, may terminate the services of any Securities Depository with respect to the Notes. Notice of such termination shall be given by the Authority to the Paying Agent prior to or simultaneously with such termination.

Consistent with book-entry provisions, one typewritten certificate for each \$500,000,000, or such other amount as shall be consistent with the practices of DTC, or portion thereof in aggregate principal amount of Notes bearing each interest rate applicable to the Notes shall be prepared for the Notes and registered in the name of the Securities Depository Nominee. There shall be no physical distribution of certificates to beneficial owners of such Notes. In the event that the Notes do not qualify to be held by the Securities Depository or that either the Authority determines to discontinue the book-entry only system or DTC determines to discontinue providing its service with respect to the Notes and there is no successor Securities Depository, certificates for the Notes in substantially the form set forth in Exhibit A hereto shall be delivered.

As used herein, “Securities Depository” means a recognized securities depository selected by the Authority to maintain a book-entry system in respect to the Notes, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

As used herein, “Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Authority the certificates for the Notes to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

SECTION 6. The Notes shall be special obligations of the Authority payable solely from the items pledged for the payment thereof specified in this Section 6 in accordance with their terms and the terms of this resolution. There is hereby pledged for the payment of the principal of and interest on the Notes (i) the first Payments (as defined in Section 8 of this resolution) received on or after the date of issuance of the Notes of monies which the State is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 92-ff of Article VI of the State Finance Law from amounts required to be deposited in the Mobility Tax Trust Account in the Metropolitan Transportation Authority Financial Assistance Fund up to any amount equal to principal of and interest on the Notes, (ii) the first Payments, other than those described in the preceding clause (i) received by any Related Transportation Entity on or after November 25, 2009 up to any amount equal to principal of and interest on the Notes, (iii) all of the monies deposited or caused to be deposited in the Payment Fund (as hereinafter defined) pursuant to the Deposit Agreement (as hereinafter defined) (such monies being hereinafter referred to as the “Deposited Monies”), and (iv) the Payment Fund including any investment income thereon

(collectively, the “Pledged Amounts”). The Notes are also payable from and secured by any available Revenues or Net Proceeds of Qualified Agreements which are available to be transferred to accounts held by the Authority or any other Related Transportation Entity pursuant to Section 504(d) of the Transportation Resolution (the “Additional Payments”) under the following circumstances: (a) if and to the extent, on and after December 7, 2009, the amount on deposit in the Payment Fund is less than seventy-five percent (75%) of the principal amount of and interest on the Notes; (b) if and to the extent, on and after December 16, 2009, the amount on deposit in the Payment Fund is less than one hundred percent (100%) of the principal amount of and interest on the Notes; and (c) if the Pledged Amounts are insufficient to pay the Notes when due. Prior to their deposit into the Payment Fund, all monies subject to such deposit obligation, other than the Payments, are subject to the prior liens created and existing under the Interagency Agreement and the Transportation Resolution securing Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations and to the covenant of the Authority to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to Section 504(d) of the Transportation Resolution. The Interagency Agreement and the Transportation Resolution are collectively referred to herein as the “Existing Lien Documents”. The lien of the Existing Lien Documents on the Payments is subordinate to the lien created by this resolution. The State of New York (the “State”) shall not be liable on the Notes, and the Notes shall not be a debt of the State. The pledge hereby created shall be valid and binding from and after the date of the issuance of the Notes; the Pledged Amounts and the Additional Payments hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

SECTION 7. A separate account, the Revenue Anticipation Notes, Series 2009 Payment Fund (the “Payment Fund”), to be held by the Paying Agent for the benefit of the holders of the Notes into which Payment Fund there will be deposited the Deposited Monies, is hereby established and such Payment Fund will be maintained as a separate account at the Paying Agent for the benefit of the holders of the Notes separate and apart from all other monies of the Authority and the Paying Agent. Amounts in the Payment Fund may be invested in obligations described in clauses (i), (ii), (iii), (iv), (vi) and (ix) in the definition of Authorized Investments in the Transportation Resolution which are not callable prior to their maturity and which mature not later than the date on which the proceeds thereof are required to be used to pay the Notes. Interest received on such obligations shall be deposited into and retained in the Payment Fund. So long as the Notes shall remain outstanding and unpaid unless the provisions of Section 17 of this resolution have been satisfied, except as permitted hereby, the Pledged Amounts may not be used for any purpose other than the payment of the outstanding principal of and interest on the Notes.

