

**\$103,305,000**  
**Triborough Bridge and Tunnel Authority**  
**General Revenue Variable Rate Refunding Bonds, Series 2002C**

**DATED: Date of Delivery**

**DUE: January 1, 2033**

The Series 2002C Bonds are being issued to refund bonds of TBTA.

The Series 2002C Bonds –

- are general obligations of TBTA, payable generally from the net revenues collected on the bridges and tunnels operated by TBTA as described herein, and
- are not a debt of the State or The City of New York or any other local government unit.

TBTA has no taxing power.

The Series 2002C Bonds will constitute Variable Interest Rate Obligations and will bear interest from their date of delivery in the Weekly Mode as herein described. Interest is payable each January 1 and July 1, commencing January 1, 2003. The Series 2002C Bonds will bear interest from the date of delivery to and including October 16, 2002 at a rate set forth in the Certificate of Determination and, thereafter, at the rate determined by the Remarketing Agent as herein described. TBTA reserves the right at any time to convert to an Auction Rate Mode, Commercial Paper Mode, Daily Mode, Fixed Rate Mode or Term Rate Mode. **This official statement is intended to provide disclosure only to the extent the Series 2002C Bonds remain in the Weekly Mode.**

In order to provide for the payment of purchase price in the event of a mandatory or optional tender of the Series 2002C Bonds, as more fully described herein, TBTA has entered into a standby bond purchase agreement with WestLB AG, New York Branch in connection with the Series 2002C Bonds (the Initial Liquidity Facility). The Initial Liquidity Facility is scheduled to expire on October 8, 2007, unless extended or earlier terminated (in certain cases without notice or without the obligation of the Liquidity Facility Issuer to purchase Series 2002C Bonds that are subject to mandatory tender for purchase as a result of such termination) in accordance with its terms as described in this official statement.

Payment of the principal of and interest on the Series 2002C Bonds when due will be insured by an insurance policy to be issued by Ambac Assurance Corporation (the Insurer) simultaneously with the delivery of the Series 2002C Bonds.

**Ambac**

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**Price – 100%**

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The Initial Liquidity Facility does not provide security for the scheduled payment of principal of or interest or premium, if any, on the Series 2002C Bonds, and the funds drawn thereunder may not be used for such purposes. Payment of purchase price is not an obligation of TBTA or the Insurer.

U.S. Bank Trust National Association is the Trustee, Paying Agent and Tender Agent for the Series 2002C Bonds.

*In the opinion of Hawkins, Delafield & Wood, Bond Counsel to TBTA, under existing law and relying on certain representations by TBTA and assuming the compliance by TBTA with certain covenants, interest on the Series 2002C Bonds 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*
- *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 Series 2002C Bonds is exempt from personal income taxes of New York State or any political subdivisions of the State, including The City of New York.*

The Series 2002C Bonds are subject to redemption prior to maturity as described herein.

The Series 2002C Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company, on or about October 8, 2002.

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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 or terms of the Series 2002C Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific reference, to obtain information essential to making an informed decision.

**UBS PaineWebber Inc.**

## SUMMARY OF TERMS RELATING TO WEEKLY MODE\*

INTEREST PAYMENT DATES AND CALCULATION PERIOD	Each January 1 and July 1, commencing January 1, 2003, on actual days over a 365-day year (366 in years when February has 29 days)
RECORD DATE	Business Day preceding Interest Payment Date
OWNERS' RIGHTS TO TENDER	On any Business Day by irrevocable written Tender Notice delivered to the Tender Agent and Remarketing Agent at their respective addresses specified below at least seven calendar days prior to Purchase Date
NOTICE OF MODE CHANGE; MODE CHANGE DATE	Trustee to mail notice to holder not later than 15 days before the Mode Change Date, which can be any Business Day
MANDATORY TENDER FOR PURCHASE	On each Mode Change Date, Expiration Date, Termination Date and Substitution Date
RATE DETERMINATION DATE	Each Wednesday, unless such Wednesday is not a Business Day, in which case the rate shall be set on the Business Day next preceding such Wednesday
RATE ADJUSTMENT DATE	Thursday of each week
TENDER AGENT'S ADDRESS FOR DELIVERY OF TENDER NOTICE	U.S. Bank Trust National Association 100 Wall Street New York, New York 10005  with a copy to: U.S. Bank Trust National Association 180 East Fifth Street St. Paul, MN 55101 Attn: TFM New York
REMARKETING AGENT'S ADDRESS FOR DELIVERY OF TENDER NOTICE	UBS PaineWebber Inc. 1285 Avenue of the Americas 15 <sup>th</sup> Floor New York, New York 10019 Attention: Joanna Brody

***The Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Series 2002C Bonds at a level above that which might otherwise prevail in the open market. The Underwriter is not obligated to do this and is free to discontinue it at any time.***

\* So long as the Series 2002C Bonds are registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

# Triborough Bridge and Tunnel Authority

TRIBOROUGH STATION, BOX 35

New York, New York 10035

(212) 360-3000

Website: [www.mta.info](http://www.mta.info)

Peter S. Kalikow .....	<i>Chairman</i>
David S. Mack .....	<i>Vice-Chairman</i>
Ronnie P. Ackman .....	<i>Non-Voting Member</i>
Andrew B. Albert .....	<i>Non-Voting Member</i>
Nancy Shevell Blakeman .....	<i>Member</i>
Anthony J. Bottalico .....	<i>Non-Voting Member</i>
Kenneth A. Caruso .....	<i>Member</i>
Thomas J. Cassano .....	<i>Non-Voting Member</i>
Edward B. Dunn .....	<i>Member</i>
Barry L. Feinstein .....	<i>Member</i>
Lawrence W. Gamache .....	<i>Member</i>
James H. Harding, Jr .....	<i>Member</i>
Susan L. Kupferman .....	<i>Member</i>
Mark D. Lebow .....	<i>Member</i>
James L. McGovern .....	<i>Non-Voting Member</i>
Joseph Rutigliano .....	<i>Non-Voting Member</i>
Ernest J. Salerno .....	<i>Member</i>
Andrew M. Saul .....	<i>Member</i>
James L. Sedore, Jr .....	<i>Member</i>
James S. Simpson .....	<i>Member</i>
Edward A. Vrooman .....	<i>Member</i>
Rudy Washington .....	<i>Member</i>
Alfred E. Werner .....	<i>Member</i>

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Katherine N. Lapp .....	<i>Executive Director and Chief Operating Officer</i>
Michael C. Ascher .....	<i>President</i>
Stanley Vonasek .....	<i>Vice President and Chief Engineer</i>
Robert M. O'Brien, Esq .....	<i>General Counsel</i>
David Moretti .....	<i>Chief Financial Officer</i>

HAWKINS, DELAFIELD & WOOD  
New York, New York  
*Bond Counsel*

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

URS CORPORATION – NY  
New York, New York  
*Independent Engineers*

## SUMMARY OF TERMS

TBTA has prepared this Summary of Terms to describe the specific terms of the Series 2002C Bonds. The information in this official statement, including the materials filed with the repositories and included by specific reference as described herein, provides a more detailed description of matters relating to TBTA and to TBTA's General Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the bonds being offered.

Issuer.....	Triborough Bridge and Tunnel Authority, a public benefit corporation of the State of New York.
Bonds Being Offered .....	General Revenue Variable Rate Refunding Bonds, Series 2002C.
Purpose of Issue.....	To refund TBTA's General Purpose Revenue Bonds, Series 1999C.
Rates and Maturity.....	The Series 2002C Bonds are Variable Interest Rate Obligations that initially bear interest in the Weekly Mode and mature on January 1, 2033. <i>See cover.</i>
Denominations in Weekly Mode .....	\$100,000 or any integral multiples of \$5,000 in excess thereof.
Interest Payment Dates in Weekly Mode.....	January 1 and July 1, commencing January 1, 2003.
Redemption.....	<i>See DESCRIPTION OF SERIES 2002C BONDS – Redemption Provisions During The Weekly Mode in Part I</i> for redemption information.
Tender.....	<i>See DESCRIPTION OF SERIES 2002C BONDS – Tender, Presentation And Purchase Provisions Of The Series 2002C Bonds During The Weekly Mode in Part I</i> for tender information.
Sources of Payment and Security ....	Generally, the net revenues collected on the bridges and tunnels operated by TBTA as described herein.
Initial Liquidity Facility.....	Standby Bond Purchase Agreement with WestLB AG, New York Branch that expires on October 8, 2007. <i>See DESCRIPTION OF SERIES 2002C BONDS – Liquidity Facility herein.</i>
Credit Enhancement.....	Ambac financial guaranty insurance policy.
Registration of the Bonds .....	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee and Tender Agent.....	U.S. Bank Trust National Association.
Bond Counsel.....	Hawkins, Delafield & Wood, New York, New York.
Tax Status .....	<i>See TAX MATTERS in Part III.</i>
Expected Ratings .....	Moody's: Aaa/VMIG 1 Standard & Poor's: AAA /A-1+ <i>See RATINGS in Part III.</i>
Financial Advisor.....	Goldman, Sachs & Co.
Underwriter/Remarketing Agent .....	UBS PaineWebber Inc.
Purchase Price/Underwriter's Discount.....	<i>See UNDERWRITING in Part III.</i>
Verification Agent .....	Samuel Klein & Co.
Counsel to the Underwriters .....	Duane Morris LLP, New York, New York.
MTA Special Counsel.....	Nixon Peabody LLP and Squire, Sanders & Dempsey L.L.P, New York, New York.
Independent Engineers.....	URS Corporation – NY, 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 Series 2002C Bonds, in any jurisdiction where that would be unlawful. TBTA has not authorized any dealer, salesperson or anyone else to give any information or make any representation in connection with the offering of the Series 2002C Bonds, 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 Series 2002C Bonds being offered, and anything else related to this bond 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 TBTA'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 reference, that are not historical facts are forward-looking statements, which are based on TBTA's and the Independent Engineers' beliefs, as well as assumptions made by, and information currently available to, the management and staff of TBTA and the Independent Engineers. 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," "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.
- ***No Guarantee of Information by Underwriter.*** The Underwriter has provided the following sentence for inclusion in this official statement: The Underwriter has reviewed the information in this official statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.
- ***Bond Insurer Information.*** Other than with respect to information concerning the Insurer contained under the caption DESCRIPTION OF SERIES 2002C BONDS – Bond Insurance and in Attachment 4 herein, none of the information in this official statement has been supplied or verified by the Insurer and the Insurer makes no representation or warranty, express or implied, as to
  - the accuracy or completeness of information it has neither supplied nor verified,
  - the validity of the Series 2002C Bonds, or
  - the tax-exempt status of the interest on the Series 2002C Bonds.
- ***Initial Liquidity Facility Issuer Information.*** Other than with respect to information concerning the Initial Liquidity Facility Issuer contained in Attachment 5 herein, none of the information in this official statement has been supplied or verified by the Initial Liquidity Facility Issuer and the Initial Liquidity Facility Issuer makes no representation or warranty, express or implied, as to
  - the accuracy or completeness of information it has neither supplied nor verified,
  - the validity of the Series 2002C Bonds, or
  - the tax-exempt status of the interest on the Series 2002C Bonds.
- ***SEC Rule 15c2-12.*** SEC Rule 15c2-12 does not require TBTA to enter into a written agreement for the benefit of holders of the Series 2002C Bonds to provide continuing disclosure during the period that such Series 2002C Bonds bear interest in the Weekly Mode. TBTA regularly files continuing disclosure in connection with other debt offerings.

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- Attachment 1** – Book-Entry-Only System  
**Attachment 2** – Definitions  
**Attachment 3** – Form of Opinion of Bond Counsel  
**Attachment 4**– Specimen Financial Guaranty Insurance Policy  
**Attachment 5**– Initial Liquidity Facility Issuer

**Information Included by Specific Reference.** The following portions of MTA’s 2002 Combined Continuing Disclosure Filings, dated April 19, 2002, and filed with the repositories identified in the Introduction to this official statement are included by specific reference in this official statement, along with material that updates this official statement and that is either filed with those repositories or, in the case of official statements, filed with the Municipal Securities Rulemaking Board (MSRB) prior to the delivery date of the Series 2002C Bonds, together with any supplements or amendments thereto:

- **Appendix A** – The Related Entities\*
- **Appendix D** – Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2001 and 2000

The following documents have also been filed with the repositories identified in the Introduction and are included by specific reference in this official statement:

- Summary of Certain Provisions of the TBTA Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Condition of the Facilities of Triborough Bridge and Tunnel Authority (Report of the Independent Engineers, URS Corporation – NY)

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\* The facilities listed under the caption THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – Present Facilities in **Appendix A** include TBTA’s seven bridges and two tunnels and the Battery Parking Garage. Only the bridges and tunnels constitute TBTA Facilities under the TBTA Resolution (as herein defined), although the net revenues derived from the operation of the Battery Parking Garage are included as net revenues that are pledged to the payment of the Bonds (as herein defined). Capital projects at the Battery Parking Garage cannot be financed under the TBTA Resolution unless the Battery Parking Garage qualifies as an Additional TBTA Project as described herein *under SECURITY – Revenues and Additional TBTA Projects – Additional TBTA Projects that can become TBTA Facilities.*

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## INTRODUCTION

### TBTA, MTA and Other Related Entities

Triborough Bridge and Tunnel Authority, or TBTA, is 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”. TBTA is empowered to construct and operate toll bridges and tunnels and other public facilities in New York City. TBTA issues debt obligations to finance the capital costs of its facilities and the transit and commuter systems operated by other affiliates and subsidiaries of the Metropolitan Transportation Authority, or MTA. TBTA’s surplus amounts are used to fund transit and commuter operations and finance capital projects. The board members of MTA also serve as the board members of MTA’s affiliates and subsidiaries, including TBTA.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for New York 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 (the Transit Authority) and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); the Staten Island Rapid Transit Operating Authority (SIRTOA); The Long Island Rail Road Company (LIRR); the Metro-North Commuter Railroad Company (MNCRC); and the Metropolitan Suburban Bus Authority (MSBA). MTA issues debt obligations to finance a substantial portion of the capital costs of these systems, other than MSBA.

