

\$261,700,000

Triborough Bridge and Tunnel Authority
Subordinate Revenue Variable Rate Refunding Bonds, Series 2002D
(Auction Rate Securities)

CONSISTING OF

\$65,000,000
Subseries 2002D-1

\$65,000,000
Subseries 2002D-2

\$131,700,000
Subseries 2002D-3

DATED: Date of Delivery

DUE: November 1, 2032

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

The Series 2002D Bonds –

- are special obligations of TBTA, payable generally from the net revenues collected on the bridges and tunnels operated by TBTA as described herein, after the payment of operating expenses and debt service as required by TBTA's Senior Resolution, 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 2002D Bonds initially will be in an Auction Rate Mode. For a description of the method of determination of interest rates, interest periods, interest payment dates and certain other terms applicable to the Series 2002D Bonds, see the inside cover page.

Each subseries of the Series 2002D Bonds will bear interest in an Auction Rate Mode from and including their date of delivery to but excluding the date on which the Mode applicable to such subseries is changed to another Mode, in which event that subseries will be subject to mandatory tender for purchase on such date at the purchase price equal to the principal amount thereof. **This official statement, in general, describes the Series 2002D Bonds only during the Auction Rate Mode.**

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

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

Ambac

Price – 100%

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 2002D 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 2002D 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 2002D 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.

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 2002D 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.

Salomon Smith Barney

Morgan Stanley

\$261,700,000
Triborough Bridge and Tunnel Authority
Subordinate Revenue Variable Rate Refunding Bonds, Series 2002D
(Auction Rate Securities)

consisting of

\$65,000,000 Subseries 2002D-1 \$65,000,000 Subseries 2002D-2 \$131,700,000 Subseries 2002D-3

The initial interest rate established by TBTA for each subseries of the Series 2002D Bonds will apply to the period commencing on their date of issuance to and including the applicable initial Auction Date. Thereafter, each subseries will bear interest at an Auction Rate resulting from an Auction conducted for each Auction Period on each Auction Date in accordance with the Auction Procedures described in this official statement, subject to certain conditions and exceptions. Interest on each subseries of Series 2002D Bonds will be payable commencing on the initial Interest Payment Date for each such subseries, and on each Interest Payment Date thereafter. The initial Auction Date and each Auction Date thereafter and the initial Interest Payment Date and each Interest Payment Date thereafter are set forth below for each subseries of Series 2002D Bonds.

| <u>Subseries</u> | <u>Initial Auction Date</u> | <u>Auction Date*</u> | <u>Auction Period**</u> | <u>Initial Interest Payment Date</u> | <u>Interest Payment Date***</u> |
|-------------------|-----------------------------|----------------------|-------------------------|--------------------------------------|---------------------------------|
| Subseries 2002D-1 | October 16, 2002 | each Wednesday | 7-day | October 17, 2002 | each Thursday |
| Subseries 2002D-2 | October 17, 2002 | each Thursday | 7-day | October 18, 2002 | each Friday |
| Subseries 2002D-3 | November 12, 2002 | each fifth Tuesday | 35-day | November 13, 2002 | each fifth Wednesday |

* Subject to certain conditions and exceptions as described herein.

** Subject to certain exceptions (see **Attachment 6**-Auction Procedures-Definitions-Auction Period.)

*** Subject to certain exceptions (see **Attachment 6**-Auction Procedures-Definitions-Interest Payment Date.)

Prospective purchasers of each subseries of Series 2002D Bonds should carefully review the Auction Procedures described in **Attachment 6**, and should note that such procedures provide that (i) a Bid or Sell Order constitutes a commitment to purchase or sell Series 2002D Bonds based upon the results of an Auction, (ii) Auctions will be conducted through telephone, facsimile transmission or other similar electronic means of communication and (iii) settlement for purchases and sales will be made on the Business Day following an Auction. Beneficial interests in Series 2002D Bonds may be transferred only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer.

The length of an Auction Period for each subseries of Series 2002D Bonds may be changed as described herein. The Series 2002D Bonds of such subseries will not be subject to mandatory tender for purchase upon a change in the length of an Auction Period, however, notice of such change will be given as further described herein and any Series 2002D Bonds that are not the subject of a specific Order shall be deemed to be subject to a Sell Order.

The Bank of New York will serve as Auction Agent. Salomon Smith Barney Inc. and Morgan Stanley & Co. Incorporated will serve as Broker-Dealers for each subseries of the Series 2002D Bonds.

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

Triborough Bridge and Tunnel Authority

TRIBOROUGH STATION, BOX 35

New York, New York 10035

(212) 360-3000

Website: 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> |

| | |
|------------------------------|---|
| 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 2002D 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 Subordinate 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 | Subordinate Revenue Variable Rate Refunding Bonds, Series 2002D. |
| Purpose of Issue | To refund TBTA bonds listed in Attachment 8. |
| Rates and Maturity..... | <i>See</i> cover and inside cover. |
| Denominations..... | \$25,000 and integral multiples of \$25,000. |
| Auction Rate, Auction Dates, Auction Periods and Interest Payment Dates | <i>See</i> inside cover. |
| Redemption..... | <i>See</i> DESCRIPTION OF SERIES 2002D BONDS – Redemption Prior to Maturity <i>in Part I</i> . |
| Sources of Payment and Security | Generally, the net revenues collected on the bridges and tunnels operated by TBTA, after the payment of operating expenses and debt service as required by TBTA's Senior Resolution. |
| 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, Paying Agent and Tender Agent | The Bank of New York. |
| Bond Counsel..... | Hawkins, Delafield & Wood, New York, New York. |
| Tax Status | <i>See</i> TAX MATTERS <i>in Part III</i> . |
| Expected Ratings | Moody's: Aaa Standard & Poor's: AAA Fitch: AAA <i>See</i> RATINGS <i>in Part III</i> . |
| Financial Advisor..... | Goldman, Sachs & Co. |
| Underwriters and Broker-Dealers | <i>See</i> cover page. Salomon Smith Barney Inc. is the representative of the Underwriters for the Series 2002D Bonds. |
| Auction Agent..... | The Bank of New York. |
| Purchase Price/Underwriters' Discount..... | <i>See</i> UNDERWRITING <i>in Part III</i> . |
| Verification Agent | Samuel Klein & Co. |
| Counsel to the Underwriters | Harris Beach LLP, New York, New York. |
| MTA Special Counsel..... | Nixon Peabody LLP and Squire, Sanders & Dempsey L.L.P, New York, NY. |
| 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 2002D 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 2002D 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 2002D 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 Attachment 6 and 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 Underwriters.*** The Underwriters have provided the following sentence for inclusion in this official statement: The Underwriters have reviewed the information in this official statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.
 - ***Bond Insurer Information.*** Other than with respect to information concerning the Insurer contained under the caption DESCRIPTION OF SERIES 2002D BONDS – Bond Insurance *in Part I* and in Attachment 7 of this official statement, 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 2002D Bonds, or
 - the tax-exempt status of the interest on the Series 2002D Bonds.

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- Attachment 1** – Book-Entry-Only System
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Attachment 5 – Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
Attachment 6 – Auction Procedures
Attachment 7 – Specimen Financial Guaranty Insurance Policy
Attachment 8 – Information Relating to the Refunded Bonds

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 2002D 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:

- Definitions and Summary of Certain Provisions of the TBTA Resolution (*i.e.*, as used in this official statement, the Senior Resolution)
- 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)

* 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 Senior Resolution (as herein defined), though 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 Senior Resolution unless the Battery Parking Garage qualifies as an Additional TBTA Project thereunder.

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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 2002D Bonds.
- **Part II** describes the sources of payment and security for all TBTA Subordinate Revenue Bonds, including the Series 2002D Bonds.
- **Part III** provides miscellaneous information relating to the Series 2002D Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry system of registration to be used for the Series 2002D Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2002D Bonds.
- **Attachment 3** is the form of opinion of Bond Counsel in connection with the Series 2002D Bonds.
- **Attachment 4** sets forth a summary of certain provisions of the Subordinate Revenue Resolution.
- **Attachment 5** sets forth a summary of certain standard resolution provisions incorporated in the Subordinate Revenue Resolution.
- **Attachment 6** sets forth a summary of the Auction Procedures.
- **Attachment 7** sets forth the specimen financial guaranty insurance policy.
- **Attachment 8** sets forth certain information relating to the bonds being refunded by the Series 2002D Bonds.
- **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

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

DPC Data Inc.

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

Standard & Poor's J.J. Kenny Repository

55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: 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 2002D 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.

Subordinate Revenue Bonds

The Subordinate Revenue Bonds are special obligations of TBTA issued in accordance with the 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations (the "Subordinate Revenue Resolution") adopted by the TBTA Board on March 26, 2002. The Subordinate Revenue Bonds are payable generally from the net revenues derived from the bridges and tunnels operated by TBTA as described herein, after the application of such net revenues as required by TBTA's General Resolution Authorizing General Revenue Obligations (the Senior Resolution), adopted by the TBTA Board on March 26, 2002.

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 Revenue Bonds. TBTA Subordinate Revenue Bonds, including the Series 2002D Bonds, and General 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:

- 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 General Revenue Bonds), that are expected to be delivered on or about the same date as the Series 2002D Bonds,
- \$103 million variable rate senior lien Series 2002C Bonds (the Series 2002C General Revenue Bonds), that are expected to be delivered on or about the same date as the Series 2002D Bonds,
- These Series 2002D Bonds,
- \$968 million fixed rate TBTA Subordinate Revenue Bonds, Series 2002E (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 General Revenue Bonds), that are expected to be delivered on or about November 13, 2002.

At the time of issuance and delivery of the Series 2002D Bonds, TBTA expects to substitute the Senior 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)⁽¹⁾.

At the time of issuance and delivery of the Series 2002D Bonds, TBTA also expects to substitute the Subordinate Revenue 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 2002D 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 2002D 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 Subordinate Revenue Resolution securing the Subordinate Revenue Bonds, including the Series 2002D Bonds, as well as the TBTA 1980 Resolution securing the senior lien debt, 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 6**.