SECTION 8. So long as the Notes shall remain outstanding and unpaid unless the provisions of Section 17 of this resolution have been satisfied, the Authority covenants and agrees (i) that it will at all times comply with its obligations in connection with payment of the monies (a) which the State ( along with New York City and certain counties) is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 18-b of the Transportation Law and Sections 88-a, 89-c and 92-ff of Article VI of the State Finance Law, (b) which TBTA is legally obligated to pay to the Authority for the benefit of LIRR and MNCRC under Section 569-c of the Public Authorities Law and to the Transit Authority under Section 1219-a of the Public Authorities Law, (c) which The City of New York (the “City”) and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties (the “Transportation District”) are legally obligated to pay to the Authority for the costs of operation, maintenance and use of each passenger station of the Commuter System located within their respective areas under and pursuant to Section 1277 of the Act for the twelve month period ended March 31, 2009, (d) certain mortgage recording taxes and real property taxes with respect to certain real property located in the City required by State statute to be paid to the Transit Authority, and (e) that are made available from amounts allocable to the payment of capital costs to reimburse the Authority or any other Related Transportation Entity for expenses related to employees working on capital projects (collectively, the “Payments”); (ii) that it will at all times use its best efforts to take all actions legally available to it and determined by the Authority to be necessary to enforce the payment of the Payments which the State, TBTA, the City or the counties in the Transportation District, as the case may be, are legally obligated to pay at such time as is necessary to assure the payment of the Notes; (iii) that it will not repeal this resolution, amend or terminate the Deposit Agreement, dated as of July 1, 2009 by and among the Authority, the Transit Authority, MaBSTOA, MTA Bus Company, LIRR, MNCRC and TBTA (the “Deposit Agreement”) or take any other action impairing the authority given hereunder with respect to the payment of the Notes; (iv) that it will not repeal, amend or modify the action taken by the Board of the Authority on February 25,

2009 relating to the monthly advance of amounts described in clause (b) of this Section 8 so as to delay the timing or reduce the amounts to be transferred by TBTA to the Authority or any other Related Transportation Entity in any month; and (v) that it will, until the Notes are paid, deposit into the Payment Fund immediately upon such monies becoming available all Payments and, subject to Section 6 of this resolution, Additional Payments necessary so that the amount on deposit in the Payment Fund (valuing any investments on deposit therein as well as any investment obligations which the Paying Agent is instructed to purchase with the Payments or Additional Payments then being deposited into the Payment Fund at their full principal amount at maturity and including any investment income received or to be received on such investments) shall equal the amount necessary to pay principal and interest on the Notes then issued and outstanding.

SECTION 9. The Authority represents and warrants that:

(a) it is a body corporate and politic constituting a public benefit corporation of the State, duly created and validly existing under the provisions of the Act, with full power and legal right to adopt this resolution and approve, execute and deliver the Deposit Agreement and perform its obligations hereunder and thereunder. The adoption of this resolution and the approval of the Deposit Agreement has been duly accomplished in a manner consistent with the requirements of the Act;

(b) the provisions of this resolution and the Deposit Agreement do not conflict with or violate the Authority's bylaws, any statute, rule, regulation, court order or act applicable to the Authority or any contract or other agreement entered into or any action taken by the Authority;

(c) no outstanding notes have heretofore been authorized or issued by the Authority secured by the Payments or the Additional Payments received by the Authority for the benefit of the Related Transportation Entities and such Payments and Additional Payments have not been pledged or assigned by the Authority to secure any other outstanding obligation or indebtedness of the Authority, except as provided in the Existing Lien Documents (the lien of the Existing Lien Documents on the Payments is subordinate to the lien created by this resolution) and except for the obligation of the Authority to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to Section 504(d) of the Transportation Resolution;

(d) as of the date hereof and except as created or provided by this resolution, there are no pledges, assignments, judgments, mortgages, encumbrances, charges upon or liens against the Pledged Amounts and Additional Payments that would create any interest equal, prior or superior to the pledge created under this resolution of the Pledged Amounts, other than the liens and pledges created pursuant to the Existing Lien Documents which are subordinate to the lien of this resolution on Payments and prior to the lien of this resolution on Additional Payments and except for the obligation of the Authority to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to Section 504(d) of the Transportation Resolution; and

(e) except to the extent provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by the Authority secured by the Deposited Monies and the Deposited Monies have not been pledged or assigned by the Authority to secure any other outstanding obligation or indebtedness of the Authority.

SECTION 10. So long as the Notes shall remain outstanding and unpaid unless the provisions of Section 17 of this resolution have been satisfied, the Authority covenants and agrees that:

(a) it will maintain the exclusion from gross income of interest on the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986 (the "Code") and, in furtherance thereof, it will continually comply with the provisions of the "Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986" to be executed by the Authority in connection with the execution and delivery of the Notes, as amended from time to time;

(b) it will execute and deliver all such further instruments and take all such further action as may be required to carry out the provisions of this resolution;

(c) it will comply with Section 610 of the Transportation Resolution;

(d) except to the extent permitted herein or in the Existing Lien Documents, it will not authorize or issue notes payable from or secured by the Payments and the Additional Payments and the Payments and the Additional Payments will not be pledged or assigned by the Authority to secure any other obligation or indebtedness of the Authority;

(e) except to the extent permitted herein or in the Existing Lien Documents, it will not authorize or issue any notes or other evidences of indebtedness secured by the Pledged Amounts and the Additional Payments and the Pledged Amounts and the Additional Payments will not be pledged or assigned by the Authority to secure any other obligation or indebtedness of the Authority;