MTA, TBTA and the other related entities are described in detail in **Appendix A** to MTA’s 2002 Combined Continuing Disclosure Filings, which is included by specific reference in this official statement. Also included in **Appendix A** is a description of the impact on the Related Entities, including TBTA, of the terrorist attack on the World Trade Center (WTC).

### Where to Find Information

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

- This **Introduction** provides certain information relating to the restructuring of public debt securities by MTA and its affiliates, TBTA and the Transit Authority.
- **Part I** provides specific information about the Series 2002C Bonds.
- **Part II** describes the sources of payment and security for all TBTA General Revenue Bonds, including the Series 2002C Bonds.
- **Part III** provides miscellaneous information relating to the Series 2002C Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry system of registration to be used for the Series 2002C Bonds.
- **Attachment 2** sets forth certain defined terms used in this official statement.
- **Attachment 3** is the form of opinion of Bond Counsel in connection with the Series 2002C Bonds.
- **Attachment 4** sets forth the form of the specimen municipal insurance policy.
- **Attachment 5** sets forth certain information relating to the Initial Liquidity Facility Issuer.
- **Information Included by Specific Reference** in this official statement and identified in the Table of Contents may be obtained, as described below, from the repositories or the MSRB and from MTA.

*Information from Repositories.* MTA and TBTA file annual and other information with each Nationally Recognized Municipal Securities Information Repository. Documents filed by MTA and TBTA should be available from those repositories designated as such at the time of the filing. 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](mailto:munis@bloomberg.com)

**FT Interactive Data**  
Attn: NRMSIR  
100 William Street  
New York, NY 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390 (Secondary Market Information)  
(212) 771-7391 (Primary Market Information)  
Email: [NRMSIR@FTID.com](mailto:NRMSIR@FTID.com)

**DPC Data Inc.**  
One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
Email: [nrmsir@dpcdata.com](mailto:nrmsir@dpcdata.com)

**Standard & Poor's J.J. Kenny Repository**  
55 Water Street  
45<sup>th</sup> Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
Email: [nrmsir\\_repository@sandp.com](mailto:nrmsir_repository@sandp.com)

**Information Included by Specific Reference.** The information listed under the caption "Information Included by Specific Reference" in the Table of Contents, as filed with the repositories to date, is "included by specific 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 those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2002C Bonds.**

**Information Available at No Cost.** Information filed with the repositories is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at 347 Madison Avenue, New York, New York 10017. For important information about MTA's website, *see* – FURTHER INFORMATION below.

## **Debt Restructuring Program**

**Background.** As part of the process of determining funding sources for its transit and commuter capital programs for the years 2000-2004, and in order to increase bonding capacity, release existing reserve funds and simplify its current credit structure, MTA developed a program to restructure its, the Transit Authority's and TBTA's debt by consolidating most existing credits into four principal new credits:

- MTA Transportation Revenue Bonds,
- MTA State Service Contract Bonds,
- MTA Dedicated Tax Fund Bonds, and
- TBTA General Revenue Bonds and TBTA Subordinate Revenue Bonds.

**Portions of Debt Restructuring Completed.** MTA has fully defeased the resolutions relating to the following bonds and notes:

- MTA Transit Facilities Revenue Bonds and Bond Anticipation Notes,
- MTA Commuter Facilities Revenue Bonds and Bond Anticipation Notes,
- MTA Subordinated Commuter Facilities Revenue Bonds (Grand Central Terminal Redevelopment Project),
- Transit Authority Subordinated Transit Facilities Revenue Bonds (Livingston Plaza Project),
- MTA Transit Facilities Service Contract Bonds (1982 and 1987 Resolutions),
- MTA Commuter Facilities Service Contract Bonds (1982 and 1987 Resolutions), and
- MTA Dedicated Tax Fund Bonds.

***Effect of Debt Restructuring on MTA Capital Programs.*** Based on amounts currently estimated to have been generated by the completed portions of the program, and depending on market conditions as MTA issues the remaining refunding and new money bonds related to the debt restructuring, less than the \$4.5 billion of restructuring proceeds originally forecast may be available for the 2000-2004 Capital Programs. (Current MTA estimates range from \$4.1 to \$4.3 billion depending on interest rate assumptions for the remaining issues). MTA annually evaluates the status of all funding sources and projects and may, from time to time, submit amendments to the 2000-2004 Capital Programs needed to bring funding sources and expected project costs into balance. *See* DEBT RESTRUCTURING and 2002-2003 FINANCIAL PLAN AND 2000-2004 CAPITAL PROGRAMS in **Appendix A**.

***TBTA Senior and Subordinate Bonds.*** TBTA General Revenue Bonds, including the Series 2002C Bonds, and Subordinate Revenue Bonds, together with approximately \$234 million of other moneys, are expected to be issued to refund all of the following outstanding bonds (collectively, the Old TBTA Bonds), with the exception of the Substitution Bonds and Notes (as defined below):

- TBTA General Purpose Revenue Bonds,
- TBTA 1991 Mortgage Recording Tax Special Obligation Bonds,
- TBTA Beneficial Interest Certificates, and
- TBTA 1994 Subordinated Special Obligation Bonds.

TBTA expects to issue the following approximate aggregate principal amounts of bonds to accomplish the defeasance in full of the Old TBTA Bonds that are not Substitution Bonds and Notes:

- These Series 2002C Bonds,
- Pursuant to a bond purchase agreement entered into on September 19, 2002, \$2.16 billion tax-exempt fixed rate senior lien Series 2002B Bonds (the Series 2002B Bonds), that are expected to be delivered on or about the same date as the Series 2002C Bonds,
- \$262 million auction rate TBTA Subordinate Revenue Bonds (the Subordinate Series 2002D Bonds), that are expected to be delivered on or about the same date as the Series 2002C Bonds,
- \$968 million fixed rate TBTA Subordinate Revenue Bonds (the Subordinate Series 2002E Bonds), that are expected to be delivered on or about November 13, 2002, and
- \$245 million variable rate senior lien Series 2002F Bonds (the Series 2002F Bonds), that are expected to be delivered on or about November 13, 2002.

At the time of issuance and delivery of the Series 2002C Bonds, TBTA expects to substitute the TBTA Resolution for the TBTA general purpose revenue bond resolution adopted in 1980 (the TBTA 1980 Resolution) as the resolution securing the following TBTA bonds and notes (collectively, the Senior Substitution Bonds and Notes):

- \$1,125,720,000 General Purpose Revenue Bonds, Series 2001A,
- \$296,400,000 General Purpose Variable Rate Revenue Bonds, Series 2001B and 2001C,
- \$268,300,000 General Purpose Revenue Bonds, Series 2002A,
- \$23,530,000 General Purpose Revenue Bonds, Series EFC 1996A, that were issued as security for repayment of a loan in the same principal amount from the New York State Environmental Facilities Corporation from a portion of the proceeds of the \$102,515,000 New York State Environmental Facilities Corporation State Water Pollution Control Revolving Fund Revenue Bonds, Series 1996C (Pooled Loan Issue), dated June 1, 1996, and
- \$807,190,000 General Purpose Revenue Bond Anticipation Notes, Series 2000A, maturing on January 1, 2003 (the Series 2000A BANs)\*.

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\* On or about November 20, 2002, MTA expects to issue approximately \$840 million aggregate principal amount of its Transportation Revenue Bonds to provide for the payment of the Series 2000A BANs.

At the time of issuance and delivery of the Series 2002C Bonds, TBTA also expects to substitute the TBTA Subordinate Resolution for the TBTA 1991 special obligation bond resolution as the resolution securing the following TBTA bonds (collectively, the Subordinate Substitution Bonds, and, together with the Senior Substitution Bonds and Notes, the Substitution Bonds and Notes):

- \$181,300,000 Special Obligation Variable Rate Refunding Bonds (1991 Resolution), Series 2000A,
- \$72,500,000 Special Obligation Variable Rate Refunding Bonds (1991 Resolution), Series 2000B,
- \$157,200,000 Special Obligation Variable Rate Refunding Bonds (1991 Resolution), Series 2000C, and
- \$96,600,000 Special Obligation Variable Rate Refunding Bonds (1991 Resolution), Series 2000D.

In the event that the applicable resolutions are not substituted for any Substitution Bonds and Notes at the time of issuance and delivery of the Series 2002C Bonds, these substitutions or refundings of the applicable bonds or notes are expected to occur as soon as practicable following this date.

*Purchasers of the Series 2002C Bonds should note that, until all of the Old TBTA Bonds are fully defeased or paid and the substitution of resolutions in connection with the Substitution Bonds and Notes is effective (currently expected on or about November 13, 2002), the TBTA Resolution securing the General Revenue Bonds, including the Series 2002C Bonds, will be subject to the pledges and agreements under the resolutions securing the Old TBTA Bonds (collectively, the Old TBTA Resolutions).*

*Release of Existing Reserve Funds.* Once the defeasance of the Old TBTA Resolutions and the Old TBTA Bonds and Notes issued thereunder has been accomplished and the substitution of resolutions in connection with the Substitution Bonds and Notes is effective, approximately \$413 million in reserves under the Old TBTA Resolutions will be released to TBTA and are expected to be used primarily to finance transit and commuter capital projects.

For a more detailed description of the debt restructuring, *see* DEBT RESTRUCTURING in **Appendix A**.

#### **Defined Terms**

Capitalized terms not otherwise defined in this official statement have the meanings provided by **Attachment 2**.

## PART I. SERIES 2002C BONDS

*Part I* of this official statement, together with the Summary of Terms, provides specific information about the Series 2002C Bonds.

### REFUNDING PLAN AND APPLICATION OF PROCEEDS

#### Use of Proceeds

The Series 2002C Bonds are being issued to refund all of TBTA's outstanding General Purpose Revenue Bonds, Series 1999C (the Refunded Bonds).

#### Escrow of Government Securities

A portion of the net proceeds of the Series 2002C Bonds will be used to acquire direct obligations of, or obligations guaranteed by, the United States of America (Government Securities), the principal of and interest on which, when due, will provide, together with any moneys which may be deposited by TBTA with the trustee under the 1980 Resolution (the Prior Trustees), moneys sufficient to pay the principal or redemption price of the Refunded Bonds and the interest to become due on such Refunded Bonds on and prior to their redemption date.

The Government Securities and such other moneys, if any, will be deposited with the Prior Trustee upon the issuance and delivery of the Series 2002C Bonds and will be held in trust for the payment of the principal or redemption price of and interest on the Refunded Bonds. Upon making such deposit with the Prior Trustee and the issuance of certain irrevocable instructions to the Prior Trustee pursuant to the 1980 Resolution, the Refunded Bonds will, under the terms of the 1980 Resolution, be deemed to have been paid and will no longer be outstanding under the 1980 Resolution and will cease to be entitled to any lien, benefit or security under the 1980 Resolution.

#### Interest Rate Swap

In connection with the issuance of the Refunded Bonds, TBTA entered into an interest rate swap agreement with Ambac Financial Services, Limited Partnership (the Counterparty) for the purpose of converting TBTA's variable rate exposure relating to the Refunded Bonds to a fixed rate until January 1, 2013 (the Interest Rate Swap). The Interest Rate Swap will be made applicable to the Series 2002C Bonds. The original notional schedule and January 1, 2013 termination date of the Interest Rate Swap will not be modified and therefore will not match the longer maturity and sinking fund retirement schedule of the Series 2002C Bonds. The Interest Rate Swap will be a Qualified Swap under the TBTA Resolution and, as such, TBTA's scheduled interest obligations under the Interest Rate Swap will constitute Parity Swap Obligations under the TBTA Resolution.