⁽¹⁾ 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.

PART I. SERIES 2002D BONDS

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

REFUNDING PLAN AND APPLICATION OF PROCEEDS

Use of Proceeds

The Series 2002B General Revenue Bonds, the Series 2002C General Revenue Bonds, these subordinate Series 2002D Bonds, the subordinate Series 2002E Bonds and the Series 2002F General Revenue Bonds, together with other available moneys, are being issued to refund all outstanding Old TBTA Bonds, other than the Substitution Bonds and Notes. The series designations, CUSIP numbers, maturities and principal amounts of Old TBTA Bonds that are being refunded with the proceeds of the Series 2002D Bonds (the Refunded Bonds) and the redemption dates and redemption prices applicable thereto are set forth in **Attachment 8**.

Escrow of Government Securities

A portion of the net proceeds of the Series 2002D 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 trustees under the applicable Old Subordinate Revenue Resolutions (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 respective maturity or redemption dates.

The Government Securities and such other moneys, if any, will be deposited with the Prior Trustees upon the issuance and delivery of the Series 2002D 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 Trustees and the issuance of certain irrevocable instructions to the Prior Trustees pursuant to the applicable Old Subordinate Revenue Resolutions, the Refunded Bonds will, under the terms of the applicable Old Subordinate Revenue Resolutions, be deemed to have been paid and will no longer be outstanding under the applicable Old Subordinate Revenue Resolutions and will cease to be entitled to any lien, benefit or security under the applicable Old Subordinate Revenue Resolutions.

DESCRIPTION OF SERIES 2002D BONDS

Unless the context otherwise indicates, references in the following description to the "Series 2002D Bonds" apply to each subseries of the Series 2002D Bonds independently. Actions may be taken, or determinations made, with respect to one subseries that are not taken or made with respect to any other.

General

Auction Rate Bonds. The Series 2002D Bonds will be dated the date of their initial delivery (the Closing Date) and will mature at the times and in the principal amounts as set forth on the **cover page** of this official statement. The Series 2002D Bonds initially will be in an Auction Rate Mode. While in an Auction Rate Mode, the Series 2002D Bonds will bear interest at an interest rate determined as described below under Determination of Interest Rates and Auction Periods for Series 2002D Bonds. **This official statement, in general, describes the Series 2002D Bonds only during the Auction Rate Mode.**

Interest on Series 2002D Bonds that are in an Auction Period of 180 days or less shall be calculated on the basis of a 360-day year for the actual number of days elapsed to the Interest Payment Date. Interest on Series 2002D Bonds that are in an Auction Period of over 180 days shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

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

Book-Entry-Only System. The Series 2002D 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 2002D Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$25,000 or integral multiples thereof (Authorized Denominations). So long as DTC is the registered owner of the Series 2002D Bonds, all payments on the Series 2002D 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 2002D Bonds is payable on each Interest Payment Date as described below under the caption Determination of Interest Rates and Auction Periods for Series 2002D Bonds – *Interest Payment Dates*. So long as DTC is the sole registered owner of all of the Series 2002D 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 2002D Bonds are fully registered in Authorized Denominations.

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

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

Determination of Interest Rates and Auction Periods for Series 2002D Bonds

The initial interest rate for each subseries of the Series 2002D Bonds will be established by TBTA and will apply to the period commencing on the Closing Date to and including the initial Auction Date specified below for each such subseries. Thereafter, each subseries of the Series 2002D Bonds will bear interest at an Auction Period Rate (as defined below) determined on each Auction Date for each Auction Period pursuant to the Auction Procedures set forth in **Attachment 6**. The Auction Period and Auction Date applicable to a subseries of the Series 2002D Bonds will be the Auction Period and Auction Date set forth below until the length of such Auction Period is changed to a daily, seven-day, 28-day, 35-day, three-month, six-month or Special Auction Period, as described below under *Change in the Length of the Auction Period*.

| <u>Subseries</u> | <u>Initial Auction Date</u> | <u>Auction Date*</u> | <u>Auction Period**</u> | <u>Initial Interest Payment Date</u> | <u>Interest Payment Date***</u> |
|-------------------|-----------------------------|----------------------|-------------------------|--------------------------------------|---------------------------------|
| Subseries 2002D-1 | October 16, 2002 | each Wednesday | 7-day | October 17, 2002 | each Thursday |
| Subseries 2002D-2 | October 17, 2002 | each Thursday | 7-day | October 18, 2002 | each Friday |
| Subseries 2002D-3 | November 12, 2002 | each fifth Tuesday | 35-day | November 13, 2002 | each fifth Wednesday |

* If such day is not a Business Day, the Auction Date will be the Business Day immediately preceding such day.

** Subject to certain exceptions (see **Attachment 6**-Auction Procedures-Definitions-Auction Period.)

*** If such day is not a Business Day, interest will be payable on the Business Day immediately following such day.

Auction Period Rate means with respect to each subseries of the Series 2002D Bonds, the rate of interest to be borne by that subseries during each Auction Period, which shall equal the Auction Rate (as defined below) for each Auction Period, subject to the following exceptions:

- If the Auction Agent shall have failed to calculate or, for any reason, fails to timely provide the Auction Rate for any Auction Period, (a) if the preceding Auction Period was a period of 35 days or less, the new Auction Period and Auction Period Rate shall be the same as the preceding Auction Period and the Auction Period Rate, respectively, and (b) if the preceding Auction Period was a period of greater than 35 days, it shall be extended to the seventh day following the day that would have been

the last day of such Auction Period (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Auction Period Rate will continue in effect for the Auction Period as so extended.

- If a default in the payment of principal or interest on any Series 2002D Bonds of a subseries when due has occurred and is continuing and the Insurer is in default under the Insurance Policy, the Auction Period Rate for the Auction Period commencing on or after the date on which the Auction Agent receives notice of such default and each Auction Period thereafter commencing prior to the date on which such default shall have ceased to be continuing, shall be the Default Rate.
- In the event that all conditions for a change in the Mode from an Auction Rate Mode to another Mode, or the conversion from one Auction Period to another Auction Period have not been met, the applicable Series 2002D Bonds of a subseries will continue to be in an Auction Rate Mode with a seven-day Auction Period and bear interest at the Maximum Auction Rate for the next Auction Period.
- If the Series 2002D Bonds of a subseries are not rated or if the Series 2002D Bonds of a subseries are no longer maintained in book-entry form by the Securities Depository, then the Auction Period Rate shall be the Maximum Auction Rate.

Auction Rate means the interest rate that the Auction Agent advises results from an Auction conducted in accordance with the Auction Procedures, which rate shall be as follows:

- If Sufficient Clearing Bids exist, the Winning Bid Rate.
- If Sufficient Clearing Bids do not exist, the Maximum Auction Rate.
- If all Series 2002D Bonds of a subseries are the subject of Submitted Hold Orders, the All Hold Rate.

In no event may the Auction Period Rate exceed the Maximum Rate. *See Attachment 6 – Auction Procedures – Determination of Auction Period Rate.*

Interest Payment Dates. Interest on each subseries of Series 2002D Bonds will be payable on the initial Interest Payment Date and on each Interest Payment Date thereafter. The initial Interest Payment Date and each Interest Payment Date thereafter are set forth above for each subseries of Series 2002D Bonds. In the event of a conversion from the Auction Period then applicable to a subseries of Series 2002D Bonds to another Auction Period, interest on the applicable subseries will be payable on each Interest Payment Date (as defined in **Attachment 6**) for such new Auction Period.

Auction Date. An Auction to determine the interest rate for each subseries of Series 2002D Bonds for each Auction Period will be held on the initial Auction Date and each Auction Date thereafter. The initial Auction Date and each Auction Date thereafter are set forth above for each subseries of Series 2002D Bonds. In the event of a conversion from an Auction Period then applicable to a subseries of Series 2002D Bonds to another Auction Period, Auctions will be held on each Auction Date (as defined in **Attachment 6**) for such new Auction Period. The day of the week on which Auctions are held may be changed by the Auction Agent in accordance with **Attachment 6**. *See Attachment 6 – Auction Procedures – Changes in Auction Period or Auction Date.*

Auction Agent. The Trustee will enter into the Auction Agreement with The Bank of New York (the Auction Agent) and TBTA, pursuant to which the Auction Agent, as Agent for the Trustee, shall perform the duties of Auction Agent. The Auction Agreement will provide, among other things, that the Auction Agent will determine the Auction Rate for each Auction in accordance with the Auction Procedures set forth in **Attachment 6**.

Auction Procedures. The procedure for submitting orders prior to the Submission Deadline on each Auction Date is described in **Attachment 6**, as are the particulars with regard to the determination of the Auction Period Rate (collectively, the Auction Procedures). See **Attachment 6 – Auction Procedures**.

Amendment of the Subordinate Revenue Resolution. The provisions of the Subordinate Revenue Resolution, with respect to a subseries of Series 2002D Bonds, including without limitation the Auction Procedures and the definitions of Default Rate, Maximum Auction Rate, All Hold Rate, Index, Auction Multiple and Auction Period Rate, may be amended pursuant to the Subordinate Revenue Resolution by obtaining, when required by the Subordinate Revenue Resolution, the consent of the owners of all Series 2002D Bonds of a subseries or, in lieu thereof as permitted by the Subordinate Revenue Resolution, the Insurer for the Series 2002D Bonds of such subseries. All owners will be deemed to have consented if on the first Auction Date occurring at least 20 days after the Trustee mailed notice to such owners (i) the Auction Period Rate determined for such date is the Winning Bid Rate and (ii) there has been delivered to TBTA and the Trustee a Favorable Opinion of Bond Counsel. See **Attachment 6 – Auction Procedures – Miscellaneous Provisions Regarding Auctions**.

Changes in Auction Periods and Auction Dates do not require the amendment of the Auction Procedures or any consents. See **Attachment 6 – Auction Procedures – Changes in Auction Period or Auction Date**.