(f) except to the extent permitted herein or in Existing Lien Documents and except for the obligation of the Authority to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to Section 504(d) of the Transportation Resolution, it will not pledge or assign, create, allow to attach, or suffer to be created or exist any judgment, mortgage, pledge, encumbrance, assignment, charge on or lien against the Payments and the Additional Payments received by the Authority for the benefit of any Related Transportation Entity;

(g) except to the extent permitted in the Existing Lien Documents and except for the obligation of the Authority to make certain payments which may become due under a number of leveraged lease transactions from such monies prior to any such monies becoming available for transfer pursuant to Section 504(d) of the Transportation Resolution, it will not pledge or assign, create, allow to attach, or suffer to be created or exist any judgment, mortgage, pledge, encumbrance, assignment, charge on or lien against the Pledged Amounts and the Additional Payments that would create any interest equal, prior or superior to the pledge created under this resolution of the Pledged Amounts or the Additional Payments;

(h) it will comply with its covenants and agreements contained in the Deposit Agreement, and enforce, for the benefit of the holders of the Notes, the covenants and agreements of the Transit Authority, MaBSTOA, MTA Bus Company, LIRR, MNCRC and TBTA contained in the Deposit Agreement; and

(i) any amounts which the State is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 92-ff of the State Finance Law for deposit in the Corporate Transportation Account in the Metropolitan Authority Special Assistance Fund established pursuant to Section 1270-a of the Public Authorities Law are hereby designated for the payment of operating costs of one or more Related Transportation Entities and available to be paid into the Payment Fund as Payments or Additional Payments.

The provisions of clauses (d), (e), (f) and (g) hereof shall not prohibit the Authority from issuing (A) any Obligations or Parity Debt (each as defined in the Transportation Resolution) or (B) any notes or other evidences of indebtedness ("Other Indebtedness") payable from or secured by Payments or Pledged Amounts if, in the case of such Other Indebtedness, (i) any claim to, lien on, pledge of, or right to receive such Payments or Pledged Amounts for the benefit of such Other Indebtedness is expressly made subordinate to any such claim, lien, pledge or right for the benefit of the Notes; (ii) such Other Indebtedness has no interest payment dates, redemption dates or maturity dates on or prior to December 31, 2009 and does not grant to any holder of such Other Indebtedness, or trustee therefor, any right to accelerate any of such dates; and (iii) such Other Indebtedness requires no deposit in respect of any payment thereon or in any fund or account maintained in connection with such Other Indebtedness from the Payments or Pledged Amounts prior to December 31, 2009 or such later date on which the Notes have been paid or such earlier date on which the provisions of Section 17 of this resolution have been satisfied.

Notwithstanding any other provision of this resolution, the Authority may issue bonds, notes or other obligations payable from amounts payable to the Authority under Section 92-ff of Article VI of the State Finance Law in accordance with Chapter 29 of the Laws of 2009. The Authority covenants and agrees that no amounts

payable to the Authority under said Section 92-ff shall be deposited for the benefit of or applied to the payment of principal of and interest on such bonds on or prior to December 31, 2009 or such later date on which the Notes issued and outstanding have been paid or such earlier date on which the provisions of Section 17 of this resolution have been satisfied.

Notwithstanding any other provision of this resolution, the covenant contained in Section 10 (a) hereof above shall survive the payment of the Notes and the interest thereon, including any payment or discharge and satisfaction pursuant to Section 17 of this resolution.

SECTION 11. The Authority shall transfer the proceeds, net of costs of issuance, received from the sale of the Notes to the Trustee under the Transportation Resolution for deposit in the Revenue Fund created and established thereunder. Any amounts transferred pursuant to clause (d) of Section 504 of the Transportation Resolution shall be applied to the payment of Operating and Maintenance Expenses or working capital of a Related Transportation Entity as the Authority may determine in accordance with the provisions of the Transportation Resolution.

SECTION 12. The Authority may deem and treat the holder of a Note as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due on said Note and for all other purposes. The Authority agrees to indemnify and save the Paying Agent harmless from and against any loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence or default hereunder, in so treating such holder.

SECTION 13. In accordance with section 1271 of the Act, the Authority does hereby include the pledge and agreement of the State with the holders of the Notes that the State will not limit or alter the denial of authority under subdivision 9 of Section 1269 of the Act or the rights vested in the Authority by the Act to fulfill the terms of any agreement made with such holders, or in any way impair the rights and remedies of such holders until the Notes, together with the interest thereon, are fully met and discharged.

SECTION 14. This resolution shall be deemed to constitute a contract between the Authority and the holders from time to time of the Notes and such holders shall be entitled to all of the rights and remedies provided or permitted by law, to the extent permitted by the Act and this resolution.

SECTION 15. The right of the holders of the Notes to appoint or cause to be appointed a trustee under Section 1273 of the Act and to declare the Notes due and payable or cause the Notes to be declared due and payable prior to the maturity date thereof under paragraph (e) of subsection 2 of Section 1273 of the Act or otherwise is hereby abrogated.