### DESCRIPTION OF SERIES 2002C BONDS

#### General

***Variable Rate Bonds.*** The Series 2002C Bonds will be dated their date of delivery and will mature on January 1, 2033. The Series 2002C Bonds are Variable Interest Rate Obligations that initially bear interest from their date of delivery in the Weekly Mode. The Series 2002C Bonds will bear interest from the date of issuance to and including October 16, 2002 at a rate to be established by TBTA and, thereafter, at the rate determined by the Remarketing Agent as described below. **This official statement is intended to provide disclosure only to the extent the Series 2002C Bonds remain in the Weekly Mode. In the event TBTA elects to convert the Series 2002C Bonds to a different Mode, it expects to circulate a revised disclosure document relating thereto.**

Interest on the Series 2002C Bonds is paid in arrears and is computed upon the basis of a 365-day year (366 in years when February has 29 days), for the number of days actually elapsed. The maximum rate of interest on the Series 2002C Bonds (other than Bank Bonds, as hereinafter described) at any time, whether before or after the maturity thereof, is 12% per annum (the Maximum Rate). "Bank Bonds" are Series 2002C Bonds held by the Liquidity Facility Issuer as a result of a draw on the Liquidity Facility to pay the Purchase Price of Series 2002C Bonds that have been tendered and not remarketed and may bear interest at a rate of up to 25% per annum.

TBTA has appointed UBS PaineWebber Inc. as Remarketing Agent in connection with the remarketing of the Series 2002C Bonds. The Remarketing Agent will determine the interest rate on the Series 2002C Bonds and will remarket Series 2002C Bonds tendered or required to be tendered for purchase on a best efforts basis. The Remarketing Agent may be removed or replaced by TBTA in accordance with the Remarketing Agreement. Pursuant to the Remarketing Agreement, the Remarketing Agent will suspend its obligation to remarket Series 2002C Bonds upon the occurrence of a default by the Insurer under the Insurance Policy or upon the termination or suspension of the Liquidity Facility.

**Payment of Series 2002C Bonds Purchase Price.** The Purchase Price (as hereinafter defined) of the Series 2002C Bonds that are tendered and not remarketed on any Purchase Date is payable pursuant to a standby bond purchase agreement (the Initial Liquidity Facility), by and among WestLB AG, New York Branch (the Initial Liquidity Facility Issuer), TBTA and U.S. Bank Trust National Association, acting as Trustee and Tender Agent.

For more information relating to the Initial Liquidity Facility Issuer, *see Attachment 5*.

The Initial Liquidity Facility is an obligation of the Initial Liquidity Facility Issuer as described herein. **The obligations of the Initial Liquidity Facility Issuer to purchase Series 2002C Bonds are subject to the satisfaction of certain conditions and may be terminated or suspended, in certain instances without notice or without the obligation of the Liquidity Facility Issuer to purchase Series 2002C Bonds that have been tendered for purchase.** *See Liquidity Facility below.*

The Purchase Price on the Series 2002C Bonds is payable solely from the proceeds of remarketing the Series 2002C Bonds by UBS PaineWebber Inc., acting as the Remarketing Agent, and from the proceeds from draws under the Liquidity Facility. Although TBTA has the option to purchase Series 2002C Bonds that have been neither remarketed nor purchased by the Liquidity Facility Issuer, it is not obligated to do so. Payment of the Purchase Price is not an obligation of TBTA, the Insurer, the Trustee, the Remarketing Agent or the Tender Agent and failure to make that payment shall not constitute an Event of Default under the TBTA Resolution. *See Source of Funds for Purchase of Series 2002C Bonds below.*

The Initial Liquidity Facility is scheduled to expire on October 8, 2007, unless extended or earlier terminated (in certain cases without notice) in accordance with its terms. *See Liquidity Facility below.*

**Credit Enhancement.** The scheduled payment of principal of and interest on the Series 2002C Bonds when due will be guaranteed under a financial guaranty insurance policy (the Insurance Policy) to be issued simultaneously with the delivery of the Series 2002C Bonds by Ambac Assurance Corporation (the Insurer). *See Bond Insurance below.*

**Book-Entry-Only System.** The Series 2002C Bonds will be issued as registered bonds, 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 Series 2002C Bonds. During the period during which the Series 2002C Bonds bear interest in the Weekly Mode, individual purchases will be made in book-entry-only form, in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof (Authorized Denominations). So long as DTC is the registered owner of the Series 2002C Bonds, all payments on the Series 2002C Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. *See Attachment 1 – Book-Entry-Only System.*

**Interest Payments.** Interest on the Series 2002C Bonds is payable on each January 1 and July 1, commencing January 1, 2003. So long as DTC is the sole registered owner of all of the Series 2002C Bonds, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC's participants will be responsible for payment of interest to beneficial owners. All Series 2002C Bonds are fully registered in Authorized Denominations.

**Transfers and Exchanges.** So long as DTC is the securities depository for the Series 2002C Bonds, it will be the sole registered owner of the Series 2002C Bonds, and transfers of ownership interests in the Series 2002C Bonds will occur through the DTC Book-Entry-Only System.

**Trustee, Paying Agent and Tender Agent.** U. S. Bank Trust National Association is Trustee, Paying Agent and Tender Agent with respect to the Series 2002C Bonds.

### **Terms Relating to the Weekly Mode**

**Determination of Interest Rate in the Weekly Mode.** The interest rate for the Series 2002C Bonds in a Weekly Mode shall be determined by the Remarketing Agent on each Wednesday or, if that Wednesday is not a Business Day, the Business Day next preceding such Wednesday (the Rate Determination Date). The interest rate shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Series 2002C Bonds on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The interest rate shall be effective on Thursday and shall continue in effect through the next succeeding Wednesday (the Interest Period), provided that if any Series 2002C Bonds subject to a Weekly Mode shall be converted to another Mode prior to such Wednesday, such Weekly Mode for such Series 2002C Bond shall continue in effect only until the day preceding the applicable Mode Change Date. The Remarketing Agent shall make the interest rate available by Electronic Means to each other Notice Party at or before 5:00 p.m., New York City time, on the Business Day immediately succeeding the Rate Determination Date.

In the event the Remarketing Agent fails to determine the interest rate or the method of determining the interest rate is held to be unenforceable by a court of law of competent jurisdiction, the Series 2002C Bonds will bear interest at the Alternate Rate for subsequent Interest Periods until such time as the Remarketing Agent again makes that determination or until there is delivered to TBTA and the Trustee a Favorable Opinion of Bond Counsel.

The Alternate Rate is

- the BMA Index (The Bond Market Association Municipal Swap Index released by Municipal Market Data to its subscribers), or
- if the BMA Index is no longer published, the Kenny Index (the rate determined on the basis of the Kenny 30-Day High Grade Index announced on Tuesday or the next preceding Business Day and as computed by Kenny Information Systems, Inc.), or
- if neither the BMA Index nor the Kenny Index are published, an index or a rate selected or determined by the Trustee and consented to by the Issuer and the Insurer.

No Series 2002C Bond (other than a Bank Bond) may at any time bear interest at a rate that is in excess of 12%. No Bank Bond may at any time bear interest at a rate that is in excess of 25%.

**Binding Effect.** Each determination of the interest rate for the Series 2002C Bonds, as provided herein, shall be conclusive and binding upon the holders of the Series 2002C Bonds, TBTA, the Remarketing Agent, the Tender Agent, the Liquidity Facility Issuer, the Insurer and the Trustee.

### **Changes in Mode**

**General.** All or any portion of the Series 2002C Bonds may be changed to any other Mode at the times and in the manner as summarized below.

**Notice of Intention to Change Mode.** TBTA shall give written notice to the Notice Parties of its intention to effect a change in the Mode from the Mode then prevailing (the Current Mode) to another Mode (the New Mode) specified in such written notice, together with the proposed effective date of that change in the Mode (the Mode Change Date). The notice shall be given at least 20 days prior to the Mode Change Date.

#### **General Provisions Applying to Changes from One Mode to Another.**

1. The Mode Change Date must be a Business Day.

2. On or prior to the date TBTA provides the notice to the Notice Parties, TBTA shall deliver to the Trustee (with a copy to all other Notice Parties) a letter from Bond Counsel addressed to the Trustee to the effect that it expects to be able to deliver a Favorable Opinion of Bond Counsel on the Mode Change Date.

3. No change in Mode will become effective unless all conditions precedent thereto have been met and the following items shall have been delivered to the Trustee and the Remarketing Agent by 11:00 a.m., or such later time as is acceptable to TBTA, the Trustee and the Remarketing Agent, on the Mode Change Date:

- a Favorable Opinion of Bond Counsel dated the Mode Change Date,
- unless the existing Tender Agency Agreement and Remarketing Agreement is effective on the Mode Change Date, a Tender Agency Agreement and a Remarketing Agreement, and
- a certificate of an authorized officer of the Tender Agent to the effect that all of the Series 2002C Bonds tendered or deemed tendered, unless otherwise redeemed, have been purchased at a price at least equal to the principal amount thereof.

4. If all conditions to the Mode change are met, the interest period for the New Mode shall commence on the Mode Change Date and the interest rate shall be determined by the Remarketing Agent.

5. In the event the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and the Series 2002C Bonds that are the subject of the Mode change:

- will not be subject to mandatory tender for purchase, and
- will continue to be in the Weekly Mode.

#### **Tender, Presentation and Purchase Provisions of the Series 2002C Bonds During the Weekly Mode**

*Purchase on Demand of Owners of Series 2002C Bonds in Weekly Mode.* The Owners of the Series 2002C Bonds that are not Bank Bonds or Series 2002C Bonds registered in the name of TBTA may elect to have such Series 2002C Bonds (or portions thereof in Authorized Denominations) purchased on a Business Day at a price (the Purchase Price) equal to the principal amount so tendered plus accrued interest (if the Purchase Date is not an Interest Payment Date). Owners must deliver a written notice of tender (the Tender Notice), or telephonic notice of tender to the Tender Agent and the Remarketing Agent, promptly confirmed in writing to the Tender Agent and the Remarketing Agent at their respective principal offices, not later than 4:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by the Owner. The Tender Notice, once transmitted to the Tender Agent and the Remarketing Agent, shall be irrevocable and that tender shall occur on the Purchase Date specified in that Tender Notice. The Tender Agent shall notify the Trustee by the close of business on the next succeeding Business Day of the receipt of any Tender Notice.

During any period that Series 2002C Bonds are registered in the name of DTC or a nominee thereof pursuant to the TBTA Resolution,

- any Tender Notice delivered as described in the immediately preceding paragraph shall identify the DTC Participant through whom the beneficial owner will direct transfer,
- on or before the Purchase Date, the beneficial owner must direct (or if the beneficial owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Series 2002C Bond on the records of DTC, and
- it shall not be necessary for Series 2002C Bonds to be physically delivered on the date specified for purchase thereof, but such purchase shall be made as if such Series 2002C Bonds had been so delivered, and the Purchase Price thereof shall be paid to DTC.

In accepting a notice of tender as provided above, the Trustee and the Tender Agent may conclusively assume that the person providing such notice of tender is the beneficial owner of Series 2002C Bonds tendered and

therefore entitled to tender them. The Trustee and Tender Agent assume no liability to anyone in accepting a notice of tender from a person whom it reasonably believes to be such a beneficial owner of Series 2002C Bonds.

***Mandatory Purchase on any Mode Change Date.*** Except for Bank Bonds or Series 2002C Bonds registered in the name of TBTA, the Series 2002C Bonds to be changed to any Mode from any other Mode are subject to a mandatory tender for purchase on the Mode Change Date at the Purchase Price equal to the principal amount thereof.

***Mandatory Purchase Upon Expiration Tender Date, Termination Tender Date and Substitution Date.*** Except for Bank Bonds or Series 2002C Bonds registered in the name of TBTA, the Series 2002C Bonds are subject to mandatory tender for purchase on:

- the second Business Day preceding the Expiration Date of a Liquidity Facility, which second Business Day is hereinafter referred to as an Expiration Tender Date;
- the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of a Liquidity Facility, which fifth calendar day is hereinafter referred to as a Termination Tender Date, if the Liquidity Facility permits a draw thereon on the Termination Tender Date; and
- the Substitution Date for a Liquidity Facility.

A “Substitution Date” means:

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

***Notice of Mandatory Tender for Purchase.*** The Trustee shall, at least fifteen (15) days prior to the Expiration Tender Date, give notice of the mandatory tender on that Expiration Tender Date if it has not theretofore received confirmation that the Expiration Date has been extended.

Upon receipt of a written notice from the Liquidity Facility Issuer or TBTA that the Liquidity Facility will terminate or the obligation of the Liquidity Facility Issuer to purchase the Series 2002C Bonds will terminate prior to its Expiration Date, the Trustee shall within one (1) Business Day give notice of the mandatory tender of the Series 2002C Bonds that is to occur on such Termination Tender Date if it has not theretofore received from the Liquidity Facility Issuer or TBTA a notice stating that the event which resulted in the Liquidity Facility Issuer or TBTA giving a notice of the Termination Date has been cured and that the Liquidity Facility Issuer or TBTA has rescinded its election to terminate the Liquidity Facility. Notwithstanding anything to the contrary described below, that notice shall be given by Electronic Means capable of creating a written notice. Any notice given substantially as described in this paragraph shall be conclusively presumed to have been duly given, whether or not actually received by each Owner.