Change in the Length of the Auction Period. TBTA may from time to time on the last Interest Payment Date for an Auction Period, change the length of the Auction Period with respect to all of the Series 2002D Bonds of any subseries among a daily, seven-day, 28-day, 35-day, three-month, six-month and a Special Auction Period. No such change shall be effective unless Sufficient Clearing Bids existed at the Auction for such new Auction Period. On the date of that change, any Series 2002D Bonds of such subseries which are not the subject of a specific Hold Order or Bid will be deemed to be subject to a Sell Order. In the event of a failed conversion to another Auction Period due to the lack of Sufficient Clearing Bids, the Series 2002D Bonds of such subseries will automatically convert to a seven-day Auction Period and will bear interest for the next Auction Period at the Maximum Auction Rate. In connection with a conversion from one Auction Period to another Auction Period, written notice of such conversion will be given in accordance with the Auction Procedures; however, the Series 2002D Bonds of a subseries will not be subject to mandatory tender on such conversion date. See **Attachment 6 – Auction Procedures – Changes in Auction Period or Auction Date**.

Record Date. The record date for the Series 2002D Bonds will be the opening of business on the Business Day next preceding an Interest Payment Date.

Special Considerations Relating to the Series 2002D Bonds in an Auction Rate Mode. The Subordinate Revenue Resolution provides that the Auction Agent may resign from its duties as Auction Agent by giving at least 90-days notice or 30-days notice, if it has not been paid, to TBTA, each Broker-Dealer and the Trustee and does not require, as a condition to the effectiveness of such resignation, that a replacement Auction Agent be in place if its fee has not been paid. The Broker-Dealer Agreement provides that the Broker-Dealer thereunder may resign upon five-business-days notice or immediately, in certain circumstances, and does not require, as a condition to the effectiveness of such resignation, that a replacement Broker-Dealer be in place. For any Auction Period during which there is no duly appointed Auction Agent, or during which there is no duly appointed Broker-Dealer, it will not be possible to hold Auctions, with the result that the interest rate on the Series 2002D Bonds will be determined as if the Auction Agent failed to calculate or timely provide the Auction Rate. For more information, see **Auction Period Rate** above and subsection (d) in **Attachment 6– Auction Procedures – Determination of Auction Period Rate**.

The Broker-Dealer Agreement provides that a Broker-Dealer may submit an Order in Auctions for its own account. If a Broker-Dealer submits an Order for its own account, it might have an advantage over other Bidders in that it would have knowledge of orders placed through it in that Auction; such Broker-Dealer, however, would not have knowledge of Orders submitted by other Broker-Dealers (if any) in that Auction. In the Broker-Dealer Agreement, Broker-Dealers agree to handle customer orders in accordance with their respective duties under applicable securities laws and rules.

During an Auction Rate Mode the beneficial owner of a Series 2002D Bond may sell, transfer or dispose of a Series 2002D Bond only pursuant to a Bid or Sell Order in accordance with the Auction Procedures or through a Broker-Dealer. See **Attachment 6** – Auction Procedures. The ability to sell a Series 2002D Bond in an Auction may be adversely affected if there are not sufficient buyers willing to purchase all the Series 2002D Bonds at a rate equal to or less than the Maximum Auction Rate. The Broker-Dealers have advised TBTA that they intend initially to make a market in the Series 2002D Bonds of a subseries between Auctions; however, the Broker-Dealers are not obligated to make such markets, and no assurance can be given that secondary markets therefor will develop.

Changes in Mode

General. Any subseries of the Series 2002D Bonds may be changed to any other Mode at the times and in the manner as summarized herein.

If the Auction Period Rate for a subseries of the Series 2002D Bonds is equal to the Maximum Auction Rate or the Default Rate for the longer of (i) two consecutive Auction Dates or (ii) 90 days, the Insurer shall have the right to direct TBTA to change the Mode applicable to such subseries to the fixed rate mode and TBTA has agreed in the Subordinate Revenue Resolution that in such case it would change such Mode to the fixed rate mode as described below.

Notice of Intention to Change Mode. TBTA shall give written notice to the Trustee, the Tender Agent, the Remarketing Agent, the Broker-Dealer, the Auction Agent and the Insurer (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 such change in the Mode (the Mode Change Date). Such 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 an Interest Payment Date following the last day of an Auction Period.

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,
- 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 2002D Bonds of a subseries 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 2002D Bonds of a subseries that are the subject of the Mode change:

- will not be subject to mandatory tender for purchase,
- will continue to be in the Auction Rate Mode,
- will be in seven-day Auction Periods on and after the failed Mode Change Date until the length of the Auction Period is changed as described above, and

- will bear interest at an Auction Period Rate which for (a) the Auction Period commencing on the failed Mode Change Date shall be equal to the Maximum Auction Rate as determined on the Auction Date for such Auction Period and (b) which for each Auction Period thereafter will be determined in accordance with the Auction Procedures.

Mandatory Tender for Purchase of Series 2002D Bonds on Any Mode Change Date

Any subseries of the Series 2002D Bonds to be changed to any Mode from the Auction Rate Mode is subject to mandatory tender for purchase on the Mode Change Date at the purchase price equal to the principal amount thereof (the Purchase Price).

The Purchase Price of Series 2002D Bonds that are subject to mandatory tender for purchase on a Mode Change Date is payable only from the proceeds of the remarketing thereof and any funds advanced by TBTA for such purpose at its option. Although TBTA has the option to purchase Series 2002D Bonds that are subject to mandatory tender for purchase and that have not been remarketed on the Mode Change Date, it is not obligated to do so. If any Series 2002D Bonds of a subseries subject to mandatory tender for purchase on a Mode Change Date are not purchased, then the Existing Owners of all of the Series 2002D Bonds of such subseries will continue to hold such Series 2002D Bonds in a seven-day Auction Period at the Maximum Auction Rate for the Auction Period commencing on the failed Mode Change Date.

Notice of Mandatory Tender for Purchase

The Trustee shall, at least 15 days prior to any Mode Change Date for the Series 2002D Bonds of a subseries, give notice of the mandatory tender for purchase of the Series 2002D Bonds of such subseries on such Date.

Notice of any mandatory tender of Series 2002D Bonds of a subseries 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 bondholder at the respective addresses shown on the registry books. Each notice shall identify the reason for the mandatory tender for purchase, and specify the Mode Change Date, the Purchase Price, the place and manner of payment, that the bondholder has no right to retain such Series 2002D Bonds and that no further interest will accrue from and after the Mode Change Date to such bondholder. Each notice shall also specify the conditions that have to be satisfied pursuant to the Subordinate Revenue Resolution in order for the New Mode to become effective, as well as the consequences that the failure to satisfy any of such conditions would have. Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the bondholder receives the notice, and the failure of such bondholder to receive any such notice shall not affect the validity of the action described in such 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 2002D Bonds of a subseries subject to mandatory tender for purchase on the Mode Change Date.

Remarketing of Series 2002D Bonds of a Subseries; Notices

The Remarketing Agent for Series 2002D Bonds being changed to a new Mode shall offer for sale and use its best efforts to find purchasers for all Series 2002D Bonds required to be tendered for purchase.

Notice of Remarketing; Registration Instructions; New Series 2002D Bonds.

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

(ii) Unless otherwise permitted by the Securities Depository and the book-entry-only system applicable to a subseries of Series 2002D Bonds, the Tender Agent shall authenticate and have available for delivery to the Remarketing Agent prior to 12:30 p.m. on the Mode Change Date new Series 2002D Bonds of a subseries for the respective purchasers thereof.

Transfer of Funds. The Remarketing Agent shall at or before 11:45 a.m. on the Mode Change Date notify the Tender Agent and TBTA of the amount of tendered Series 2002D Bonds of a subseries that were not successfully remarketed. In the event that all of the Series 2002D Bonds of such subseries are successfully remarketed, the Remarketing Agent shall confirm to the Tender Agent the transfer of the Purchase Price of all of the Series 2002D Bonds of such subseries to the Tender Agent in immediately available funds at or before 12:00 noon on the Mode Change Date. In the event that any Series 2002D Bonds of such subseries are not successfully remarketed, TBTA shall have the option, but shall not be obligated, to purchase such Series 2002D Bonds. If any Series 2002D Bonds of a subseries are not purchased on the Mode Change Date, the Existing Owners of all of the Series 2002D Bonds of such subseries will continue to hold such Series 2002D Bonds in a seven-day Auction Period at the Maximum Auction Rate for the Auction Period commencing on the failed Mode Change Date.

Source of Funds for Purchase of Series 2002D Bonds

On or before the close of business on the Mode Change Date with respect to Series 2002D Bonds of a subseries, the Tender Agent shall purchase those Series 2002D Bonds from the bondholders at the Purchase Price. Funds for the payment of that Purchase Price shall be derived only from remarketing proceeds or any funds advanced by TBTA at its option. Although TBTA has the option to purchase Series 2002D Bonds that are subject to mandatory tender for purchase and that have not been remarketed on the Mode Change Date, it is not obligated to do so. If any Series 2002D Bonds subject to mandatory tender for purchase on a Mode Change Date are not purchased, then the Existing Owners of all of the Series 2002D Bonds of that subseries will continue to hold such Series 2002D Bonds in a seven-day Auction Period at the Maximum Auction Rate for the Auction Period commencing on the failed Mode Change Date.

Delivery of Remarketed Series 2002D Bonds

Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, remarketed Series 2002D Bonds sold by a Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of those remarketed Series 2002D Bonds by 3:00 p.m., on the Mode Change Date.

Delivery and Payment for Purchased Remarketed Series 2002D Bonds of a Subseries; Undelivered Series 2002D Bonds

Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, remarketed Series 2002D Bonds purchased as set forth above shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Mode Change Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Series 2002D Bond purchased shall be made only if such Series 2002D Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice of tender. Payment of the Purchase Price shall be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mode Change Date, or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the Subordinate Revenue Resolution. If Series 2002D Bonds of a subseries to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the Mode Change Date, the Tender Agent shall hold any funds received for the purchase of those Series 2002D Bonds in trust in a separate account uninvested, and shall pay such funds to the former bondholders upon presentation of the Series 2002D Bonds subject to tender. Undelivered Series 2002D Bonds are tendered and cease to accrue interest as to the former bondholders on the Mode Change Date and moneys representing the Purchase Price shall be available against delivery of those Series 2002D Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Series 2002D Bond not presented for purchase for a period of two years after delivery of such 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 holder of such Series 2002D 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 2002D Bonds. The Tender Agent shall authenticate a replacement Series 2002D Bond for any undelivered Series 2002D Bond which may then be remarketed by the Remarketing Agent.