SECTION 16. There is hereby delegated to the Chairman, any Vice-Chairman, the interim Executive Director and the Chief Financial Officer of the Authority the power to determine when and whether to issue any Notes, whether to issue the Notes in one series or in multiple series, the principal amounts of Notes to be issued, the dated date and maturity date of the Notes and whether the sale of the Notes shall be conducted on either a negotiated or competitive bid basis and, as applicable, to determine the purchase price for the Notes to be paid by the purchasers referred to in the Purchase Agreement (as hereinafter defined) or the purchase price for the Notes to be paid by the winning bidder, if such sale is conducted by competitive bid pursuant to a Notice of Sale (as hereinafter defined), in either case as such document is described in this Section 16, which may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination; provided, however, that the underwriters' discount reflected in such purchase price shall not exceed \$10.00 for each one thousand dollars (\$1,000) principal amount of the Notes. In the case of Notes sold on a negotiated basis (including Notes sold in a private placement) the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority shall also determine the interest rate or rates to be borne by the Notes which shall not exceed seven percent (7% per annum).

If it is determined that any sale of Notes shall be conducted on a negotiated basis (including a private placement of the Notes), the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to sell and award the Notes to the purchasers who shall be on the list of underwriters then approved by the Authority and shall be referred to in the Purchase Agreement or Agreements,

which Purchase Agreement or Agreements shall be substantially in the form most recently executed or delivered by the Authority in connection with the sale of Obligations, with such revisions to reflect the terms and provisions of the Notes as may be approved by the officer executing the Purchase Agreement (each, a “Purchase Agreement”). The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to agree to the selection of the representative of the underwriters as referred to in the Purchase Agreement or Agreements and to execute and deliver the Purchase Agreement or Agreements for and on behalf and in the name of the Authority with such changes, omissions, insertions and revisions as may be approved by the officer executing the Purchase Agreement or Agreements, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the underwriters.

If it is determined that any sale of Notes shall be conducted on a competitive bid basis, the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby further authorized to conduct the sale and award of the Notes on the basis of a competitive bid, pursuant to the terms of a notice of sale, including bid form (the “Notice of Sale”), in a form, including any limitations on permitted bidders and a description of the basis for determining the winning bidder or bidders which shall be the bidder or bidders whose bid will produce the lowest net interest cost to the Authority for the Notes or portions thereof covered by such proposal or proposals determined, as provided in the Official Notice of Sale, by the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority. The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to conduct such competitive sale of the Notes in a manner consistent with this resolution and to utilize the services of the Authority’s financial advisor and the services of an electronic bidding service, as such Authorized Officer shall determine, and the execution by the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority of a letter of award shall be conclusive evidence of such award.

The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to make public and to authorize the use and distribution by said purchasers or other appropriate parties of a preliminary official statement, offering circular, or other disclosure document (the “Preliminary Official Statement”) in connection with each public offering or any private placement of the Notes, in substantially the form most recently executed or delivered by the Authority in connection with the sale of Obligations, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Authority authorizes any of said officers to deliver a certification to the effect that, if deemed necessary or appropriate, such Preliminary Official Statement or Official Statement together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission as applicable.

The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to make public and to authorize distribution of a final Official Statement in substantially the form of each Preliminary Official Statement or the most recently executed and delivered Official Statement if there is not a Preliminary Official Statement, with such changes, omissions, insertions and revisions as such officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of such issue of the Notes, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of each good faith check, if any, received by the Authority from the purchasers of each issue of Notes under the terms of the related Purchase Agreement or Notice of Sale may be invested by the Authority pending application of the proceeds of such good faith check for the purposes provided in this resolution at the time of the issuance and delivery of such Notes.

The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized and directed to execute, deliver, amend, replace or terminate any and all documents and instruments (including any escrow agreements, any investment agreements or arrangements, deemed appropriate) and to do and cause to be done any and all acts necessary or proper for carrying out each Purchase Agreement or Notice of Sale, or other such agreement or arrangement, and the issuance, sale and delivery of each issue of the Notes and for implementing the terms of each issue of the Notes and the transactions contemplated hereby or thereby.

The Deposit Agreement substantially in the form annexed hereto as Exhibit B is hereby approved in all respects and the Chairman, the First Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority is hereby authorized to execute and deliver such Deposit Agreement for and on behalf of and in the name of the Authority with such changes, omissions, insertions and revisions as may be approved by the officer executing the Deposit Agreement, such execution being conclusive evidence of such approval.

When reference is made in this resolution to the authorization of the Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority to do any act, such act may be accomplished by any of such officers individually.