The Trustee shall, at least fifteen (15) days prior to the Substitution Date, give notice of the mandatory tender of the Series 2002C Bonds on the Substitution Date.

The Trustee shall, at least fifteen (15) days prior to any Mode Change Date give notice of the mandatory tender for purchase of the Series 2002C Bonds that is to occur on that date.

Except as provided in the third immediately preceding paragraph, notice of any mandatory tender of Series 2002C Bonds shall be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of Series 2002C Bonds at the respective addresses

shown on the registry books. Each notice of mandatory tender for purchase shall identify the reason for the mandatory tender for purchase, and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Series 2002C Bond, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Series 2002C Bonds shall in addition specify the conditions that have to be satisfied pursuant to the TBTA Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

In the event a mandatory tender of Series 2002C Bonds shall occur at or prior to the same date on which an optional tender for purchase is scheduled to occur, the terms and conditions of the applicable mandatory tender for purchase shall control. Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Owner of any Series 2002C Bond receives the notice, and the failure of that Owner to receive any such notice shall not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption would not affect the obligation of the Tender Agent to purchase the Series 2002C Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

#### **Remarketing of Series 2002C Bonds; Notices**

The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for (i) all Series 2002C Bonds or portions thereof as to which a Tender Notice has been given and (ii) all Series 2002C Bonds required to be tendered for purchase. No Series 2002C Bond shall be remarketed (x) to TBTA, or any affiliate of TBTA, nor shall any Bank Bonds be remarketed unless the Liquidity Facility has been or will be, immediately upon such remarketing, reinstated by the amount of the reduction that occurred when such Series 2002C Bonds became Bank Bonds, and (y) at a price that is less than the Purchase Price of such Series 2002C Bonds..

Pursuant to the Remarketing Agreement, the Remarketing Agent will suspend its obligation to remarket Series 2002C Bonds upon the occurrence of a default by the Insurer under the Insurance Policy or upon the termination or suspension of the Liquidity Facility.

#### ***Notice of Remarketing; Registration Instructions; New Series 2002C Bonds***

(i) The Remarketing Agent shall notify the Tender Agent not later than 11:45 a.m. on the Purchase Date or Mandatory Purchase Date of the registration instructions as may be necessary to re-register Series 2002C Bonds; and

(ii) Unless otherwise permitted or required by DTC and DTC's book-entry-only system applicable to the Series 2002C Bonds, the Tender Agent shall authenticate and have available for delivery to the Remarketing Agent prior to 12:30 p.m. on the Purchase Date or Mandatory Tender Date new Series 2002C Bonds for the respective purchasers thereof.

#### ***Transfer of Funds***

(i) The Remarketing Agent shall at or before 11:45 a.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, (x) notify TBTA, the Trustee and the Tender Agent by Electronic Means of the amount of tendered Series 2002C Bonds that were not successfully remarketed, and (y) confirm to the Trustee and the Tender Agent the transfer of the Purchase Price of remarketed Series 2002C Bonds to the Tender Agent in immediately available funds at or before 12:00 (noon), such information to include pertinent Fed Wire reference number.

(ii) The Trustee shall draw on the Liquidity Facility, in accordance with the terms thereof, by 12:25 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, in an amount equal to the Purchase Price of all Series 2002C Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds confirmed to the Trustee and the Tender Agent by the Remarketing Agent as described in clause (i) above and shall cause the proceeds of such draw to be transferred to the Tender Agent by no later than 2:30 p.m. Notwithstanding the foregoing, the Trustee shall draw on the Liquidity Facility, if any, in an amount equal to the Purchase Price of all Series 2002C Bonds tendered or deemed tendered for purchase on each Purchase Date or Mandatory Purchase Date, as the case may be, if it does not receive a confirmation from the Remarketing Agent as described in clause (i) above.

(iii) The Tender Agent shall confirm to TBTA and the Trustee by 2:40 p.m. on the Purchase Date or Mandatory Purchase Date, receipt of the proceeds of any draw on the Liquidity Facility.

The Trustee shall not draw on a Liquidity Facility with respect to the Purchase Price of Bank Bonds or Series 2002C Bonds owned by TBTA or any subsidiary or affiliate of TBTA or the Liquidity Facility Issuer.

#### **Source of Funds for Purchase of Series 2002C Bonds**

On or before the close of business on the Purchase Date or the Mandatory Purchase Date with respect to Series 2002C Bonds, the Tender Agent shall purchase the Series 2002C Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price shall be derived in the order of priority indicated:

- immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of Series 2002C Bonds; and
- immediately available funds transferred by the Trustee to the Tender Agent derived from the Liquidity Facility.

Notwithstanding the foregoing, TBTA shall have the option, but shall not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Series 2002C Bond that is tendered or deemed tendered as described in this official statement and the Purchase Price of which is not paid on the Purchase Date or Mandatory Purchase Date from any of the sources identified above. None of TBTA, the Trustee, the Tender Agent nor the Remarketing Agent shall have any liability or obligation to pay or, except from the sources identified above, make available such Purchase Price. The failure to pay any such Purchase Price for Series 2002C Bonds that have been tendered or deemed tendered for purchase from any of the sources identified above shall not constitute an Event of Default under the TBTA Resolution and in the case of that failure those Series 2002C Bonds shall not be purchased and shall remain in the Weekly Mode.

#### **Delivery of Remarketed Series 2002C Bonds**

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Series 2002C Bonds sold by the Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of those Remarketed Bonds by 3:00 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be.

#### **Delivery and Payment for Purchased Series 2002C Bonds; Undelivered Series 2002C Bonds**

Except as otherwise required or permitted by DTC's book-entry-only system, Series 2002C Bonds that are to be tendered shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date, as the case may be, at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any Series 2002C Bond purchased pursuant to the optional tender provisions shall be made only if such Series 2002C Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the Tender Notice.

Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date or Mandatory Purchase Date, as the case may be, or, if the

Owner has not provided wire transfer instructions, by check mailed to the Owner at the address appearing in the Trustee's books.

If Series 2002C Bonds are not delivered by 12:00 noon, the Tender Agent will hold any funds received for the purchase of the Series 2002C Bonds that are tendered or deemed tendered in trust in a separate account and shall pay such funds upon presentation. Any such amounts shall be held uninvested. Those undelivered Series 2002C Bonds shall be deemed tendered and cease to accrue interest as to the former Owners on the Purchase Date or the Mandatory Purchase Date, as the case may be, and moneys representing the Purchase Price shall be available against delivery of those Series 2002C Bonds at the principal office of the Tender Agent; provided, however, that any funds which shall be so held by the Tender Agent and which remain unclaimed by the former Owner of any such Series 2002C Bond not presented for purchase for a period of two years after delivery of those funds to the Tender Agent, shall, to the extent permitted by law, upon request in writing by TBTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to TBTA free of any trust or lien and thereafter the former Owner of such Series 2002C Bond shall look only to TBTA and then only to the extent of the amounts so received by TBTA without any interest thereon and the Tender Agent shall have no further responsibility with respect to such moneys or payment of the Purchase Price of such Series 2002C Bonds. The Tender Agent shall authenticate a replacement Series 2002C Bond for any undelivered Series 2002C Bond which may then be remarketed by the Remarketing Agent.

### Redemption Provisions During the Weekly Mode

The Series 2002C Bonds are redeemable prior to maturity on such dates and at such prices during the Weekly Mode as are set forth below.

**Mandatory Sinking Fund Redemption.** The Series 2002C Bonds are subject to redemption in part on January 1 of each year and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from sinking fund installments which are required to be made in amounts sufficient to redeem on January 1 of each year set forth below the principal amount of such Series 2002C Bonds specified for each of the years shown below:

<u>Payment Date</u> <u>(January 1)</u>	<u>Sinking Fund</u> <u>Installment</u>	<u>Payment Date</u> <u>(January 1)</u>	<u>Sinking Fund</u> <u>Installment</u>
2008	\$1,390,000	2021	\$4,075,000
2009	1,450,000	2022	4,240,000
2010	1,510,000	2023	4,410,000
2011	1,855,000	2024	4,585,000
2012	2,235,000	2025	4,765,000
2013	2,650,000	2026	4,960,000
2014	3,095,000	2027	5,155,000
2015	3,220,000	2028	5,360,000
2016	3,350,000	2029	5,575,000
2017	3,485,000	2030	5,800,000
2018	3,625,000	2031	6,030,000
2019	3,765,000	2032	6,275,000
2020	3,920,000	2033*	6,525,000

\* Final maturity

**Credit Toward Mandatory Sinking Fund Redemption.** TBTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and if taken, thereafter reduce the amount of term Series 2002C Bonds of the same maturity and interest rate otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If TBTA directs the Trustee to purchase term Series 2002C Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of

100% of the principal amount of bonds purchased will be made against the next Sinking Fund Installment due.

- If TBTA purchases or redeems term Series 2002C Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installments in any order, and in any annual amount, that TBTA may direct.

**Optional Redemption.** The Series 2002C Bonds are subject to redemption prior to maturity as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any Business Day, subject to applicable notice, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest up to but not including the redemption date. If any such optional redemption shall occur, TBTA will redeem Bank Bonds first.

**State and City Redemption.** Pursuant to the TBTA Act, the State or the City, upon providing sufficient funds, may require TBTA to redeem the Series 2002C Bonds as a whole at any time and at a price and in accordance with the terms upon which the Series 2002C Bonds are otherwise redeemable.

**Redemption of Bank Bonds.** The Bank Bonds shall be subject to optional and mandatory redemption under the same terms and conditions as provided with respect to other Series 2002C Bonds. The Bank Bonds shall also be subject to mandatory redemption at the times and under the terms and conditions as provided in the Liquidity Facility relating to such Bank Bonds.

**Redemption in Part; Bank Bonds To Be Redeemed First.** In the event of a redemption of less than all the Series 2002C Bonds, the Trustee shall in accordance with the TBTA Resolution first select for redemption all then outstanding Bank Bonds prior to selecting for redemption any Series 2002C Bonds which are not Bank Bonds unless the Liquidity Facility Issuer shall be in default under the Liquidity Facility, in which case, the Trustee shall at the written direction of TBTA, select for redemption all then outstanding Series 2002C Bonds in accordance with such direction.

**Redemption Notices.** So long as DTC is the securities depository for the Series 2002C Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Series 2002C Bonds are not held in book-entry form, then the Trustee must mail redemption notices directly to bondholders within the same time frame. A redemption of the Series 2002C Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final - even if beneficial owners did not receive their notice, and even if that notice had a defect.**

**Effect of Call for Redemption.** If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2002C Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2002C Bonds, then on the redemption date the Series 2002C Bonds called for redemption will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Series 2002C Bonds called for redemption, thereafter, no interest will accrue on those Series 2002C Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2002C Bonds.

## **Amendments**

The provisions of the TBTA Resolution, with respect to the Series 2002C Bonds, may be modified or amended pursuant to the TBTA Resolution by obtaining, when required by the TBTA Resolution, the consent of the Owners of all Series 2002C Bonds or, in lieu thereof as permitted by the TBTA Resolution, the Insurer. All Owners of the Series 2002C Bonds will be deemed to have consented to a modification or amendment if on the 30<sup>th</sup> day (or if such day is not a Business Day, on the next succeeding Business Day) after the date on which the Trustee mailed notice of such proposed

modification or amendment to the Owners of the Series 2002C Bonds there is delivered to the Trustee –

- a certificate of the Tender Agent to the effect that all Series 2002C Bonds that have been optionally tendered for purchase by their Owners after the date on which the Trustee mailed such notice of the proposed modification or amendment have been purchased at a price equal to the Purchase Price thereof,
- a written consent of the Remarketing Agent to the proposed modification or amendment, and
- a Favorable Opinion of Bond Counsel.

## Liquidity Facility

**General Description.** The Series 2002C Bonds are, under certain conditions, subject to optional and mandatory tender for purchase from specified sources. The purchase by the Tender Agent of Series 2002C Bonds tendered or deemed tendered for optional or mandatory purchase (the Tendered Series 2002C Bonds) will be funded only from (i) remarketing proceeds, and (ii) to the extent that remarketing proceeds are not available, proceeds available from the Liquidity Facility. Although TBTA has the option to purchase Series 2002C Bonds that have been neither remarketed nor purchased by the Liquidity Facility Issuer, it is not obligated to do so. The Insurer has no obligation to pay the Purchase Price of the Series 2002C Bonds. See Tender, Presentation and Purchase Provisions of the Series 2002C Bonds During the Weekly Mode and Source of Funds for Purchase of Series 2002C Bonds *above*. See **Attachment 5** – Initial Liquidity Facility Issuer for information regarding the Initial Liquidity Facility Issuer.