Redemption Prior to Maturity

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

Sinking Fund Installments

| <u>Year</u> | <u>Subseries 2002D-1</u> | <u>Subseries 2002D-2</u> | <u>Subseries 2002D-3</u> |
|-------------|--------------------------|--------------------------|--------------------------|
| 2007 | \$ 1,475,000 | \$ 1,475,000 | \$ 3,000,000 |
| 2008 | 1,525,000 | 1,525,000 | 3,100,000 |
| 2009 | 1,575,000 | 1,575,000 | 3,250,000 |
| 2010 | 1,650,000 | 1,650,000 | 3,350,000 |
| 2011 | 1,725,000 | 1,725,000 | 3,450,000 |
| 2012 | 1,775,000 | 1,775,000 | 3,625,000 |
| 2013 | 1,850,000 | 1,850,000 | 3,775,000 |
| 2014 | 1,925,000 | 1,925,000 | 3,925,000 |
| 2015 | 2,000,000 | 2,000,000 | 4,075,000 |
| 2016 | 2,075,000 | 2,075,000 | 4,250,000 |
| 2017 | 2,175,000 | 2,175,000 | 4,400,000 |
| 2018 | 2,250,000 | 2,250,000 | 4,600,000 |
| 2019 | 2,350,000 | 2,350,000 | 4,750,000 |
| 2020 | 2,450,000 | 2,450,000 | 4,925,000 |
| 2021 | 2,550,000 | 2,550,000 | 5,125,000 |
| 2022 | 2,650,000 | 2,650,000 | 5,325,000 |
| 2023 | 2,750,000 | 2,750,000 | 5,550,000 |
| 2024 | 2,850,000 | 2,850,000 | 5,800,000 |
| 2025 | 2,975,000 | 2,975,000 | 6,000,000 |
| 2026 | 3,100,000 | 3,100,000 | 6,250,000 |
| 2027 | 3,225,000 | 3,225,000 | 6,500,000 |
| 2028 | 3,350,000 | 3,350,000 | 6,750,000 |
| 2029 | 3,475,000 | 3,475,000 | 7,050,000 |
| 2030 | 3,625,000 | 3,625,000 | 7,300,000 |
| 2031 | 3,750,000 | 3,750,000 | 7,625,000 |
| 2032* | 3,900,000 | 3,900,000 | 7,950,000 |

* Final maturity

The date on which a sinking fund installment will be due when the Series 2002D Bonds of a subseries entitled to such sinking fund installment are in the Auction Rate Mode will be either the dates set forth above, or if any such date is not an Interest Payment Date, then the Interest Payment Date immediately preceding the date set forth above.

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 2002D 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 2002D 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 2002D 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. Each subseries of Series 2002D Bonds shall be subject to optional redemption by TBTA, in whole or in part, on any Interest Payment Date immediately following an Auction Period, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date; provided, however, that in the event of a partial redemption of Series 2002D Bonds of a subseries, the aggregate principal amount of Series 2002D Bonds of such subseries which will remain outstanding shall be equal to or more than \$10,000,000 unless otherwise consented to by the related Broker-Dealers.

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 2002D Bonds as a whole at the time and at the price and in accordance with the terms upon which the Series 2002D Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Series 2002D Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Series 2002D 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 2002D 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 2002D 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 2002D Bonds, then on the redemption date the Series 2002D 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 2002D Bonds called for redemption, thereafter, no interest will accrue on those Series 2002D Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2002D Bonds.

Bond Insurance

General. The following information has been furnished by the Insurer for use in this Official Statement. Reference is made to **Attachment 7** 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 Subordinate Revenue Resolution, including the right to be deemed the sole owner of the Series 2002D 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 2002D Bonds (but not Purchase Price) will be insured by the Insurance Policy issued by the Insurer simultaneously with the issuance of the Series 2002D Bonds.

Payment Pursuant to Financial Guaranty Insurance Policy. The Insurer has made a commitment to issue the Insurance Policy relating to the Series 2002D Bonds effective as of the date of issuance of the Series 2002D 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 2002D 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 2002D 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 2002D Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2002D Bonds, the Insurer will remain obligated to pay principal of and interest on outstanding Series 2002D 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 2002D 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 2002D 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 2002D Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2002D 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 made in connection with the sale of the Series 2002D Bonds at auctions or losses suffered as a result of an Owner's inability to sell the Series 2002D Bonds.

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 2002D Bonds.

The Insurer makes no representation regarding the Series 2002D Bonds or the advisability of investing in the Series 2002D 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 7**.

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, 19th 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 Senior and Subordinate Revenue Bonds.

Table 1 sets forth, on a cash basis, the estimated debt service on the senior lien bonds, the debt service on the Subordinate Substitution Bonds, the debt service on the Series 2002D Bonds, estimated debt service on the Series 2002E Bonds, and the aggregate senior lien and subordinate lien debt service after the issuance of the Series 2002E Bonds.

Table 1
Aggregate Senior and Subordinate Debt Service
(In Thousands)

| Year Ending December 31 | <u>Debt Service on Subordinate Revenue Bonds</u> | | | | Aggregate Senior and Subordinate Debt Service ⁽⁵⁾ |
|----------------------------|--|---|---|---|---|
| | Estimated Debt Service on Senior Lien Bonds ⁽¹⁾ | Subordinate Substitution Bonds ⁽²⁾ | Estimated Series 2002D Bonds ⁽³⁾ | Estimated Series 2002E Bonds ⁽⁴⁾ | |
| 2002 | \$ 42,095 | \$ 34,146 | \$ 0 | \$ 0 | \$ 76,241 |
| 2003 | 220,542 | 49,208 | 11,137 | 48,617 | 329,503 |
| 2004 | 247,621 | 49,291 | 10,468 | 51,739 | 359,119 |
| 2005 | 279,752 | 49,326 | 10,468 | 51,666 | 391,212 |
| 2006 | 279,752 | 49,383 | 10,468 | 51,607 | 391,209 |
| 2007 | 279,923 | 49,454 | 16,418 | 47,937 | 393,732 |
| 2008 | 279,840 | 49,534 | 16,380 | 47,937 | 393,691 |
| 2009 | 279,738 | 49,516 | 16,384 | 47,937 | 393,576 |
| 2010 | 279,736 | 49,602 | 16,378 | 47,937 | 393,653 |
| 2011 | 279,739 | 49,678 | 16,362 | 47,937 | 393,716 |
| 2012 | 279,731 | 49,738 | 16,361 | 47,937 | 393,767 |
| 2013 | 279,739 | 49,777 | 16,374 | 47,937 | 393,827 |
| 2014 | 278,234 | 49,888 | 16,375 | 47,937 | 392,435 |
| 2015 | 278,239 | 49,960 | 16,364 | 47,937 | 392,500 |
| 2016 | 278,244 | 50,085 | 16,366 | 47,937 | 392,632 |
| 2017 | 278,244 | 50,153 | 16,380 | 47,937 | 392,714 |
| 2018 | 278,237 | 23,656 | 16,380 | 71,422 | 389,694 |
| 2019 | 278,234 | 0 | 16,366 | 95,074 | 389,674 |
| 2020 | 278,244 | 0 | 16,363 | 95,074 | 389,681 |
| 2021 | 278,234 | 0 | 16,370 | 95,074 | 389,677 |
| 2022 | 278,242 | 0 | 16,361 | 95,076 | 389,680 |
| 2023 | 279,737 | 0 | 16,361 | 95,075 | 391,173 |
| 2024 | 278,238 | 0 | 16,369 | 95,075 | 389,683 |
| 2025 | 278,239 | 0 | 16,359 | 95,074 | 389,671 |
| 2026 | 278,240 | 0 | 16,381 | 95,078 | 389,698 |
| 2027 | 278,240 | 0 | 16,383 | 95,074 | 389,697 |
| 2028 | 278,241 | 0 | 16,365 | 95,076 | 389,682 |
| 2029 | 278,241 | 0 | 16,377 | 95,074 | 389,692 |
| 2030 | 278,238 | 0 | 16,367 | 95,075 | 389,680 |
| 2031 | 278,242 | 0 | 16,360 | 95,073 | 389,675 |
| 2032 | 243,462 | 0 | 16,380 | 81,160 | 341,001 |
| Total | <u>\$8,281,477</u> | <u>\$802,395</u> | <u>\$468,225</u> | <u>\$2,119,485</u> | <u>\$11,671,582</u> |

(1) 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 C (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; \$268,300,000 General Purpose Revenue Bonds, Series 2002A; \$2,157,065,000 General Revenue Refunding Bonds, Series 2002B (based upon the bond purchase agreement entered into on September 19, 2002, with an expected delivery date of October 8, 2002); \$103,305,000 General Revenue Variable Rate Refunding Bonds, Series 2002C (at an assumed interest rate of 4% per annum and including net payments made by TBTA under the swap agreement relating thereto, with an expected delivery date of October 8, 2002); and \$245,000,000 General Revenue Variable Rate Refunding Bonds, Series 2002F (at an assumed interest rate of 4% per annum, with an expected delivery date of November 13, 2002). It does not include debt service on the \$807,190,000 Series 2000A BANs that are subject to the substitution of the Senior 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.

(2) Includes debt service on the \$507,600,000 Special Obligation Variable Rate Refunding Bonds (1991 Resolution), Series 2000A – D at an assumed variable interest rate of 4% per annum and including net payments made by TBTA under the swap agreements relating thereto.

(3) Assumes interest at the rate of 4.00% per annum.