There is hereby delegated to the Chairman or any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority the power to make any changes in or additions to this resolution necessary (i) to allow the Notes to constitute Revenue Anticipation Notes (as defined in the Transportation Resolution) payable from and secured by a lien on the Payments prior to the lien created under the Transportation Resolution or (ii) to attain or maintain specific ratings on the Notes deemed advantageous to the Authority including, without limitation, changes to the dates and percentages referred to in clause (i) of Section 6 hereof or in clauses (a) and (b) of Section 6 hereof.

The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority shall execute and deliver to each bidder or bidders to whom Notes will be sold and awarded a letter evidencing the determinations made pursuant to Section 16 of this resolution and any such letter or letters shall be conclusive evidence of the determinations of the Chairman or any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority as stated therein. Determinations set forth in the letter or letters shall have the same effect as if set forth in this resolution.

The Chairman, any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority shall execute one or more Certificates of Determination evidencing the determinations made pursuant to this resolution and any such Certificate of Determination shall be conclusive evidence of the determinations of the Chairman or any Vice-Chairman, the interim Executive Director or the Chief Financial Officer of the Authority, as stated therein. The Certificate of Determination shall be delivered to the Paying Agent prior to the delivery of the Notes. Determinations set forth in the Certificate of Determination shall have the same effect as if set forth in this resolution.

The Chairman, any Vice-Chairman, the interim Executive Director and the Chief Financial Officer are, and each of them hereby is, authorized and directed to do and perform all things and to execute all instruments in the name of the Authority or otherwise, as they respectively deem advisable, and to make all payments, to the end that the Authority may carry out the objects of this resolution and its obligations under the terms of the Notes. No recourse shall be had for the payment of the principal of or the interest on the Notes or for any claim based thereon or on this resolution against any member or officer of the Authority or any person executing the Notes.

SECTION 17. Upon (i) the payment by or on behalf of the Authority of the outstanding principal of and interest on the Notes, in accordance with their terms and the terms of this resolution, or (ii) the deposit into the Payment Fund by or on behalf of the Authority of monies and/or investment obligations, valued at their full principal amounts and including any investment income received or to be received on such obligations, in an amount which shall be sufficient to pay the principal of and interest on the Notes then issued and outstanding as the same become due and payable, the covenants, contracts, agreements and other obligations of the Authority to the holders of the Notes shall terminate and be discharged and satisfied and such holders shall no longer have the benefit of the Deposit Agreement; provided, however, that upon deposit of the required monies and investment obligations into the Payment Fund in accordance with clause (ii) above the monies and investment obligations then on deposit in the Payment Fund shall be immediately set aside by the Paying Agent into a separate account to be held by the Paying Agent in escrow solely for the payment of the Notes then outstanding.

SECTION 18. If any term or provision of this resolution or the Notes or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such term or provision to persons in situations, other than those as to which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 19. All the covenants, promises and agreements in this resolution shall bind and inure to the benefit of the Authority, the holders of the Notes and their respective successors and assigns.

SECTION 20. The laws of the State shall govern this resolution and the Notes.

SECTION 21. This resolution may not be amended or modified while the Notes are outstanding, except for such amendments which, in the opinion of Nixon Peabody LLP, (i) shall not adversely affect the interests of the holders of the Notes or (ii) are necessary to clarify any ambiguity, inconsistency or defective provision contained herein.

SECTION 22. If the date for making any payment or the last date for performance of any act or the exercising of any right shall be a legal holiday or a day on which banking institutions in New York City are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day that is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date therefor, and no interest shall accrue for the period after such nominal date.

SECTION 23. Terms used herein and not otherwise defined shall have the respective meanings assigned thereto in the Transportation Resolution. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

SECTION 24. This resolution shall take effect immediately.

**ATTACHMENT 4**  
**FORM OF DEPOSIT AGREEMENT**

**DEPOSIT AGREEMENT**

by and among

**METROPOLITAN TRANSPORTATION AUTHORITY,**  
**THE LONG ISLAND RAIL ROAD COMPANY,**  
**METRO-NORTH COMMUTER RAILROAD COMPANY,**  
**NEW YORK CITY TRANSIT AUTHORITY,**  
**MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY,**  
**MTA BUS COMPANY**

and

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

Dated as of July 1, 2009

## DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of July 1, 2009, by and among METROPOLITAN TRANSPORTATION AUTHORITY (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York (the "State"), THE LONG ISLAND RAIL ROAD COMPANY ("LIRR"), a body corporate and politic constituting a public benefit corporation of the State and a subsidiary corporation of the Authority, METRO-NORTH COMMUTER RAILROAD COMPANY ("MNCRC"), a public benefit corporation of the State and a subsidiary corporation of the Authority, NEW YORK CITY TRANSIT AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State ("TA"), MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY, a public benefit corporation of the State and a subsidiary of the Transit Authority ("MaBSTOA"), MTA BUS COMPANY, a public benefit corporation of the State and a subsidiary of the Authority ("MTA Bus") and TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State ("TBTA").