Subject to certain conditions described below, the Initial Liquidity Facility Issuer will purchase from time to time during the period from the date of delivery of the Series 2002C Bonds to and including October 8, 2007 (unless extended) or earlier termination or suspension of the Initial Liquidity Facility, any Tendered Series 2002C Bonds which are required to be purchased due to an optional or mandatory tender for purchase that have not been remarketed at the times and in the manner set forth in the TBTA Resolution. The price to be paid by the Initial Liquidity Facility Issuer pursuant to the Initial Liquidity Facility for purchased Series 2002C Bonds will be equal to the aggregate principal amount of such Series 2002C Bonds plus accrued interest thereon (up to 187 days of interest calculated at an aggregate rate not to exceed 12% per annum based on a year of 365 days), if any, other than defaulted interest, to the date of such purchase. Upon any purchase of Series 2002C Bonds with amounts realized under the Initial Liquidity Facility, the commitment of the Initial Liquidity Facility Issuer to purchase Series 2002C Bonds shall be reduced by the Purchase Price and shall be reinstated by such amount upon the repurchase of such Series 2002C Bonds from the Initial Liquidity Facility Issuer, all in accordance with the Initial Liquidity Facility.

The Initial Liquidity Facility does not provide security for the scheduled payment of principal of or interest or premium, if any, on the Series 2002C Bonds, and the funds drawn thereunder may not be used for such purposes.

**AS DESCRIBED BELOW, THE INITIAL LIQUIDITY FACILITY PROVIDES THAT THE OBLIGATION OF THE INITIAL LIQUIDITY FACILITY ISSUER TO PURCHASE SERIES 2002C BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE, MAY BE IMMEDIATELY TERMINATED UPON THE OCCURRENCE OF CERTAIN EVENTS WITHOUT NOTICE TO THE OWNERS. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE SERIES 2002C BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE. FAILURE TO PAY THE PURCHASE PRICE OF SERIES 2002C BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE SHALL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THE TBTA RESOLUTION.**

**Immediate Termination Events.** The occurrence of certain termination events under the Initial Liquidity Facility may result in an immediate termination of the Initial Liquidity Facility Issuer's commitment to purchase Tendered Series 2002C Bonds or may entitle the Initial Liquidity Facility Issuer to terminate its obligations under the Initial Liquidity Facility. In the case of the following termination events, except as provided in the final paragraph of this section, the obligation of the Initial Liquidity Facility Issuer to purchase Tendered Series 2002C Bonds shall immediately terminate or suspend without notice or demand, and thereafter the Initial Liquidity Facility Issuer shall be under no obligation to purchase Tendered Series 2002C Bonds:

- (a) any principal or interest due on the Series 2002C Bonds is not paid by TBTA when due and such principal or interest is not paid by the Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Insurance Policy; or
- (b) (i) any material provision of the Insurance Policy at any time for any reason ceases to be valid and binding on the Insurer in accordance with the terms of the Insurance Policy or is declared to be null and void by a final non-appealable order of a court or other governmental agency of appropriate jurisdiction, or (ii) the validity or enforceability thereof is contested by the Insurer in writing or any governmental agency or authority, or the Insurer denies in writing that it has any or further liability or obligation under the Insurance Policy; or
- (c) certain acts of bankruptcy or insolvency relating to the Insurer or any substantial part of its property; or
- (d) the Insurer shall default in any payment or payments of amounts payable by it under any insurance policies insuring any securities (other than the Insurance Policy) when due, and such default shall continue for a period of ten (10) days.

After the Initial Liquidity Facility Issuer receives written notice of such termination event, the Initial Liquidity Facility Issuer shall give written notice of the same to the Trustee, the Insurer, TBTA and the Remarketing Agent; provided, that the Initial Liquidity Facility Issuer shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Initial Liquidity Facility Issuer's commitment to purchase Tendered Series 2002C Bonds and of its obligation to purchase Tendered Series 2002C Bonds pursuant to the Initial Liquidity Facility.

Upon the occurrence of a termination event described in clause (b)(ii), the Initial Liquidity Facility Issuer shall immediately suspend rather than terminate its commitment to purchase Tendered Series 2002C Bonds. In addition, upon the occurrence of an event described in clause (c) above which with the passage of time would become a termination event, the Initial Liquidity Facility Issuer may suspend its commitment to purchase Tendered Series 2002C Bonds at any time during the running of the period of time required to pass before the event becomes a termination event allowing the Initial Liquidity Facility Issuer to exercise its termination right.

Upon the occurrence of any of the termination or suspension events specified above –

- the Series 2002C Bonds *will not* be subject to mandatory tender for purchase, and
- the Remarketing Agent will suspend its obligation to remarket any Series 2002C Bonds that have been optionally tendered for purchase by their holders.

In the case of certain other termination events under the Initial Liquidity Facility, the Initial Liquidity Facility Issuer may terminate its commitment to purchase Tendered Series 2002C Bonds by giving written notice to TBTA, the Trustee, the Tender Agent and the Insurer, specifying the date on which the Initial Liquidity Facility Issuer's commitment to purchase Tendered Series 2002C Bonds shall terminate (not less than 30 days after the date of receipt of such notice by the Trustee). In such event –

- the Series 2002C Bonds will be subject to mandatory tender for purchase on the Termination Tender Date, and
- the Remarketing Agent will suspend its obligation to remarket Tendered Series 2002C Bonds.

*See Tender, Presentation and Purchase Provisions of the Series 2002C Bonds During the Weekly Mode; Remarketing of the Series 2002C Bonds; Notices; and Sources of Funds for Purchase of Series 2002C Bonds above.*

## **Bond Insurance**

**General.** The following information has been furnished by the Insurer for use in this Official Statement. Reference is made to **Attachment 4** for a specimen of the Insurer's financial guaranty insurance policy. TBTA has granted to the Insurer certain rights authorized under Section A-202 of the TBTA Resolution, including the right to

be deemed the sole owner of the Series 2002C Bonds whenever the approval, consent or action of the owners is required. *See Definitions and Summary of Certain Provisions of the Standard Resolution Provisions included by specific reference herein.*

Payment of the principal of and interest when due on the Series 2002C Bonds (but not Purchase Price) will be insured by the Insurance Policy issued by the Insurer simultaneously with the issuance of the Series 2002C Bonds.

***Payment Pursuant to Financial Guaranty Insurance Policy.*** The Insurer has made a commitment to issue the Insurance Policy relating to the Series 2002C Bonds effective as of the date of issuance of the Series 2002C Bonds. Under the terms of the Insurance Policy, the Insurer will pay to The Bank of New York, in New York, New York or any successor thereto (the Insurance Trustee) that portion of the principal of and interest on the Series 2002C Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Insurance Policy). The Insurer will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which the Insurer shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Series 2002C Bonds and, once issued, cannot be canceled by the Insurer.

The Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2002C Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2002C Bonds, the Insurer will remain obligated to pay principal of and interest on outstanding Series 2002C Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2002C Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on a Series 2002C Bond which has become Due for Payment and which is made to a holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available.

The Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Insurance Policy. Specifically, the Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee or Paying Agent, if any.

If it becomes necessary to call upon the Insurance Policy, payment of principal requires surrender of the Series 2002C Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2002C Bonds to be registered in the name of the Insurer to the extent of the payment under the Insurance Policy. Payment of interest pursuant to the Insurance Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder's right to payment to the Insurer.

Upon payment of the insurance benefits, the Insurer will become the owner of the Obligation, appurtenant coupon, if any, or right to payment of principal or interest on such Obligation and will be fully subrogated to the surrendering holder's rights to payment.

The Insurance Policy does not insure against loss relating to payments of the purchase price of Series 2002C Bonds upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of the Series 2002C Bonds upon tender by a registered owner thereof.

The insurance provided by the Insurance Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

**Ambac Assurance Corporation.** The Insurer is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately \$5,587,000,000 (unaudited) and statutory capital of approximately \$3,453,000,000 (unaudited) as of June 30, 2002. Statutory capital consists of the Insurer's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch, Inc. have each assigned a triple-A financial strength rating to the Insurer.

The Insurer has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by the Insurer will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by the Insurer under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Series 2002C Bonds.

The Insurer makes no representation regarding the Series 2002C Bonds or the advisability of investing in the Series 2002C Bonds and makes no representation regarding, nor has it participated in the preparation of, the official statement other than the information supplied by the Insurer and presented in **Attachment 4**.

**Available Information.** The parent company of the Insurer, Ambac Financial Group, Inc. (the Company), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the NYSE), 20 Broad Street, New York, New York 10005.

Copies of the Insurer's financial statements prepared in accordance with statutory accounting standards are available from the Insurer. The address of the Insurer's administrative offices and its telephone number are One State Street Plaza, 19<sup>th</sup> Floor, New York, New York 10004 and (212) 668-0340.

**Incorporation of Certain Documents by Reference.** The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this official statement:

1. The Company's Current Report on Form 8-K dated January 23, 2002 and filed on January 25, 2002;
2. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and filed on March 26, 2002;
3. The Company's Current Report on Form 8-K dated April 17, 2002 and filed on April 18, 2002;
4. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2002 and filed on May 13, 2002;
5. The Company's Current Report on Form 8-K dated July 17, 2002 and filed on July 19, 2002;
6. The Company's Current Report on Form 8-K dated August 14, 2002 and filed on August 14, 2002; and
7. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2002 and filed on August 14, 2002.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this official statement will be available for inspection in the same manner as described above in "Available Information."

**Debt Service on the General Revenue Bonds.**

**Table 1** sets forth, on a cash basis, the debt service on the Substitution Bonds (but not the Series 2000A BANS, maturing on January 1, 2003, that are expected to be paid by the issuance of TBTA Transportation Revenue Bonds), the debt service on the Series 2002B Bonds (based upon a bond purchase agreement entered into by TBTA on September 19, 2002), estimated debt service on the Series 2002C Bonds and Series 2002F Bonds, and the aggregate senior lien debt service on all Bonds to be outstanding after the issuance of the Series 2002F Bonds. **Table 1** does not include debt service on the subordinate TBTA bonds.

**Table 1**  
**Aggregate Senior Lien Debt Service**  
**(In Thousands)**

Year Ending December 31	<u>Debt Service on General Revenue Bonds</u>			
	Debt Service on Unrefunded Bonds <sup>(1)</sup>	Estimated Series 2002C Bonds <sup>(2)</sup>	Series 2002B and Estimated 2002F Bonds <sup>(3)</sup>	Aggregate Debt Service <sup>(4)</sup>
2002	\$ 40,763	\$ 1,332		\$ 42,095
2003	89,729	5,667	\$ 125,146	220,542
2004	89,407	5,534	152,680	247,621
2005	88,998	5,394	185,360	279,752
2006	88,567	5,394	185,791	279,752
2007	92,989	6,784	180,151	279,923
2008	92,932	6,786	180,121	279,840
2009	92,932	6,787	180,019	279,738
2010	92,928	6,784	180,024	279,736
2011	92,940	6,784	180,016	279,739
2012	101,675	6,786	171,270	279,731
2013	110,379	6,784	162,576	279,739
2014	110,374	6,785	161,075	278,234
2015	110,383	6,786	161,070	278,239
2016	109,726	6,787	161,730	278,244
2017	109,720	6,788	161,736	278,244
2018	108,042	6,783	163,412	278,237
2019	108,039	6,787	163,408	278,234
2020	108,042	6,785	163,416	278,244
2021	108,038	6,787	163,408	278,234
2022	128,639	6,788	142,816	278,242
2023	128,637	6,786	144,314	279,737
2024	171,249	6,783	100,206	278,238
2025	171,240	6,787	100,212	278,239
2026	171,246	6,784	100,210	278,240
2027	184,674	6,783	86,783	278,240
2028	199,278	6,783	72,180	278,241
2029	199,281	6,785	72,175	278,241
2030	214,464	6,783	56,992	278,238
2031	214,473	6,787	56,982	278,242
2032	0	6,786	236,676	243,462
Total:	<u>\$3,729,784</u>	<u>\$199,737</u>	<u>\$4,351,956</u>	<u>\$8,281,477</u>

<sup>(1)</sup> Includes senior lien debt service on the following: \$23,530,000 General Purpose Revenue Bonds, Series EFC 1996A; \$296,400,000 General Purpose Variable Rate Revenue Bonds, Series 2001B and 2001C (at an assumed variable interest rate of 4% per annum and including net payments made by TBTA under the swap agreement relating thereto and reflecting a revised amortization schedule under consideration and subject to change); \$1,125,720,000 General Purpose Revenue Bonds, Series 2001A; and \$268,300,000 General Purpose Revenue Bonds, Series 2002A. It does not include the debt service on the \$807,190,000 Series 2000A BANs that are subject to the substitution of the TBTA Resolution for the TBTA 1980 Resolution. MTA expects to issue its Transportation Revenue Bonds to provide for the payment of the Series 2000A BANs on or about November 20, 2002.