(4) Assumes the issuance of \$968 million of Series 2002E Bonds at an assumed interest rate of 4.86% per annum.

(5) Total may not add due to rounding. Includes the assumptions set forth in footnotes 1 through 4.

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

Part II of this official statement describes the sources of payment and security for all TBTA Subordinate Revenue Bonds, including the Series 2002D 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 and after the application of such net revenues as required by TBTA's Senior Resolution, are pledged to the holders of the Subordinate Revenue Bonds for payment, as described below.

The following 7 bridges and 2 tunnels constitute TBTA Facilities for purposes of the Subordinate Revenue 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 Subordinate Revenue 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 in **Attachment 6** hereto – 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 of TBTA's 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 History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Condition of the Facilities of Triborough Bridge and Tunnel Authority* included by specific reference *herein*.

Table 2

**Triborough Bridge and Tunnel Authority
Traffic, Revenues And Operating Expenses
(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 ⁽¹⁾ | <u>48,612</u> | <u>54,111</u> | <u>39,314</u> | <u>58,205</u> | <u>56,681</u> |
| Total Revenues | <u>\$900,605</u> | <u>\$938,551</u> | <u>\$952,106</u> | <u>\$998,812</u> | <u>\$971,537</u> |
| Operating Expenses ⁽²⁾ : | | | | | |
| 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> |
| Total Operating Expenses | <u>\$223,873</u> | <u>\$208,190</u> | <u>\$227,991</u> | <u>\$242,063</u> | <u>\$256,514</u> |
| Net Revenues Available for Debt Service | \$676,732 | \$730,361 | \$724,115 | \$756,749 | \$715,023 |
| TBTA Senior Lien Debt Service⁽³⁾ | \$271,856 | \$291,918 | \$295,652 | \$311,610 | \$320,451 |
| Subordinate Bond Fund Investment Earnings ⁽⁴⁾ | \$ 4,201 | \$ 4,992 | \$ 3,836 | \$ 4,110 | \$ 1,716 |
| Net Revenues Available for Subordinate Debt Service⁽⁵⁾ | \$409,077 | \$443,435 | \$432,299 | \$449,249 | \$396,288 |
| Debt Service on Subordinate Revenue Bonds⁽⁶⁾ | \$110,989 | \$115,895 | \$113,464 | \$114,887 | \$ 87,340 |
| Total Debt Service (Senior and Subordinate) | \$382,845 | \$407,813 | \$409,116 | \$426,497 | \$407,791 |
| Combined Debt Service Coverage Ratio | 1.78x | 1.80x | 1.78x | 1.78x | 1.76x |

(1) 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 Senior 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.

(2) Excludes depreciation.

(3) Represents debt service on bonds outstanding under TBTA's 1980 Resolution.

(4) Includes investment earnings on the Beneficial Interest Certificates (BICs) debt service fund and on the following debt service reserve funds: 1991 Resolution (MRT); 1994 Resolution; and BICs. Readers should note that, since there is no debt service reserve fund in the Subordinate Revenue Resolution, investment earnings are expected to be substantially lower in future years.

(5) Does not include certain mortgage recording tax revenues that were pledged to the payment of TBTA 1991 Mortgage Recording Tax Special Obligation Bonds.

(6) Includes debt service on the 1991 MRT Resolution Bonds (presented as if TBTA paid gross debt service from its own revenues without deducting available mortgage recording tax revenues), 1994 Resolution bonds and BICs, all of which are expected to be refunded as part of the debt restructuring.

SECURITY

TBTA Subordinate Revenue Bonds, including the Series 2002D Bonds, are special obligations of TBTA payable solely from the trust estate (described below) pledged for the payment of the Subordinate Revenue Bonds and Parity Debt pursuant to the terms of the Subordinate Revenue Resolution, after the payment of Operating Expenses and after payment of debt service as required by TBTA's Senior Resolution. Summaries of certain provisions of the Subordinate Revenue Resolution, including the Standard Resolution Provisions, are included as **Attachments 4 and 5**.

TBTA Subordinate 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 Subordinate Revenue Resolution

The lien on the trust estate described below created by the Subordinate Revenue Resolution is junior and subordinate to the lien created by TBTA's Senior Resolution.

Pursuant to, and in accordance with, the Subordinate Revenue Resolution, TBTA has pledged to the holders of the Subordinate Revenue Bonds and Parity Debt a "trust estate," which consists of

- Revenues (after the application of such Revenues as required by TBTA's Senior Resolution, including to the payment of Operating Expenses and Senior Resolution debt service),
- the proceeds from the sale of the Subordinate Revenue Bonds, and
- all funds, accounts and subaccounts established by the Subordinate Revenue 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 2002D 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 Subordinate Revenue Resolution securing the Subordinate Revenue Bonds, including the Series 2002D Bonds, as well as the TBTA 1980 Resolution securing the senior lien debt, will be subject to the pledges and agreements under the resolutions securing the Old TBTA Bonds (collectively, the Old TBTA Resolutions).

Revenues and Additional Subordinate TBTA Projects

Revenues from TBTA Facilities. For purposes of the pledge under the Subordinate Revenue 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 Subordinate TBTA Projects. One or more projects owned or to be owned by TBTA or another Related Entity may become an Additional Subordinate TBTA Project without satisfying any earnings or coverage test if:

- TBTA is authorized to undertake such project, and
- the project is designated by TBTA to be an Additional Subordinate TBTA Project.

Upon satisfaction of certain conditions, TBTA is authorized to issue Subordinate Revenue Bonds to fund the Capital Costs of Additional Subordinate TBTA Projects. *See Additional Subordinate Revenue Bonds below.*

Flow of Revenues

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

- Proceeds Fund, and
- Debt Service Fund.

TBTA is required to transfer to the Debt Service Fund under the Subordinate Revenue Resolution, from time to time, but no less frequently than on or before the 25th day of each calendar month, from such amounts as shall from time to time be available for transfer from the Revenue Fund under the Senior Resolution, free and clear of the lien of the Senior Resolution, 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 25th day of the next succeeding calendar month.

Rate Covenant

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 on all senior lien and subordinate lien bonds, 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 **1.10 times** Calculated Debt Service on all senior lien and subordinate 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*, and **Attachment 4** – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION – Additional Provisions Relating to the Series 2002D Bonds – *Rate Covenant*.

Additional Subordinate Revenue Bonds

Under the provisions of the Subordinate Revenue Resolution, TBTA may issue one or more series of Additional Subordinate Revenue Bonds to pay or provide for the payment of all or part of Capital Costs relating to any of the following purposes:

- TBTA Facilities,
- TBTA Transit and Commuter Project, or
- any Additional Subordinate TBTA Project.

In addition to meeting certain other conditions, all as more fully described in **Attachment 4 – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION – Special Provisions for Capital Cost Obligations**, an Authorized Officer must certify that the Twelve Month Period Net Revenues are at least equal to **1.10 times** the Combined Maximum Annual Calculated Debt Service for all Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt.

In addition, TBTA covenants that, prior to the issuance of senior lien bonds, an Authorized Officer must certify that the Twelve Month Period Net Revenues are at least equal to **1.10 times** the Combined Maximum Annual Calculated Debt Service for all Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt. *See Attachment 4 – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION – Additional Provisions Relating to the Series 2002D Bonds – Covenant Regarding Senior Resolution.*

Refunding Subordinate Revenue Bonds

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

For a more complete description of the conditions that must be satisfied before issuing refunding Subordinate Revenue Bonds, *see Attachment 4 – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION – Refunding Subordinate Revenue Obligations.*

PART III. OTHER INFORMATION ABOUT THE SERIES 2002D BONDS

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

TAX MATTERS

Hawkins, Delafield & Wood is Bond Counsel for the Series 2002D 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 2002D 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 2002D 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 2002D Bonds are delivered.

The Internal Revenue Code imposes requirements on the Series 2002D Bonds that TBTA must continue to meet after the Series 2002D Bonds are issued. These requirements generally involve the way that Series 2002D 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 2002D 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 2002D 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 2002D 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 2002D Bonds or affect the market price of the Series 2002D 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 2002D 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 2002D 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 2002D 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 2002D 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 2002D Bonds and the debt restructuring. The financial advisor has provided TBTA advice on the plan of financing and reviewed the pricing of the Series 2002D 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 2002D Bonds.

UNDERWRITING

The Underwriters for the Series 2002D Bonds, acting through Salomon Smith Barney Inc., as Representative, have jointly and severally agreed, subject to certain conditions, to purchase from TBTA the Series 2002D Bonds at an aggregate purchase price of \$260,579,924, reflecting an Underwriters' discount of \$1,120,076, and to reoffer such Series 2002D Bonds at par.

The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Series 2002D Bonds if any Series 2002D 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 2002D 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:

Fitch Ratings
One State Street Plaza
New York, New York 10004
(212) 908-0500

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
(212) 553-0300

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
(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 generally reflects the ratings of the bond insurer providing credit enhancement for each respective subseries of bonds.

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 Underwriters, or both, as also indicated in the Summary of Terms.

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, TBTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, TBTA annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements until audited statements become available. TBTA has undertaken to file such above information with each Nationally Recognized Municipal Securities Information Repository and a New York State Information Depository (the SID), if and when one is established.

TBTA has further agreed to deliver notice to each Repository or the Municipal Securities Rulemaking Board (MSRB) and to the SID of any failure to provide the Annual Information. TBTA is also obligated to deliver notices of the following events, if material, to each repository, or to the MSRB or the SID:

- principal and interest delinquencies;
- non-payment related defaults;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions or events affecting the tax exempt status of the security;
- modifications to the rights of security holders;
- bond calls;
- defeasance;
- release, substitution, or sale of property securing repayment of the securities; and
- rating changes.

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

FURTHER INFORMATION

TBTA may place a copy of this official statement on MTA's website at "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 2002D Bonds. The Series 2002D 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 2002D Bond will be issued for each maturity of the Series 2002D 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 2002D 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.