The parties hereto mutually agree as follows:

SECTION 1. Deposits. The Authority, LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA hereby agree that, (i) commencing on July 2, 2009, they shall immediately upon receipt thereof deposit or cause to be deposited into the Revenue Anticipation Note, Series 2009 Payment Fund (the "Payment Fund") established under the Series 2009 Transportation Revenue Anticipation Note Resolution, adopted by the Authority on June 24, 2009 (the "Series 2009 Resolution") all Payments which constitute amounts which the State is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 92-ff of Article VI of the State Finance Law from amounts required to be deposited in the Mobility Tax Trust Account in the Metropolitan Transportation Authority Financial Assistance Fund until the amount on deposit in the Payment Fund, calculated as provided in the Series 2009 Resolution, shall equal principal and interest on the Notes (as defined in the Series 2009 Resolution) until paid or provision for payment thereof is made in accordance with the Series 2009 Resolution and (ii) commencing on November 25, 2009, they shall immediately upon receipt thereof deposit or cause to be deposited into the Payment Fund all other Payments until the amount on deposit in the Payment Fund, calculated as provided in the Series 2009 Resolution, shall equal principal and interest on the Notes until paid or provision for payment thereof is made in accordance with the Series 2009 Resolution. The Authority, LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA hereby agree that they shall deposit or cause to be deposited into the Revenue Fund (the "Revenue Fund") created under the General Resolution Authorizing Transportation Revenue Obligations, adopted by the Authority on March 26, 2002, as supplemented (the "Transportation Resolution"), all Additional Payments (as defined in the Series 2009 Resolution) at the times required by the Transportation Resolution. The Authority shall direct the trustee under the Transportation Resolution (the "Transportation Trustee") to establish such separate account or subaccount in the Revenue Fund as is necessary or appropriate to allow the Transportation Trustee to segregate all such Additional Payments, if any, specified in a certificate of an Authorized Officer of MTA so deposited from any other amounts on deposit in the Revenue Fund. The Authority shall further direct the Transportation Trustee that, if all or any portion of the amounts so deposited in such account or subaccount are not then required, after applying all other amounts then on deposit in the Revenue Fund, pursuant to Section 504 of the Transportation Resolution to be deposited into a Debt Service Fund, established under the Transportation Resolution, or any fund or account established for the benefit of any Subordinated Indebtedness or Subordinated Contract Obligation (each as defined in the Transportation Resolution), the Transportation Trustee shall promptly in accordance with Section 504(d) of the Transportation Resolution, transfer such moneys to the Authority, and the Authority shall upon such transfer immediately deposit such Additional Payments, if any, into the Payment Fund to the extent and at the times necessary to meet the requirements of clauses (a), (b) and (c) of Section 6 of the Series 2009 Resolution until the amount on deposit in the Payment Fund, calculated as provided in the Series 2009 Resolution, shall equal principal and interest on the Notes until paid, or provision for payment thereof is made in accordance with the Series 2009 Resolution. Amounts deposited in the Payment Fund are referred to herein as "Deposited Monies".

Unless otherwise stated herein, capitalized terms used herein shall have the meaning ascribed to such terms in the Series 2009 Resolution.

SECTION 2. LIRR Representations. The LIRR represents and warrants that:

(a) it is a public benefit corporation of the State, and a subsidiary corporation of the Authority, validly existing under the provisions of the Metropolitan Transportation Authority Act, Title 11 of Article 5 of the Public Authorities Law, as amended (the "Act"), with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by the LIRR secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by the LIRR to secure any other outstanding obligation or indebtedness of the LIRR (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate the LIRR's bylaws, any statute, rule, regulation, court order or act applicable to the LIRR or any contract or other agreement entered into or any action taken by the LIRR.

SECTION 3. Authority Representations. The Authority hereby reaffirms the representations and warranties made in the Series 2009 Resolution.

SECTION 4. MNCRC Representations. MNCRC represents and warrants that:

(a) it is a public benefit corporation of the State, and a subsidiary corporation of the Authority, duly created and validly existing under the provisions of the Act, with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by MNCRC secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by MNCRC to secure any other outstanding obligation or indebtedness of MNCRC (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate MNCRC's bylaws, any statute, rule, regulation, court order or act applicable to MNCRC or any contract or other agreement entered into or any action taken by MNCRC.

SECTION 5. TA Representations. TA represents and warrants that:

(a) it is a public benefit corporation of the State, duly created and validly existing under the provisions of the New York City Transit Authority Act, Title 9 of Article 5 of the Public Authorities Law, as amended (the "Transit Act"), with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by TA secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by TA to secure any other outstanding obligation or indebtedness of TA (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate TA's bylaws, any statute, rule, regulation, court order or act applicable to TA or any contract or other agreement entered into or any action taken by TA.

SECTION 6. MaBSTOA Representations. MaBSTOA represents and warrants that:

(a) it is a public benefit corporation of the State, and a subsidiary corporation of the TA, duly created and validly existing under the provisions of the Transit Act with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by MaBSTOA secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by MaBSTOA to secure any other outstanding obligation or indebtedness of MaBSTOA (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate MaBSTOA's bylaws, any statute, rule, regulation, court order or act applicable to MaBSTOA or any contract or other agreement entered into or any action taken by MaBSTOA.