<sup>(2)</sup> Includes interest on the Series 2002C Bonds at an assumed variable interest rate of 4% per annum and including net payments made by TBTA under the Interest Rate Swap.

<sup>(3)</sup> Includes interest on the Series 2002B Bonds based upon a bond purchase agreement entered into by TBTA on September 19, 2002 and assumes 4% per annum on the Series 2002F Bonds issued in the principal amount set forth in INTRODUCTION – Debt Restructuring Program.

<sup>(4)</sup> Totals may not add due to rounding. Includes the assumptions set forth in footnotes 1 through 3.

## PART II. SOURCES OF PAYMENT AND SECURITY FOR TBTA GENERAL REVENUE BONDS

*Part II* of this official statement describes the sources of payment and security for all TBTA General Revenue Bonds, including the Series 2002C Bonds.

### SOURCES OF PAYMENT

TBTA receives its revenues from all tolls, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of its tunnels, bridges and other facilities, including the net revenues of the Battery Parking Garage, and TBTA's receipts from those sources, after payment of TBTA's operating expenses, are pledged to the holders of the Bonds for payment, as described below.

The following 7 bridges and 2 tunnels constitute TBTA Facilities for purposes of the TBTA Resolution:

- Triborough Bridge,
- Verrazano-Narrows Bridge,
- Bronx-Whitestone Bridge,
- Throgs Neck Bridge,
- Henry Hudson Bridge,
- Marine Parkway-Gil Hodges Memorial Bridge,
- Cross Bay Veterans Memorial Bridge,
- Brooklyn-Battery Tunnel, and
- Queens Midtown Tunnel.

In addition, but only for purposes of determining Revenues under the TBTA Resolution, the net revenues of the Battery Parking Garage are included.

TBTA is required to fix and collect tolls for the TBTA Facilities, and TBTA's power to establish toll rates is not subject to the approval of any governmental entity. For more information relating to TBTA's power to establish tolls, *see Appendix A – THE RELATED ENTITIES – The Triborough Bridge and Tunnel Authority – Toll Rates.*

For more detailed information about TBTA's tolls, *see* the report of the Independent Engineers included by specific reference herein – History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Condition of the Facilities of Triborough Bridge and Tunnel Authority.

From time to time legislation has been introduced by various State legislators seeking, among other things, to restrict the level of tolls on certain TBTA Facilities, to require approval of future toll increases by the Governor, or to eliminate minimum tolls or to require discounts or free passage to be accorded to certain users of TBTA's Facilities. Under the TBTA Act, however, the State has covenanted to holders of TBTA's bonds that it will not limit or alter the rights vested in TBTA to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to fulfill the terms of any agreements made with the holders of TBTA bonds or in any way to impair rights and remedies of those bondholders.

**Table 2** sets forth, by TBTA Facility, the amount of revenues for each of the last 5 years on a cash basis, as well as operating expenses. For a description of the effects on the operations of the TBTA Facilities due to the terrorist attack on WTC on September 11, 2001, *see Appendix A – THE RELATED ENTITIES – Terrorist Attack on World Trade Center*, and the report of the Independent Engineers included by specific reference herein – History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Condition of the Facilities of Triborough Bridge and Tunnel Authority.

Table 2

**Triborough Bridge and Tunnel Authority  
Historical Revenues, Operating Expenses  
and Senior Lien Debt Service  
(In Thousands)**

	Years Ended December 31,				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Bridge and Tunnel Revenues:					
Triborough Bridge	\$200,451	\$208,325	\$216,413	\$222,612	\$215,241
Verrazano-Narrows Bridge	185,130	192,788	196,556	203,172	208,164
Bronx Whitestone Bridge	135,593	140,083	147,597	155,938	152,881
Throgs Neck Bridge	147,106	149,711	152,134	152,453	150,764
Henry Hudson Bridge	28,687	28,731	30,068	31,938	32,242
Marine Parkway-Gil Hodges Memorial Bridge	8,589	8,577	8,461	8,374	8,344
Cross Bay Veterans' Memorial Bridge	6,727	7,021	7,199	7,651	7,965
Queens Midtown Tunnel	83,543	85,628	87,284	89,451	87,067
Brooklyn-Battery Tunnel	<u>56,167</u>	<u>63,576</u>	<u>67,080</u>	<u>69,018</u>	<u>52,188</u>
Total Bridge and Tunnel Revenues:	\$851,993	\$884,440	\$912,792	\$940,607	\$914,856
Investment Income and Other <sup>(1)</sup>	<u>48,612</u>	<u>54,111</u>	<u>39,314</u>	<u>58,205</u>	<u>56,681</u>
<b>Total Revenues</b>	<b><u>\$900,605</u></b>	<b><u>\$938,551</u></b>	<b><u>\$952,106</u></b>	<b><u>\$998,812</u></b>	<b><u>\$971,537</u></b>
Operating Expenses <sup>(2)</sup> :					
Personnel Costs	\$111,651	\$106,603	\$107,430	\$112,256	\$123,316
Maintenance and Other Operating Expenses	<u>112,222</u>	<u>101,587</u>	<u>120,561</u>	<u>129,807</u>	<u>133,198</u>
<b>Total Operating Expenses</b>	<b><u>\$223,873</u></b>	<b><u>\$208,190</u></b>	<b><u>\$227,991</u></b>	<b><u>\$242,063</u></b>	<b><u>\$256,514</u></b>
<b>Net Revenues Available for Debt Service</b>	<b>\$676,732</b>	<b>\$730,361</b>	<b>\$724,115</b>	<b>\$756,749</b>	<b>\$715,023</b>
<b>TBTA Senior Lien Debt Service<sup>(3)</sup></b>	<b>\$271,856</b>	<b>\$291,918</b>	<b>\$295,652</b>	<b>\$311,610</b>	<b>\$320,451</b>
<b>Senior Lien Coverage</b>	<b>2.49x</b>	<b>2.50x</b>	<b>2.45x</b>	<b>2.43x</b>	<b>2.23x</b>

<sup>(1)</sup> Investment earnings include interest earned on bond funds, including debt service and debt service reserve funds, that were applied to the payment of debt service as follows for the years 1997 through 2001, respectively: \$12,227; \$17,581; \$12,205; \$14,659; and \$25,696. Readers should note that, since there is no debt service reserve fund in the TBTA Resolution, investment earnings are expected to be substantially lower in future years. Figures are net of Other Income as included on the TBTA audit (rail car leases), as follows for the years 1997 through 2001, respectively: \$5,258; \$5,258; \$6,683; \$805; and \$620.

<sup>(2)</sup> Excludes depreciation.

<sup>(3)</sup> Represents debt service on bonds outstanding under the 1980 Resolution.

## SECURITY

TBTA General Revenue Bonds, including the Series 2002C Bonds, are general obligations of TBTA payable solely from the trust estate (described below) pledged for the payment of the Bonds and Parity Debt pursuant to the terms of the TBTA Resolution, after the payment of Operating Expenses. Summaries of certain provisions of the TBTA Resolution, including the Standard Resolution Provisions, are included by specific reference herein. The provisions of the new TBTA Resolution are materially different from the TBTA 1980 Resolution.

TBTA General Revenue Bonds are not a debt of the State or The City of New York, or any local governmental unit. TBTA has no taxing power.

### **Pledge Effected by the TBTA Resolution**

The Bonds and Parity Debt issued in accordance with the TBTA Resolution are secured by a net pledge of Revenues after the payment of Operating Expenses.

Pursuant to, and in accordance with, the TBTA Resolution, TBTA has pledged to the holders of the Bonds a “trust estate,” which consists of

- Revenues,
- the proceeds from the sale of the Bonds, and
- all funds, accounts and subaccounts established by the TBTA Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

*Purchasers of the Series 2002C Bonds should note that, until all of the Old TBTA Bonds are fully defeased or paid and the substitution of resolutions in connection with the Substitution Bonds and Notes is effective (currently expected on or about November 13, 2002), the TBTA Resolution securing the General Revenue Bonds, including the Series 2002C Bonds, will be subject to the pledges and agreements under the resolutions securing the Old TBTA Bonds (collectively, the Old TBTA Resolutions).*

### **Revenues and Additional TBTA Projects**

**Revenues from TBTA Facilities.** For purposes of the pledge under the TBTA Resolution, revenues of TBTA generally include all tolls, revenues, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of the TBTA Facilities (including net revenues derived from the Battery Parking Garage) and of any other insurance which insures against loss of revenues therefrom payable to or for the account of TBTA, and other income and receipts, as received by TBTA directly or indirectly from any of TBTA’s operations, including the ownership or operation of any TBTA Facilities, subject to certain exceptions.

TBTA does not currently derive any significant recurring Revenues from any sources other than the TBTA Facilities and investment income. Income from the TBTA Transit and Commuter Project (the transit and commuter systems) is not derived by or for the account of TBTA; consequently, no revenues from any portion of the TBTA Transit and Commuter Project are pledged to the payment of debt service on the Bonds.

For a discussion of other projects that TBTA is authorized to undertake, see **Appendix A – THE RELATED ENTITIES – The Triborough Bridge and Tunnel Authority – Authorized Projects of TBTA.**

**Additional TBTA Projects that can become TBTA Facilities.** If TBTA is authorized to undertake another project, whether or not a bridge or tunnel, that project can become a TBTA Facility for purposes of the TBTA Resolution if it is designated as such by TBTA and it satisfies, among others, the following conditions:

- an Authorized Officer certifies that either:
  - the Additional TBTA Project has been in operation (whether or not by TBTA) for a period of at least 12 months prior to the date of such designation, and that for a period of any 12 consecutive calendar months out of the 18 calendar months preceding the date of designation, the Additional TBTA Project Revenues derived from the operation of such Additional TBTA Project exceeded

the Operating Expenses, or

- the Additional TBTA Project is in operation and, in such Authorized Officer's opinion, the Additional TBTA Project Revenues to be derived from the operation of such Project will exceed the Operating Expenses for such Additional TBTA Project during the first 12 months of operation, and
- an Authorized Officer certifies
  - as to the actual or anticipated Revenues and Operating Expenses of TBTA for the applicable 12-month period; provided that,
    - the Revenues (adjusted up or down to reflect any new toll rate changes) and Operating Expenses shall be increased by the actual or anticipated Additional TBTA Project Revenues and Operating Expenses of the Additional TBTA Project for such 12-month period, and
    - the actual or anticipated Additional TBTA Project Revenues (adjusted up or down to reflect any new toll rate changes) and Operating Expenses of any Additional TBTA Project operated by or under lease from TBTA otherwise than as an Additional TBTA Project during any part of the period shall be calculated as if the definitions of Revenues and Operating Expenses had been applicable thereto, and
  - that for such 12-month period, the Revenues less Operating Expenses, as calculated in accordance with the preceding bullet points, are at least equal to 1.40 times Maximum Annual Calculated Debt Service during such period; and
- an Independent Engineer certifies that, for each of 5 successive 12-month periods, the earliest of which begins on a calendar quarterly date not more than 60 days immediately following the date of designation as an Additional TBTA Project, the Net Revenues in each 12-month period (after giving effect to such designation) will be at least equal to 1.40 times the Maximum Calculated Debt Service for each of such successive 12-month periods.

For a more complete description of the requirements that must be satisfied before designation as an Additional TBTA Facility, *see* SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Additional TBTA Facilities *included by specific reference herein*.

The Convention Center Project is not and cannot become an Additional TBTA Project, and no Bonds may be issued under the TBTA Resolution to finance the Convention Center Project.

### **Flow of Revenues**

The TBTA Resolution establishes the following funds and accounts, each held by TBTA:

- Revenue Fund,
- Proceeds Fund,
- Debt Service Fund, and
- General Fund.

Under the TBTA Resolution, TBTA is required to pay into the Revenue Fund all Revenues as and when received and available for deposit.

TBTA is required to pay out from the Revenue Fund, on or before the 25th day of each calendar month, the following amounts in the following order of priority:

- payment of reasonable and necessary Operating Expenses or accumulation in the Revenue Fund as a reserve (i) for working capital, (ii) for such Operating Expenses the payment of which is not immediately required, including amounts determined by TBTA to be required as an operating reserve, or (iii) deemed necessary or desirable by TBTA to comply with orders or rulings of an agency or regulatory body having lawful jurisdiction;
- transfer to the Debt Service Fund, the amount, if any, required so that the balance in the fund is equal to Accrued Debt Service to the last day of the current calendar month; *provided, however, that* in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25<sup>th</sup> day of the next succeeding calendar month;
- transfer to another person for payment of, or accrual for payment of, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligations; and
- transfer to the General Fund any remaining amount.

All amounts paid out by TBTA for an authorized purpose (excluding transfers to any other pledged Fund or Account), or withdrawn from the General Fund in accordance with the TBTA Resolution, are free and clear of the lien and pledge created by the TBTA Resolution.