3. Purchases of Series 2002D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002D Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2002D 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 2002D 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 2002D Bonds, except in the event that use of the book-entry system for the Series 2002D Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2002D 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 2002D 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 2002D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2002D 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 2002D Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2002D Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2002D Bond documents. For example, Beneficial Owners of the Series 2002D Bonds may wish to ascertain that the nominee holding the Series 2002D 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 2002D 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 2002D 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 2002D 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 2002D 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. DTC may discontinue providing its services as depository with respect to the Series 2002D 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 2002D Bonds are required to be printed and delivered.

10. 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 2002D 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

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), TBTA and the Trustee will enter into a written agreement (the “Disclosure Agreement”) for the benefit of holders of the Series 2002D Bonds to provide continuing disclosure. TBTA will undertake to provide certain financial information and operating data by no later than 120 days after the end of each TBTA fiscal year, commencing with the fiscal year ending December 31, 2002 (the “Annual Information”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Information will be filed by or on behalf of TBTA with each Nationally Recognized Municipal Securities Information Repository (the “NRMSIRs”) and with the state information depository for the State, if and to the extent it shall have been established and shall be in existence and operating as a state information depository within the meaning of Rule 15c2-12 (the “State Depository”). Notices of material events will be filed by or on behalf of TBTA with NRMSIRs or the Municipal Securities Rulemaking Board (the “MSRB”) and with the State Depository. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12 TBTA will undertake for the benefit of holders of Series 2002D Bonds to provide or cause to be provided either directly or through the Trustee, audited financial statements by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2002, when and if such audited financial statements become available and, if such audited financial statements are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements for such fiscal year. TBTA annual financial statements will be filed with each NRMSIR and the State Depository.

The required Annual Information shall include at least the following:

1. information of the type included in **Appendix A** under the following captions:
 - a. “The Triborough Bridge and Tunnel Authority – Authorized Projects of TBTA”,
 - b. “The Triborough Bridge and Tunnel Authority – Present Facilities”,
 - c. “The Triborough Bridge and Tunnel Authority – Toll Rates”,
 - d. “The Triborough Bridge and Tunnel Authority – Competing Facilities and Other Matters”, and
 - e. “The Triborough Bridge and Tunnel Authority – Employees, Labor Relations and Pension Obligations”,
2. information regarding the capital programs of TBTA, as well as of related public authorities whose operating needs, financing activities and capital programs may have a material impact on the operations and financing activities of TBTA,
3. a presentation of changes to indebtedness issued by TBTA under both the Senior Resolution and the Subordinate Revenue Resolution, as well as information concerning changes to TBTA’s debt service requirements on such indebtedness payable from Revenues,
4. historical information concerning traffic, revenues, operating expenses, Subordinate Revenue Resolution debt service and debt service coverage of the type included in this Official Statement in **Table 2** and included by specific reference in **Appendix A** under the heading “REVENUES OF THE RELATED ENTITIES – TBTA Surplus”,
5. material litigation related to any of the foregoing, and

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

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific reference to any other documents which have been filed with (a) the NRMSIRs and the State Depository or (b) the Securities and Exchange Commission; provided, however, that if the document is an official statement, it shall have been filed with the MSRB and need not have been filed elsewhere. Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to each NRMSIR or to the MSRB, and to the State Depository.

TBTA will undertake, for the benefit of holders of the Series 2002D Bonds, to provide or cause to be provided:

1. to each NRMSIR or to the MSRB and to the State Depository, in a timely manner, notice of any of the events listed under the heading "CONTINUING DISCLOSURE" in this Official Statement with respect to the Series 2002D Bonds, if material, and
2. to each NRMSIR or to the MSRB, and to the State Depository, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2002D Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2002D Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2002D Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2002D Bonds at the time Outstanding which are affected thereby. Each of the TBTA and the Trustee reserves the right, but shall not be obligated to, enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Subordinate Revenue Resolution nor give right to the Trustee or any Bondholder to exercise any remedies under the Subordinate Revenue Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where TBTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. TBTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2002D Bonds have been paid in full or legally defeased pursuant to the Subordinate Revenue Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

ATTACHMENT 3

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2002D 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 \$261,700,000 aggregate principal amount of Triborough Bridge and Tunnel Authority Subordinate Revenue Variable Rate Refunding Bonds, Series 2002D (the "Series 2002D 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 2002D 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 "2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations", as supplemented by a resolution of said members adopted on March 26, 2002 (collectively, the "Resolution").

The Series 2002D 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 2002D Bonds is being used to refund certain of the outstanding bonds or beneficial interest certificates of TBTA issued or incurred pursuant to one or more of the resolutions or trust agreements pursuant to which the Prior Lien Obligations have been issued or incurred (collectively, referred to as, the "Prior Resolutions"), such bonds or beneficial interest certificates having been issued or incurred in multiple series and as described in the hereinafter defined Escrow Agreements as being refunded with proceeds of the Series 2002D Bonds (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series 2002D Bonds together with any other amounts made available by TBTA (collectively, 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 escrow agreements, each dated October __, 2002 (collectively, the "Escrow Agreements"), by and between TBTA and U.S. Bank Trust National Association and The Bank of New York, respectively, as escrow agents thereunder and as successor trustees under the applicable Prior Resolutions (the "Prior Trustees"). TBTA has given the Prior Trustees, in form satisfactory to each of them, irrevocable instructions to give notice in accordance with the Prior Resolutions 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 2002D Bonds in order that interest on the Series 2002D 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 2002D Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002D 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 2002D 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 2002D 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 2002D 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 2002D 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 2002D Bonds as executed and, in our opinion, the form of said Series 2002D 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 and any Senior Obligations and Senior Parity Debt.

3. The Series 2002D Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of TBTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate subject and subordinate to the payments to be made with respect to Senior Obligations and Senior Parity Debt as provided in Sections 503, 507 and 604 of the Senior Resolution, and shall be secured by a lien on and pledge of the Trust Estate junior and inferior to the lien on and pledge of the Trust Estate created by the Senior Resolution for the payment of the Senior Obligations and Senior Parity Debt. The Subordinate Revenue Obligations shall be payable from such amounts as shall from time to time be available for transfer pursuant to either Section 503.1(c) or Section 506.2 of the Senior Resolution and are entitled to the benefits of the Issuer Act and the Resolution. TBTA has no taxing power and the Series 2002D Bonds are not debts of the State or of any other political subdivision thereof. TBTA reserves the right to issue Senior Obligations and Senior Parity Debt in accordance with the provisions of the Senior Resolution, and 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 2002D Bonds.

4. The Series 2002D 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 2002D Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2002D 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 2002D Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

7. The Escrow Agreements have each been duly authorized, executed and delivered by TBTA, and, assuming the due authorization, execution and delivery of each of them by the respective Prior Trustees, each of the Escrow Agreements is a valid and binding obligation of TBTA, enforceable in accordance with its respective terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Prior Resolutions, 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 2002D 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 2002D 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 2002D 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

SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION

The following sections contain definitions of certain terms used in this official statement and a general summary (Summary) of certain provisions of the Subordinate Revenue Resolution. (**Attachment 5** contains a summary of certain other provisions of the Subordinate Revenue Resolution.) The definitions and Summary are not to be considered a full statement of all terms used in this official statement or the terms of the Subordinate Revenue Resolution and, accordingly, are qualified by reference to and are subject to the full text of the official statement and the Subordinate Revenue Resolution. A copy of the Subordinate Revenue Resolution may be obtained upon request from MTA. In the following Summary, TBTA is referred to as the "Issuer".

Definitions

Additional Subordinate TBTA Project shall mean one or more Transportation District Projects owned or to be owned by the Issuer or another Related Entity which the Issuer may now or hereafter be authorized to undertake. Each Additional Subordinate TBTA Project shall be so designated by Supplemental Resolution adopted pursuant to the Resolution, and if not so designated shall not become an Additional Subordinate TBTA Project.

Capital Cost Subordinate Revenue Obligations shall mean Subordinate Revenue Obligations for Capital Costs authenticated and delivered on original issuance.

Capital Costs shall mean (i) the costs of the Issuer or any other Related Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or any part of the TBTA Facilities, the TBTA Transit and Commuter Project or any Additional Subordinate TBTA Project, as appropriate, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), and initial working capital required for the commencement of operation of any such project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness, made by the Issuer or any other Related Entity to any Person participating in TBTA Facilities, the TBTA Transit and Commuter Project or any Additional Subordinate TBTA Project for the purpose of funding any costs described in this clause (i); (ii) amounts paid into any Fund or Account upon the issuance of any Subordinate Revenue Obligations; and (iii) payment when due (whether at the maturity of principal or on the due date of interest or upon redemption or when otherwise due, including by purchase or through tender or exchange) on any indebtedness or obligation of the Issuer or any other Related Entity which was issued or incurred to finance costs that could at the time of such payment be funded directly hereunder, including Obligations, Obligation Anticipation Notes, Parity Debt, Subordinated Indebtedness, Subordinated Contract Indebtedness (in each case, within the meaning of the Subordinate Revenue Resolution or the Senior Resolution), or any termination or other payments for financial hedging arrangements, or any such indebtedness or obligation issued or incurred by any Related Entity in connection with the TBTA Facilities, the TBTA Transit and Commuter Project or any Additional Subordinate TBTA Project, as appropriate.

COI Account shall mean the Account by that name established in the Proceeds Fund.

Combined Maximum Annual Calculated Debt Service shall mean, as of any date of calculation, an amount equal to the greatest amount for the then current or any future calendar year of the sum of (for each such year):

- (i) Calculated Debt Service within the meaning of the Subordinate Revenue Resolution (including for such purposes any other obligations of the Issuer on a parity with Subordinate Revenue Obligations), and
- (ii) Calculated Debt Service within the meaning of the Senior Resolution.

Debt Service Fund shall mean the Fund by that name established in the Subordinate Revenue Resolution.

Proceeds Fund shall mean the fund by that name established in the Subordinate Revenue Resolution.

Refunding Subordinate Obligations shall mean all Obligations for refunding purposes authenticated and delivered on original issuance.

Senior Obligations shall mean Obligations as defined in the Senior Resolution.