SECTION 7. MTA Bus Representations(a) . MTA Bus represents and warrants that:

(a) it is a public benefit corporation of the State, and a subsidiary corporation of the Authority, duly created and validly existing under the provisions of the Act, with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by MTA Bus secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by MTA Bus to secure any other outstanding obligation or indebtedness of MTA Bus (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate MTA's bylaws, any statute, rule, regulation, court order or act applicable to MTA Bus or any contract or other agreement entered into or any action taken by MTA Bus.

SECTION 8. TBTA Representations(a) . TBTA represents and warrants that:

(a) it is a public benefit corporation of the State, and a subsidiary corporation of the Authority, duly created and validly existing under the provisions of the Act, with full power and legal right to enter into this agreement and perform its obligations hereunder;

(b) except as provided in the Existing Lien Documents, no outstanding notes have heretofore been authorized or issued by TBTA secured by the Payments and Additional Payments received and Deposited Monies and the Payments and Additional Payments received and Deposited Monies have not heretofore been pledged or assigned by TBTA to secure any other outstanding obligation or indebtedness of TBTA (the lien of the Existing Lien Documents on the Payments is subordinate to the lien on the Payments of the Series 2009 Resolution); and

(c) the provisions of this agreement do not conflict with or violate TBTA's bylaws, any statute, rule, regulation, court order or act applicable to TBTA or any contract or other agreement entered into or any action taken by TBTA.

SECTION 9. LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA Covenants. So long as the Notes shall remain outstanding and unpaid, the LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA each covenant and agree with the Authority, with each other and with the holders of the Notes:

(a) to take such actions as may be appropriate to assist the Authority in complying with its covenants contained in Section 8 of the Series 2009 Resolution; and

(b) to comply with the covenants contained in Section 10(d), (e), (f) and (g), subject to the provisions of the unlettered paragraph following clause (i), of the Series 2009 Resolution as if the references to the Authority therein were to the LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA, respectively.

SECTION 10. Additional TBTA Covenants. So long as the Notes shall remain outstanding and unpaid, TBTA covenants and agrees with the Authority, LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA, and with the holders of the Notes;

(a) it will not repeal, amend or modify the action taken by the Board of TBTA on February 25, 2009 relating to the monthly advance of amounts described in clause (b) of Section 8 of the Series 2009 Resolution so as to delay the timing or reduce the amounts to be transferred by TBTA to the Authority or any other Related Transportation Entity in any month; and

(b) it will comply with the rate covenant contained in Section 606 of the General Resolution authorizing General Revenue Obligations adopted by TBTA on March 26, 2002, as amended.

SECTION 11. Consents. LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA consent to the application of the Payments received and to the application and pledge of the Deposited Monies in accordance with this Agreement and the Series 2009 Resolution.

SECTION 12. Compliance with Transportation Resolution Rate Covenant. LIRR, MNCRC, TA, MaBSTOA and MTA Bus shall each take such action on its part necessary to comply with and to enable the Authority to comply with the covenant contained in Section 610 of the Transportation Resolution.

SECTION 13. Enforcement. The provisions of this agreement may be enforced by the Authority on behalf of the holders of the Notes by any legal or equitable process, including specific performance.

SECTION 14. No Conflict. The provisions of this agreement are in no way intended to, nor shall such provisions, change or in any manner alter the terms of the Series 2009 Resolution, or the security, rights or remedies of the holders of the Notes. In the event any provisions of this agreement conflict at any time, or in any manner, with the provisions of the Series 2009 Resolution or any Note, the provisions of the Series 2009 Resolution or the Note shall be controlling and conflicting provisions of this agreement shall be completely disregarded.

SECTION 15. Beneficiaries. This agreement shall inure to the benefit of and shall be binding upon the Authority, LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA and their respective successors and assigns.

SECTION 16. Severability. In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 17. Governing Law. This agreement shall be governed by, and construed in accordance with, the Constitution and laws of the State.

SECTION 18. Entire Agreement. This agreement represents the entire agreement among the parties.

SECTION 19. Counterpart Signatures. This agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority, LIRR, MNCRC, TA, MaBSTOA, MTA Bus and TBTA each respectively, has caused this instrument to be executed in its name by its Executive Director, all as of the day and year first above written.

|  |  |
|--|--|
| <p>METROPOLITAN TRANSPORTATION AUTHORITY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p> | <p>MANHATTAN AND BRONX SURFACE<br/>TRANSIT OPERATING AUTHORITY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p> |
| <p> </p>   | <p> </p>   |
| <p>THE LONG ISLAND RAIL ROAD COMPANY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p>     | <p>MTA BUS COMPANY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p>   |
| <p> </p>   | <p> </p>   |
| <p>METRO-NORTH COMMUTER RAILROAD COMPANY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p> | <p>TRIBOROUGH BRIDGE AND TUNNEL<br/>AUTHORITY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p>                  |
| <p> </p>   | <p> </p>   |
| <p>NEW YORK CITY TRANSIT AUTHORITY</p> <p>_____</p> <p>Name: _____</p> <p>Title: _____</p>       | <p> </p>   |
| <p> </p>   | <p> </p>   |

EXHIBIT A

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METROPOLITAN TRANSPORTATION AUTHORITY

REVENUE ANTICIPATION NOTE, SERIES 2009

CUSIP No.