Under the TBTA Resolution, TBTA is required to use amounts in the General Fund to make up deficiencies in the Debt Service Fund and the Revenue Fund, in that order. Subject to the preceding sentence and any lien or pledge securing Subordinated Indebtedness, the TBTA Resolution authorizes TBTA to release amounts in the General Fund to be paid to TBTA free and clear of the lien and pledge created by the TBTA Resolution.

TBTA is required by law to transfer amounts released from the General Fund to MTA, and a statutory formula determines how MTA allocates that money between the transit and commuter systems.

### **Rate Covenant**

Under the TBTA Resolution, TBTA is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the TBTA Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of sale of Obligations or other bonds, notes or other obligations or evidences of indebtedness of TBTA that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of TBTA Facilities), to equal or exceed in each calendar year **the greater of**

- an amount equal to the sum of amounts necessary in such calendar year
  - to pay all Operating Expenses of TBTA, plus
  - to pay Calculated Debt Service, as well as the debt service on all Subordinated Indebtedness and all Subordinated Contract Obligations, plus
  - to maintain any reserve established by TBTA pursuant to the TBTA Resolution, in such amount as may be determined from time to time by TBTA in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least **1.25 times** Calculated Debt Service on all senior lien Bonds for such calendar year.

For a more complete description of the rate covenant and a description of the minimum tolls that can be charged at the TBTA Facilities, *see* SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Rates and Fees *included by specific reference herein*.

## **Additional Bonds**

Under the provisions of the TBTA Resolution, TBTA may issue one or more series of Additional Bonds on a parity with the Series 2002C Bonds and other Outstanding Bonds to provide for Capital Costs.

*Certain Additional Bonds for TBTA Facilities.* TBTA may issue Additional Bonds without satisfying any earnings or coverage test for the purpose of providing for Capital Costs relating to TBTA Facilities for the purpose of keeping such TBTA Facilities in good operating condition or preventing a loss of Revenues or Revenues after payment of Operating Expenses derived from such TBTA Facilities.

*Additional Bonds for Other Purposes.* TBTA may issue Additional Bonds to pay or provide for the payment of all or part of Capital Costs relating to any of the following purposes:

- TBTA Transit and Commuter Project,
- any Additional TBTA Project (that does not become a TBTA Facility), or
- any TBTA Facilities other than for the purposes set forth in the preceding paragraph.

In the case of Additional Bonds issued other than for the improvement, reconstruction or rehabilitation of TBTA Facilities as described under the preceding heading, in addition to meeting certain other conditions, all as more fully described *in* SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Special Provisions for Capital Cost Obligations *included by specific reference herein*, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to **1.40 times** the Maximum Annual Calculated Debt Service on all senior lien Bonds, including debt service on the Bonds to be issued.

## **Refunding Bonds**

Bonds may be issued for the purpose of refunding Bonds if (a) the Maximum Annual Calculated Debt Service (including the refunding Bonds then proposed to be issued but not including the Bonds to be refunded) is equal to or less than the Maximum Annual Calculated Debt Service on the Bonds as calculated immediately prior to the refunding (including the refunded Bonds but not including the refunding Bonds) or (b) the conditions referred to above under *Additional Bonds* for the category of Bonds being refunded are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding Bonds, *see* SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Refunding Obligations *included by specific reference herein*.

## **Subordinate Obligations**

The TBTA Resolution authorizes the issuance or incurrence of subordinate obligations. *See* INTRODUCTION – Debt Restructuring Program for a discussion of the currently expected issuance of subordinate obligations.

### PART III. OTHER INFORMATION ABOUT THE SERIES 2002C BONDS

*Part III* of this official statement provides miscellaneous additional information relating to the Series 2002C Bonds.

#### TAX MATTERS

Hawkins, Delafield & Wood is Bond Counsel for the Series 2002C Bonds. Their opinion under existing law, relying on certain statements by TBTA and assuming compliance by TBTA with certain covenants, is that interest on the Series 2002C Bonds 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
- included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

Their opinion is also that under existing law interest on the Series 2002C Bonds is exempt from personal income taxes of New York State and any political subdivisions of the State, including The City of New York. *See Attachment 3* to this official statement for the form of the opinion that Bond Counsel expects to deliver when the Series 2002C Bonds are delivered.

The Internal Revenue Code imposes requirements on the Series 2002C Bonds that TBTA must continue to meet after the Series 2002C Bonds are issued. These requirements generally involve the way that Series 2002C Bond proceeds must be used and invested. If TBTA does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2002C Bonds in its federal gross income on a retroactive basis to the date of issue. TBTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2002C Bonds. This is possible if a bondholder is

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Series 2002C Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that something may happen in the future that could change the tax treatment of the interest on the Series 2002C Bonds or affect the market price of the Series 2002C Bonds. For example, the Internal Revenue Code could be changed.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2002C Bonds, or under State, local or foreign tax law.

## VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of (a) the mathematical computations of the adequacy of the outstanding maturing amount of principal of and interest on the Government Securities and other available moneys to be deposited in escrow to pay the maturing amounts or redemption prices of the Refunded Bonds on their respective maturity or redemption dates, together with all payments of interest thereon coming due on or prior to such dates and (b) mathematical computations supporting the conclusion of Bond Counsel that the Series 2002C Bonds are not “arbitrage bonds” under Section 148 of the Code, will be verified by Samuel Klein & Co., Certified Public Accountants.

## LEGALITY FOR INVESTMENT

The TBTA Act provides that the Series 2002C Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

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

Certain of those investors, however, may be subject to separate restrictions which limit or prevent their investment in the Series 2002C Bonds.

## LITIGATION

There is no pending litigation concerning the bonds being offered.

TBTA is the defendant in numerous claims and actions. TBTA does not believe that any of these claims and actions are material to the payment of principal and interest on the Bonds. A summary of certain of these potentially material claims and actions is set forth in **Appendix A – THE RELATED ENTITIES – Litigation - TBTA**, as that filing may be amended or supplemented to date.

## FINANCIAL ADVISOR

Goldman, Sachs & Co. is TBTA’s financial advisor for the Series 2002C Bonds and the debt restructuring. The financial advisor has provided TBTA advice on the plan of financing and reviewed the pricing of the Series 2002C Bonds. 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 fees for serving as financial advisor are contingent upon the issuance of the Series 2002C Bonds.

## UNDERWRITING

UBS PaineWebber Inc. has agreed, subject to certain conditions, to purchase from TBTA the Series 2002C Bonds at an aggregate purchase price of \$103,151,503, reflecting an Underwriter’s discount of \$153,497, and to reoffer such Series 2002C Bonds at par. UBS PaineWebber Inc.’s obligation to purchase the Series 2002C Bonds is subject to certain conditions precedent, and it will be obligated to purchase all such Series 2002C Bonds if any Series 2002C Bonds are purchased.

## RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are expected to be assigned to the Series 2002C Bonds. Those expected 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.	Standard & Poor's Ratings Services
99 Church Street	55 Water Street
New York, New York 10007	New York, New York 10041
(212) 553-0300	(212) 438-2000

TBTA has furnished to each rating agency rating the bonds being offered information, including information not included in this official statement, about TBTA and the bonds. 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 TBTA or the bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the bonds.

*The expected ratings on the bonds identified in the Summary of Terms reflect the ratings of the bank providing liquidity support for the bonds and the municipal bond insurer providing credit enhancement.*

## LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of the nationally-recognized bond counsel firm identified on the cover page and in the Summary of Terms. The form of the opinion of Bond Counsel is **Attachment 3** to this official statement.

Certain legal matters regarding TBTA will be passed upon by its General Counsel. In addition, certain legal matters will be passed upon by TBTA's special counsel or the counsel to the Underwriter, or both, as also indicated in the Summary of Terms.

## NO CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, does not require TBTA to provide continuing disclosure during the period that the Series 2002C Bonds bear interest in the Weekly Mode.

## **FURTHER INFORMATION**

TBTA may place a copy of this official statement on MTA's website at "[www.mta.info](http://www.mta.info)". No statement on the MTA's website or any other website is included by specific reference herein.

Although TBTA and MTA have prepared the information on the MTA's 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 and TBTA assume no liability or responsibility for errors or omissions contained on any website. Further, MTA and TBTA disclaim 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. TBTA and MTA also assume no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

## **TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

By: /s/ Gary G. Caplan  
Director, Budgets and Financial Management  
of the 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 Series 2002C Bonds. The Series 2002C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2002C Bond will be issued for each maturity of the Series 2002C Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2002C Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over two million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, 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).

3. Purchases of Series 2002C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2002C 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 Series 2002C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2002C Bonds, except in the event that use of the book-entry system for the Series 2002C Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2002C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2002C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2002C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2002C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2002C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2002C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2002C Bond documents. For example, Beneficial Owners of the Series 2002C Bonds may wish to ascertain that the nominee holding the Series 2002C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2002C Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2002C Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to TBTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2002C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2002C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from TBTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or TBTA, 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 TBTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2002C Bonds purchased or tendered, through its Participant, to the Tender/Remarketing Agent, and shall effect delivery of such Series 2002C Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2002C Bonds, on DTC's records, to the Tender/Remarketing Agent. The requirement for physical delivery of Series 2002C Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2002C Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2002C Bonds to the Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2002C Bonds at any time by giving reasonable notice to TBTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2002C Bonds are required to be printed and delivered.

11. TBTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2002C Bonds will be printed and delivered

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

## ATTACHMENT 2

### DEFINITIONS

This Attachment 2 contains definitions of certain terms used in this official statement. Capitalized terms not otherwise defined in this official statement have the meanings set forth in the Summary of Certain Provisions of the TBTA Resolution or the Definitions and Summary of Certain Provisions of the Standard Resolution Provisions that are included by specific reference in this official statement.

**Alternate Liquidity Facility** means a Liquidity Facility that is issued in substitution for a then-existing Liquidity Facility in accordance with, and pursuant to, the TBTA Resolution, as the same may be amended or supplemented from time to time.

**Auction Rate Mode** means the mode during which any Series 2002C Bonds bear interest at an auction rate.

**Authorized Denominations** means \$100,000 and any integral multiple of \$5,000 in excess thereof.

**Bank Bond** means any Series 2002C Bond during any period commencing on the day such Series 2002C Bond is owned by or held on behalf of the Liquidity Facility Issuer or its permitted assignee as a result of such Series 2002C Bond having been purchased pursuant to the TBTA Resolution from the proceeds of a draw under the Liquidity Facility and ending when such Series 2002C Bond is, pursuant to the provisions of the Liquidity Facility, no longer deemed to be a Bank Bond.

**Business Day** means a day other than (i) a Saturday and Sunday, (ii) a day on which the Trustee, the Tender Agent, the Remarketing Agent, the Liquidity Facility Issuer or banks and trust companies in New York, New York are authorized or required to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

**Commercial Paper Mode** means the mode during which Series 2002C Bonds bear interest at a commercial paper rate or rates.

**DTC** means The Depository Trust Company, New York, New York, or its successors.

**Daily Mode** means the mode during which Series 2002C Bonds bear interest at a daily rate.

**Electronic Means** means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

**Expiration Date** means the stated expiration date of the Liquidity Facility, or such stated expiration date as it may be extended from time to time as provided therein; provided, however, that the "Expiration Date" shall not mean any date upon which a Liquidity Facility is no longer effective by reason of its Termination Date, the date on which all Series 2002C Bonds bear interest in an Auction Rate Mode or Fixed Rate Mode or the expiration of such Liquidity Facility by reason of the obtaining of an Alternate Liquidity Facility.

**Favorable Opinion of Bond Counsel** means, with respect to any action the occurrence of which requires such an opinion, an unqualified Counsel's Opinion to the effect that such action is permitted under the Issuer Act and the TBTA Resolution and that such action will not impair the exclusion of interest on such Series 2002C Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Series 2002C Bonds).

**Fixed Rate Mode** means the mode during which Series 2002C Bonds bear interest at a fixed rate until their maturity date.

**Interest Payment Date** means each January 1 and July 1.

**Interest Period** means the period of time that any interest rate remains in effect, which period shall be the period from and including the date of the delivery of the Series 2002C Bonds to and including the following Wednesday and thereafter commencing on each Thursday to and including the earlier of the Wednesday of the following week or the day preceding any Mandatory Purchase Date or the maturity date.

**Liquidity Facility** means any Credit Facility which is obtained by TBTA pursuant to the TBTA Resolution and that provides for the payment of the Purchase Price of Series 2002C Bonds tendered or deemed tendered to the Tender Agent during the term thereof, as the same may be amended or supplemented from time to time. Each Initial Liquidity Facility constitutes a Liquidity Facility.

**Liquidity Facility Issuer** means the issuer of a Liquidity Facility.

**Mandatory Purchase Date** means (i) any Mode Change Date, (ii) the Substitution Date, (iii) the Expiration Tender Date and (iv) the Termination Tender Date.

**Mode** means the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Term Rate Mode, the Auction Rate Mode or the Fixed Rate Mode.