METROPOLITAN TRANSPORTATION AUTHORITY (herein called the "Authority"), a body corporate and politic constituting a public benefit corporation created and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted, and for value received hereby promises to pay to \_\_\_\_\_, or registered assigns, on the \_\_\_ day of December, 2009, upon presentation and surrender of this Note at the principal corporate trust office of \_\_\_\_\_, New York, New York, as Paying Agent, the principal sum of

\_\_\_\_\_ (\$ \_\_\_\_)

and interest on such principal sum, in lawful money of the United States of America, in immediately available funds, at the rate per annum of \_\_\_\_\_ per centum (\_\_\_\_%) (calculated on the basis of twelve (12) 30-day months and a three hundred sixty (360) day year for a term of \_\_\_\_ days).

This Note is one of a duly authorized issue of Notes which are special obligations of the Authority issued in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and is issued under and pursuant to Title 11 of Article 5 of the Public Authorities Law, as amended (the "Act"), and under and pursuant to a resolution of the Authority adopted on the \_\_\_ day of June, 2009, entitled "Series 2009 Transportation Revenue Anticipation Note Resolution" (the "Resolution"). The right of the holders of the Notes to appoint a trustee under Section 1273 of the Act and to declare the Notes due and payable or to cause the Notes to be declared due and payable prior to the maturity date thereof under paragraph (e) of subsection 2 of Section 1273 of the Act or otherwise has been abrogated.

This Note is a special obligation of the Authority payable solely from the items pledged thereto and the other sources of payment set forth in the Resolution. There is hereby pledged for the payment of this Note (i) (a) the first monies to be received on or after the date hereof which the State is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 92-ff of Article VI of the State Finance Law from amounts required to be deposited in the Mobility Tax Trust Account in the Metropolitan Transportation Authority Financial Assistance Fund, and (b) the first monies, other than those described in the preceding clause (a), to be received on or after November 25, 2009 of the monies (A) which the State is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 18-b of the Transportation Law and Sections 88-a, 89-a and 92-ff of Article VI of the State Finance Law, (B) which TBTA is legally obligated to pay to the Authority for the benefit of any Related Transportation Entity under Section 569-c of the Public Authorities Law and to the Transit Authority under Section 1219-a of the Public Authorities Law, (C) which The City of New York (the "City") and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties (the "Transportation District") are legally obligated to pay to the Authority for the costs of operation, maintenance and use of each passenger station of the Commuter System located within their respective areas under and pursuant to Section 1277 of the Act for the twelve month period ended March 31, 2009, and (D) that are made available from amounts allocable to the payment of capital costs to reimburse the Authority or any other Related Transportation Entity for expenses related to employees working on capital projects (collectively, the "Payments"); (ii) all of the monies deposited or cause to be deposited in the Revenue Anticipation Note, Series 2009 Payment Fund (the "Payment Fund") pursuant to the Deposit Agreement, dated as of July 1, 2009, by and among the Authority, the New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, MTA Bus Company, The Long Island Rail Road Company, the Metro-North Commuter Railroad Company and Triborough Bridge and Tunnel Authority and (iii) the Payment Fund including any investment income thereon. There is hereby additional pledged for the payment of this Note, upon the terms and conditions provided in the Resolution, any available Revenues or Net Proceeds of Qualified Agreements (each as defined in the General Resolution Authorizing

Transportation Revenue Obligations adopted by the Authority on March 26, 2002, as supplemented, the "Transportation Resolution"); such pledge being subordinate to the lien of the Transportation Resolution on such amounts.

The Note is not subject to redemption prior to its maturity.

The State of New York shall not be liable on this Note, and this Note shall not be a debt of the State of New York.

The laws of the State of New York shall govern the Resolution and this Note.

The Authority hereby designates that this Note shall constitute a Revenue Anticipation Note as defined in the Transportation Resolution,.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of New York to exist, happen and be performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner and that the issuance of this Note does not violate any constitutional or statutory limitation of indebtedness prescribed by the laws of the State of New York.

IN WITNESS WHEREOF, METROPOLITAN TRANSPORTATION AUTHORITY has caused this Note to be signed in its name and on its behalf by the facsimile signature of its [Chairman] and its corporate seal or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon and attested by its Secretary or an Assistant Secretary, all as of the \_\_ day of June, 2009.

ATTEST:

METROPOLITAN TRANSPORTATION  
AUTHORITY

By

[facsimile]

ASSISTANT SECRETARY  
[SEAL

CHAIRMAN

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