**Mode Change Date** means the date one Mode terminates and another Mode begins.

**Notice Parties** means TBTA, the Trustee, the Remarketing Agent, the Tender Agent, the Insurer and the Liquidity Facility Issuer.

**Purchase Date** means any Business Day upon which a Series 2002C Bond is optionally tendered for purchase by its holder in accordance with the TBTA Resolution.

**Record Date** means the opening of business on the Business Day next preceding an Interest Payment Date.

**Remarketing Agent** means UBS PaineWebber Inc. or any successor Remarketing Agent.

**Remarketing Agreement** means the remarketing agreement entered into by and between TBTA and the Remarketing Agent with respect to the Series 2002C Bonds pursuant to which the Remarketing Agent has agreed to remarket the Series 2002C Bonds on the Purchase Date or the Mandatory Purchase Date at a price of not less than 100% of the principal amount thereof.

**Tender Agent** means U.S. Bank Trust National Association or any successor Tender Agent.

**Termination Date** means, with respect to a Liquidity Facility, (i) the date on which such Liquidity Facility shall terminate pursuant to its terms or otherwise be terminated prior to its Expiration Date or (ii) the date on which the obligation of the Liquidity Facility Issuer to provide a loan shall terminate; provided, however, that "Termination Date" shall not mean any date upon which a Liquidity Facility is no longer effective by reason of its Expiration Date.

**Term Rate Mode** means the mode during which Series 2002C Bonds bear interest at a fixed rate until the next mandatory purchase date.

**Trustee** means U.S. Bank Trust National Association or any successor Trustee.

## ATTACHMENT 3

### FORM OF OPINION OF BOND COUNSEL

**Upon delivery of the Series 2002C Bonds in definitive form, Hawkins, Delafield & Wood, New York, New York, Bond Counsel to TBTA, proposes to render its final approving opinion in substantially the following form:**

[Date of Closing]

Triborough Bridge and Tunnel Authority  
New York, New York

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Triborough Bridge and Tunnel Authority (the "TBTA") and other proofs submitted to us relative to the issuance of \$103,305,000 aggregate principal amount of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Refunding Bonds, Series 2002C (the "Series 2002C Bonds").

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

The Series 2002C Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of TBTA duly taken, including a resolution adopted by the members of TBTA on March 26, 2002 entitled "General Resolution Authorizing General Revenue Obligations", as supplemented by a resolution of said members adopted on March 26, 2002 (collectively, the "Resolution").

The Series 2002C Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

A portion of the proceeds of the Series 2002C Bonds is being used to refund certain of the outstanding bonds of TBTA issued pursuant to the 1980 Resolution, such bonds having been issued in a single series as described in the hereinafter defined Escrow Agreement as being refunded with proceeds of the Series 2002C Bonds (the "Refunded Bonds"). A portion of the proceeds of the Series 2002C Bonds together with any other amounts made available by TBTA (the "Defeasance Deposit") has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price of and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under an escrow agreement, dated October \_\_, 2002 (the "Escrow Agreement"), by and between TBTA and U.S. Bank Trust National Association, as escrow agent thereunder and as successor trustee under the 1980 Resolution (the "Prior Trustee"). TBTA has given the Prior Trustee, in form satisfactory to such Prior Trustee, irrevocable instructions to give notice in accordance with the 1980 Resolution of the redemption of those Refunded Bonds being redeemed prior to maturity and the deposit of the Defeasance Deposit. Samuel Klein & Co., certified public accountants, have prepared a report stating that they have reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2002C Bonds in order that interest on the Series 2002C Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the TBTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the TBTA has made representations, statements of intention and

reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2002C Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002C Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the TBTA to take certain actions necessary to cause interest on the Series 2002C Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2002C Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The TBTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2002C Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 5 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2002C Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by the TBTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2002C Bonds as executed and, in our opinion, the form of said Series 2002C Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2002C Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding direct and general obligations of TBTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. TBTA has no taxing power and the Series 2002C Bonds are not debts of the State or of any other political subdivision thereof. TBTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2002C Bonds.

4. The Series 2002C Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

5. Under existing statutes and court decisions (i) interest on the Series 2002C Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2002C Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on

individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

6. Under existing statutes, interest on the Series 2002C Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

7. The Escrow Agreement has been duly authorized, executed and delivered by TBTA, and, assuming the due authorization, execution and delivery thereof by the Prior Trustee, the Escrow Agreement is a valid and binding obligation of TBTA, enforceable in accordance with its terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the 1980 Resolution, and the covenants, agreements and other obligations of TBTA to the holders of the Refunded Bonds have been discharged and satisfied.

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

Except as stated in paragraphs 5 and 6, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2002C Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2002C Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2002C Bonds.

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

Very truly yours,

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**ATTACHMENT 4**

**SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY**

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Obligor:

Policy Number:

Obligations:

Premium:

**Ambac Assurance Corporation (Ambac)**, a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

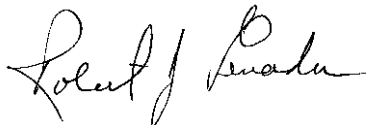
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.


As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.



President



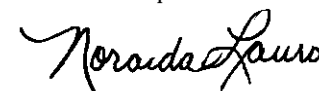
Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)



Authorized Officer of Insurance Trustee

## Endorsement

Policy for:

Attached to and forming part of Policy No.:

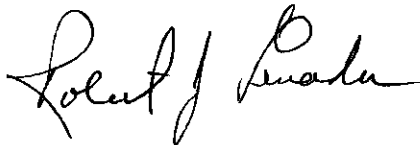
Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

**In Witness Whereof**, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

### Ambac Assurance Corporation



President



Secretary

Authorized Representative

## ATTACHMENT 5

### INITIAL LIQUIDITY FACILITY ISSUER

#### OVERVIEW OF WESTLB AG

- *BACKGROUND INFORMATION*

WestLB AG, a wholly owned subsidiary of Landesbank Nordrhein-Westfalen (“Landesbank NRW”), was created as a result of a restructuring (the “Restructuring”) of the former Westdeutsche Landesbank Girozentrale (“WestLB”) which separated WestLB’s competitive operations from its public-mission business. WestLB, which traced its history to 1832, was created by the merger of two central banks, or Landesbanks (German State Banks), in the State of North Rhine-Westphalia, the Federal Republic of Germany (“Germany”) on January 1, 1969. On August 1, 2002, WestLB was split into two legally separate entities: Landesbank NRW, a financial institution under public law, and WestLB, which comprises all commercial bank activities of the former WestLB except for the Pfandbrief (mortgage bond) business, which was moved to Landesbank NRW. Furthermore, on August 30, 2002, WestLB changed its legal form into a private law corporation named WestLB AG. Under German law, despite this change of legal form, WestLB and WestLB AG are the same legal entity. All branches, representative offices and foreign subsidiaries are maintained by WestLB AG. WestLB AG will continue to be liable for all current obligations and duties of former WestLB except those which have been spun off to Landesbank NRW. In addition, Westdeutsche Landesbausparkasse (“LBS”), a former division of WestLB which conducted the business of a building and loan association, was spun off into a newly established financial institution under public law owned by the former guarantors of WestLB and became a legally separate entity. Landesbank NRW, WestLB AG and LBS will be jointly and severally liable for all liabilities of former WestLB existing before the spin-offs until the end of 2006.

As a German universal bank, WestLB AG provides commercial and investment banking services regionally, nationally and internationally to public, corporate and bank customers. As of December 31, 2001, the former WestLB had total assets of approximately € 325 billion (U.S.\$ 286 billion).

WestLB AG also performs the functions of a state and municipal bank for the State of North Rhine-Westphalia and acts as the central bank of the Sparkassen (savings banks) in North Rhine-Westphalia (Germany’s most populous state). It conducts a comprehensive range of wholesale banking business and has the power to issue municipal bonds and other bonds and is one of the largest continuous issuers of long term debt in Germany. In addition, WestLB AG acts as the clearing and depository bank for the savings banks in North Rhine-Westphalia. Internationally, the WestLB Group (the “Group”) operates through an extensive network of banking subsidiaries, branches and representative offices to provide a range of financial services to its clients.

Pursuant to a guaranty obligation (Gewährträgerhaftung) set forth in Section 39 of the North Rhine-Westphalia Savings Bank Act and Section 5 of the Ordinances of WestLB, North Rhine-Westphalia together with the other guarantors specified therein (including regional authorities and savings bank associations) are jointly and severally liable without restriction for all obligations of the former WestLB, including all obligations of WestLB New York. The guaranty obligation gave creditors a direct claim against North Rhine-Westphalia only if the claims of the creditors have not first been satisfied out of the assets of WestLB, including the assets of WestLB New York.

In addition to being liable under the guaranty obligation, North Rhine-Westphalia together with the other guarantors were responsible to the former WestLB for the performance of WestLB’s obligations, including all obligations of the former WestLB’s New York Branch. This maintenance obligation (Anstaltslast), while not a formal guaranty affording creditors of WestLB a direct claim against North Rhine-Westphalia and the other guarantors, required North Rhine-Westphalia and the other guarantors to keep WestLB in a position to perform its functions and to enable it, in the event of financial difficulties, to perform its obligations, when due.

Several years ago, the European Banking Federation lodged a complaint with the European Commission alleging that the Anstaltslast and the Gewährträgerhaftung constitute illegal state aid in violation of the European Community Treaty. On July 17, 2001, there was a public announcement of an agreement in principle between the European

Commission, the Federal Republic of Germany and the German Länder, whereby a four-year transition period has been agreed upon for the abolition of the Gewährträgerhaftung and the modification of the Anstaltslast.

Pursuant to the agreement, any outstanding obligations of WestLB incurred prior to and including July 18, 2001 will be “grandfathered” and will continue to be covered by the Anstaltslast and the Gewährträgerhaftung until they mature. During the four year transition period, the parties have agreed that the Anstaltslast and the Gewährträgerhaftung will continue to apply to any new obligations incurred by WestLB (and after the Restructuring, by WestLB AG) after July 18, 2001 and prior to and including July 18, 2005, provided, however, that such obligations mature no later than the end of 2015.

- *THE NEW YORK BRANCH*

The New York Branch of WestLB AG (“WestLB AG New York”) is licensed and subject to supervision and regulation by the Superintendent of Banks of the State of New York. WestLB AG New York is examined by the New York State Banking Department and is subject to banking laws and regulations applicable to a foreign bank that operates a New York branch. In addition to being subject to New York banking laws and regulations, WestLB AG and WestLB AG New York are also subject to the International Banking Act of 1978 (the “IBA”) and the Foreign Bank Supervision Enhancement Act of 1991, and WestLB is subject to federal regulation under the IBA and the Bank Holding Company Act of 1956.

- *SUMMARY OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001*

The following summary relates to the results of operations and financial condition of the former WestLB prior to the Restructuring.

WestLB’s total assets increased by 6.8 % (from € 304 billion in 2000) to € 325 billion in the 2001 business year. WestLB’s total business volume expanded in 2001 by 9.3 % (from € 399 billion in 2000) to € 436 billion in 2001. WestLB’s capital and reserves increased by 2 % to € 14,967 million at the end of 2001 (as compared to € 14,672 million at the end of 2000).

WestLB’s operating profit after risk provisions/result of evaluation of € 351 million (U.S.\$ 309 million) decreased by 33.6 % from the previous year. Interest surplus increased by 20.2 % (from € 1,768 million in 2000 to € 2,125 million in 2001). Commission surplus decreased by 16.8 % (from € 597 million in 2000 to € 497 million in 2001). Staff expenses increased by 1.4 % to € 1,076 million (U.S.\$ 948 million) in 2001, with other administrative expenses showing an increase of 15.6 % to € 1,082 million (U.S.\$ 954 million) in 2001. As a result, WestLB’s operating result before risk provisions/result of evaluation of € 792 million in 2001 decreased by 2.1 % (€ 809 million in 2000).

- *UNITED STATES AND GERMAN EXCHANGE RATES, AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES*

The financial information for the year ended December 31, 2001 is derived from the audited statements of WestLB, does not include the consolidated subsidiaries of the WestLB Group and has been prepared in accordance with accounting principles, practices, laws and regulations generally accepted in Germany. German accounting principles differ in certain respects from accounting principles generally accepted in the United States.

Unless indicated otherwise, currency amounts are stated in Euro (“€” or “Euros”) or United States dollars (“US\$” or “U.S. dollars”). Merely for the convenience of the reader, this summary contains translations of certain Euro amounts into U.S. dollars at specified rates. These translations should not be construed as representations that the Euro amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollar amounts at the rate indicated. Unless otherwise indicated, the translations of Euro into U.S. dollars have been made at **€ 1.00 = US\$ 0.8813**, which was the official (Frankfurt fixing) exchange rate on December 31, 2001, the last trading day in 2001. In certain instances, figures reflect the effect of rounding.

This information relates to and has been obtained from WestLB AG. The delivery of the official statement shall not create any implication that there has been no change in the affairs of WestLB AG since the date hereof or that the information contained or referred to herein is correct as of any time subsequent to its date.

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