Senior Parity Debt shall mean Parity Debt as defined in the Senior Resolution.

Senior Resolution shall mean the General Resolution Authorizing General Revenue Obligations, adopted by the Issuer on March 26, 2002, as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms thereof.

Standard Resolution Provisions shall mean the Standard Resolution Provisions appended to the Resolution as **Annex A**.

Subordinate Revenue Obligations or **Obligations** shall mean any bonds, notes, commercial paper or other form of indebtedness of the Issuer payable from the Debt Service Fund, authorized by the section of the Subordinate Revenue Resolution summarized under the caption "Authorization of the Subordinate Revenue Obligations" and delivered pursuant to the section of the Subordinate Revenue Resolution summarized under the caption "General Provisions for Issuance of Subordinate Revenue Obligations" or authorized pursuant to the section of the Subordinate Revenue Resolution summarized under the caption "Special Provisions for Capital Cost Subordinate Revenue Obligations", but excluding Subordinate Obligation Anticipation Notes to the extent payable from, and expected by an Authorized Officer to be paid from, the proceeds of Subordinate Revenue Obligations or other Subordinate Revenue Obligation Anticipation Notes.

Subordinate Revenue Resolution shall mean the 2001 Subordinate Revenue Resolution (including the Standard Resolution Provisions set forth as **Annex A** to the Subordinate Revenue Resolution), as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms thereof.

Trust Estate shall mean, collectively, but subject to the terms and provisions of the Subordinate Revenue Resolution, all right, title and interest of the Issuer in:

- (i) the proceeds of the sale of the Subordinate Revenue Obligations,
- (ii) the Revenues, and
- (iii) all Funds, Accounts and subaccounts established by the Subordinate Revenue Resolution (other than funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Obligations, Put Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations; provided, however, that such funds, accounts and subaccounts are specifically excepted from the Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Obligations, Put Obligations, Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof.

(Section 102)

Standard Resolution Provisions

Except as otherwise specifically provided in the Subordinate Revenue Resolution or by Supplemental Resolution, the Standard Resolution Provisions appended to the Subordinate Revenue Resolution as Annex A constitute an integral part of the Subordinate Revenue Resolution and have the same force and effect as if set forth in the forepart of the Subordinate Revenue Resolution.

(Section 101)

Authorization of the Subordinate Revenue Obligations

The Subordinate Revenue Resolution authorizes Subordinated Indebtedness (as defined in the Senior Resolution) of the Issuer designated as “Subordinate Revenue Obligations”, which may be issued in one or more Series or subseries. Subordinate Revenue Obligations may be issued as Tax-Exempt Subordinate Revenue Obligations, as Taxable Subordinate Revenue Obligations, as obligations which convert on a particular date or dates from Taxable Subordinate Revenue Obligations to Tax-Exempt Subordinate Revenue Obligations, or as Taxable Subordinate Revenue Obligations which are mandatorily exchangeable on a particular date or dates for Tax-Exempt Subordinate Revenue Obligations, or otherwise as determined by Supplemental Resolution. The Subordinate Revenue Obligations shall be special obligations of the Issuer payable solely from the Trust Estate pledged to the payment thereof pursuant to the first paragraph of the section of the Subordinate Revenue Resolution summarized under the caption “The Pledge Effected by the Subordinate Revenue Resolution”. The aggregate principal amount of the Subordinate Revenue Obligations which may be executed and delivered under the Subordinate Revenue Resolution is not limited except as provided in the Subordinate Revenue Resolution or as may from time to time be limited by law.

(Section 201)

General Provisions for Issuance of Subordinate Revenue Obligations

The Opinion of Bond Counsel required by the Subordinate Revenue Resolution for the issuance of Subordinate Revenue Obligations shall be to the effect that the Subordinate Revenue Obligations are valid and binding special obligations of the Issuer, enforceable in accordance with their terms and the terms of the Subordinate Revenue Resolution and entitled to the benefits of the TBTA Act as amended to the date of such Opinion of Bond Counsel.

(Section 202)

Special Provisions for Capital Cost Subordinate Revenue Obligations

Subordinate Revenue Obligations may be issued, authenticated and delivered to pay or provide for the payment of all or part of any Capital Costs only upon receipt by the Trustee of:

- (a) A certificate of an Authorized Officer setting forth (i) the aggregate principal amount of all Subordinate Revenue Obligations and Parity Debt of all Series to be Outstanding immediately after such authentication and delivery, (ii) the aggregate principal amount of any additional obligations of the Issuer on a parity with the Subordinate Revenue Obligations as to amounts released from the Senior Resolution, which obligations are to be outstanding immediately after such authentication and delivery, (iii) the Calculated Debt Service for such Subordinate Revenue Obligations and Parity Debt for the then current and each future calendar year, (iv) the aggregate principal amount of all Senior Obligations and Senior Parity Debt of all Series to be Outstanding immediately after such authentication and delivery, (v) the Calculated Debt Service (as defined in the Senior Resolution) for the then current and each future calendar year, and (vi) the Combined Maximum Annual Calculated Debt Service for such period, including, in each case, the proposed Capital Cost Subordinate Revenue Obligations and any proposed Refunding Subordinate Revenue Obligations being treated as Capital Cost Subordinate Revenue Obligations for purposes of clause (ii) of paragraph (e) under the section of the Subordinate Revenue Resolution summarized under

the caption "Refunding Subordinate Revenue Obligations" hereof but excluding any Subordinate Revenue Obligations, Obligations, Senior Parity Debt or Parity Debt to be refunded with the proceeds of such Refunding Subordinate Revenue Obligations.

- (b) A certificate of an Authorized Officer setting forth the Revenues and Operating Expenses for any period of 12 consecutive calendar months out of the 18 complete calendar months next preceding the date of authentication and delivery of the Subordinate Revenue Obligations of such Series (for purposes of this caption only, the "Twelve Month Period"); provided that in such certificate (i) if, on the date of authentication and delivery of the Subordinate Revenue Obligations of such Series, any TBTA Facility shall not have been a TBTA Facility for all or any part of the Twelve Month Period, the Revenues and Operating Expenses of all TBTA Facilities shall be, respectively, increased by the revenues and operating expenses of such TBTA Facility for such Twelve Month Period or part thereof calculated as if the respective definitions of "Revenues" and "Operating Expenses" in the Subordinate Revenue Resolution had been applicable thereto, (ii) if, on the date of authentication and delivery of the Subordinate Revenue Obligations of such Series, the toll rate for any classification of vehicles using any vehicular toll TBTA Facility shall be less than it was during any part of the Twelve Month Period, then solely for the purposes of such certificate, the Revenues for the Twelve Month Period shall be decreased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of the Twelve Month Period, and (iii) if during the Twelve Month Period the toll rate for any classification of vehicles using any vehicular toll TBTA Facility shall have been increased, then solely for the purposes of such certificate, the Revenues for the Twelve Month Period may be increased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of the Twelve Month Period; and
- (c) A certificate of an Authorized Officer setting forth:
 - (i) the amount of Revenues for the Twelve Month Period specified in the certificate;
 - (ii) the amount of Operating Expenses for the Twelve Month Period specified in the certificate;
 - (iii) the balance remaining after subtracting the amount set forth in subclause (ii) above, from the amount set forth in subclause (i), above (for purposes of this caption, the "Twelve Month Period Net Revenues");
 - (iv) the Combined Maximum Annual Calculated Debt Service for all Series of Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt Outstanding on the date of authentication and delivery of the Series of Subordinate Revenue Obligations to be issued (including such additional Subordinate Revenue Obligations), calculated in the manner set forth in subparagraph (a) of the previous paragraph above under this caption; and
 - (v) that the Twelve Month Period Net Revenues are at least equal to 1.10 times the Combined Maximum Annual Calculated Debt Service specified in subclause (iv) above.

Notwithstanding the foregoing provisions of this caption, so long as Prior Lien Obligations remain outstanding and Operating Expenses are provided for under the terms of the 1980 Resolution, the calculations required by this caption shall be made, but (i) such calculations shall be based upon Available TBTA Net Revenues during the Twelve Month Period rather than Revenues and (ii) no subtraction of Operating Expenses from Available TBTA Net Revenues shall be required.

(Section 203)

Refunding Subordinate Revenue Obligations

In addition to refinancings permitted under the section of the Subordinate Revenue Resolution summarized under the captions “Special Provisions for Capital Cost Subordinate Revenue Obligations” and “Subordinate Revenue Obligations to Refund Pre-Existing Indebtedness”, one or more Series of Refunding Subordinate Revenue Obligations may be issued to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt.

In addition to the requirements of the Subordinate Revenue Resolution, the Refunding Subordinate Revenue Obligations of any Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee of:

- (a) If the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded are to be redeemed, instructions to the appropriate trustee, satisfactory to it, to give due notice of redemption of all the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded on the redemption dates specified in such instructions;
- (b) If the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded are to be deemed paid within the meaning of the Subordinate Revenue Resolution, irrevocable instructions to the appropriate trustee, satisfactory to it, to provide notice in the manner provided in the Subordinate Revenue Resolution or similar provisions with respect to Senior Parity Debt or Parity Debt with respect to the payment of such Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt;
- (c) If the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded are to be deemed paid within the meaning of the Subordinate Revenue Resolution or similar provision with respect to Senior Parity Debt or Parity Debt, either (i) money or (ii) Defeasance Securities (as defined in the applicable resolution) as shall be necessary to comply with the provisions of the Subordinate Revenue Resolution or defeasance securities as shall be necessary to comply with any similar provision with respect to Senior Parity Debt or Parity Debt, which money and Defeasance Securities (or defeasance securities) shall be held in trust and used only as provided in the Subordinate Revenue Resolution or similar provision with respect to Senior Parity Debt or Parity Debt;
- (d) If the proceeds of such Series of Refunding Subordinate Revenue Obligations are to be utilized by the Issuer to purchase (in connection with a tender for or redemption of Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt, or otherwise) Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be delivered to the appropriate trustee in satisfaction of a Sinking Fund Installment (as defined in the applicable resolution) in accordance with the Subordinate Revenue Resolution or similar provision with respect to Senior Parity Debt or Parity Debt, a certificate of an Authorized Officer specifying the matters required thereby; and
- (e) Either (i) a certificate of an Authorized Officer (A) setting forth (1) the Combined Maximum Annual Calculated Debt Service (including the Refunding Subordinate Revenue Obligations then proposed to be issued but not including the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded) and (2) the Combined Maximum Annual Calculated Service as calculated immediately prior to the issuance of the Refunding Subordinate Revenue Obligations (including the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded but not including the Refunding Subordinate Revenue Obligations) and (B) stating that the Combined Maximum Annual Calculated Debt Service set forth pursuant to (1) above is not greater than the Combined Maximum Annual Calculated Debt Service set forth pursuant to (2) above; or (ii) upon satisfaction of the requirements of the section of the Subordinate Revenue Resolution summarized under the caption “Special Provisions for Capital Cost Subordinate Revenue Obligations” applicable to the type of Capital Costs being

refinanced with respect to such Series of Refunding Subordinate Revenue Obligations, considering for all purposes of any certificate delivered pursuant to the second paragraph of the section of the Subordinate Revenue Resolution summarized under the caption “Special Provisions for Capital Cost Subordinate Revenue Obligations” that (A) such Series of Refunding Subordinate Revenue Obligations is a Series of Capital Cost Subordinate Revenue Obligations and (B) the Refunding Subordinate Revenue Obligations then proposed to be issued will be Outstanding but the Subordinate Revenue Obligations, Senior Obligations, Senior Parity Debt or Parity Debt to be refunded will no longer be Outstanding.

(Section 204)

Subordinate Revenue Obligations to Refund Pre-existing Indebtedness

Subordinate Revenue Obligations may be issued for the purpose of refunding (including by redemption, payment at maturity or in connection with exchanges or tenders) any Pre-existing Indebtedness.

Any Series of Subordinate Revenue Obligations issued for the purpose of refunding any Pre-existing Indebtedness shall be so authenticated and delivered only upon receipt by the Trustee, in addition to the documents required by the section of the Subordinate Revenue Resolution summarized under the caption “General Provisions for the Issuance of Subordinate Revenue Obligations”, of an Opinion of Bond Counsel to the effect that such Pre-existing Indebtedness has been exchanged, paid or is deemed to have been paid within the meaning and with the effect expressed in the related authorizing resolution or other document, which opinion may rely upon a certificate of an Authorized Officer or an independent verification agent to the effect that sufficient money and defeasance securities have been placed in escrow to provide for the payment of the principal or Redemption Price of, and interest on, such Pre-existing Indebtedness as such obligations mature, are tendered for purchase or exchange, or are called for redemption in accordance with the related authorizing resolution or other document. The proceeds received on the sale of such Subordinate Revenue Obligations shall be applied in the manner provided in the Supplemental Resolution authorizing such Subordinate Revenue Obligations and in any related escrow agreement.

(Section 205)

Separately Financed Projects

Nothing in the Subordinate Revenue Resolution prevents the Issuer from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, other than Subordinate Revenue Obligations, for any project authorized by the TBTA Act or by other then-applicable State statutory provisions, or from financing any such project from other available funds (any such project including the Convention Center Project being referred to herein as a “**Separately Financed Project**”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Issuer's share of any operating expenses related to such Separately Financed Project are payable solely from funds not pledged to the payment of Subordinate Revenue Obligations, including amounts released from the lien of the Senior Resolution and the Subordinate Revenue Resolution.

(Section 206)

Redemption at Demand of the State or the City

Except as otherwise provided pursuant to a Supplemental Resolution, either the State or the City may, upon furnishing sufficient funds therefor, require the Issuer to redeem all or any portion of the Subordinate Revenue Obligations as provided in the Issuer Act.

(Section 401)

The Pledge Effected by the Subordinate Revenue Resolution

The Subordinate Revenue Obligations constitute Subordinated Indebtedness (as defined in the Senior Resolution) and the rights of Owners to payment of the principal of and interest on the Subordinate Revenue Obligations are subordinated to the rights of owners of Senior Obligations and Senior Parity Debt to the extent and in the manner provided in Article V of the Subordinate Revenue Resolution and in the Senior Resolution. The Trust Estate, subject to the subordination referenced in the preceding sentence, is pledged for the payment of the principal and Redemption Price of, and interest on, and Sinking Fund Installments for the Subordinate Revenue Obligations and, on a parity basis, the Parity Debt, in accordance with their terms and the provisions of the Subordinate Revenue Resolution, subject only to the provisions of the Senior Resolution and the Subordinate Revenue Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Senior Resolution and the Subordinate Revenue Resolution, all right, title and interest of the Issuer in the Trust Estate. *The pledge created by the Subordinate Revenue Resolution, insofar as it relates to any portion of the Trust Estate pledged to the payment of Prior Lien Obligations, is (i) subordinate in all respects to the pledge thereof created to secure such Prior Lien Obligations and (ii) subject to the covenants and agreements made with the holders of Prior Lien Obligations; and, so long as any Prior Lien Obligations remain outstanding and unpaid, no payment shall be made from the Trust Estate, whether for interest, principal or premium on any of the Subordinate Revenue Obligations, except as and to the extent permitted by the related authorizing resolutions or other trust documents. In order to provide for the payment of the Subordinate Revenue Obligations and Parity Debt and the fulfillment of its covenants and agreements under the Subordinate Revenue Resolution so long as any Prior Lien Obligations remain outstanding and unpaid (during which time the pledge of Revenues under the Senior Resolution and the Subordinate Revenue Resolution shall be of no force and effect), the Issuer covenants that it shall on or before the last Business Day of each month, but subject to the covenants and agreements made with the holders of all Prior Lien Obligations then outstanding, transfer or cause to be transferred to the trustee under the Senior Resolution all Available TBTA Net Revenues free and clear of any lien or pledge for Prior Lien Obligations. The Issuer further covenants that so long as any Prior Lien Obligations remain outstanding and unpaid, it will make payments into the funds and accounts established under the 1980 Resolution in the manner and in the amounts required by the 1980 Resolution.*

The Subordinate Revenue Obligations are payable solely from the Trust Estate subject and subordinate to the payments to be made with respect to Senior Obligations and Senior Parity Debt as provided in the Senior Resolution, and are secured by a lien on and pledge of the Trust Estate junior and inferior to the lien on and pledge of the Trust Estate created by the Senior Resolution for the payment of the Senior Obligations and Senior Parity Debt. The Subordinate Revenue Obligations are payable from amounts available for transfer pursuant to the Senior Resolution and clear of the lien of the Senior Resolution. The pledge created by the Subordinate Revenue Resolution shall in all respects secure on a pari passu basis all of the Subordinate Revenue Obligations and Parity Debt and, except as expressly so provided, nothing contained in the Subordinate Revenue Resolution shall be deemed to confer on the Owners of any Subordinate Revenue Obligations or Parity Debt any rights in the Trust Estate superior or inferior to the Owners of any other Subordinate Revenue Obligations or Parity Debt.

The pledge created by the Subordinate Revenue Resolution shall be valid and binding from and after the date of issuance and delivery of the first Subordinate Revenue Obligations, and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Subject to the provisions described above, the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Subordinate Revenue Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken.

Nothing contained in this caption shall be construed as limiting any authority granted to the Issuer elsewhere in the Subordinate Revenue Resolution to issue or incur Subordinate Revenue Obligation Anticipation Notes, Subordinated Indebtedness or Subordinated Contract Obligations or shall be deemed a limitation upon the authority of the Issuer to issue any other bonds, notes or other obligations under the TBTA Act secured by any income and funds other than the Trust Estate.

(Section 501)

Establishment of Funds and Accounts

The Subordinate Revenue Resolution establishes a Proceeds Fund and a Debt Service Fund.

Established within the Proceeds Fund is the COI Account. The Issuer may establish one or more additional funds, accounts or subaccounts by delivering to the Trustee a certificate of an Authorized Officer. Amounts held at any time by the Issuer in any of the Funds or Accounts shall be held in trust separate and apart from all other funds of the Issuer.

(Section 502)

Proceeds Fund

The Issuer shall pay into the Proceeds Fund (and any designated Account or subaccount thereof) the amounts required to be so paid by the provisions of the Subordinate Revenue Resolution or any Supplemental Resolution authorizing the issuance of any Series of Subordinate Revenue Obligations for the purpose of financing Capital Costs relating to the TBTA Facilities, the TBTA Transit and Commuter Project and any Additional Subordinate TBTA Projects. The portion of any such amount determined by Supplemental Resolution to be used for the payment of Costs of Issuance shall be paid into and disbursed from the COI Account.

Unless otherwise provided in a Supplemental Resolution or in a resolution authorizing Subordinate Revenue Obligation Anticipation Notes, amounts in the Proceeds Fund shall be applied solely to pay Capital Costs relating to the TBTA Facilities, the TBTA Transit and Commuter Project and any Additional TBTA Projects, as applicable. Any amounts in the Proceeds Fund which are in excess of the amounts required to pay for such costs may at the direction of an Authorized Officer be transferred to the Debt Service Fund. Upon the direction of an Authorized Officer, amounts in the Proceeds Fund may be invested in Authorized Investments. Except to the extent that a certificate of an Authorized Officer or a Supplemental Resolution provides that earnings on money and investments in the Proceeds Fund shall be deposited in the Debt Service Fund, such earnings shall be retained in the Proceeds Fund. Upon the direction of an Authorized Officer, the Issuer may, and to the extent required for payments from the Proceeds Fund shall, sell any such obligations at any time, and the proceeds of such sale, and of all payments of principal or interest received at maturity or upon redemption or otherwise of such obligations shall be deposited in the Proceeds Fund.

Subject to any priority for Subordinate Revenue Obligation Anticipation Notes, amounts in such Proceeds Fund must be applied to the payment of principal and Redemption Price of and interest on the Subordinate Revenue Obligations and the payment of Parity Debt, on a parity basis, when due at any time that other money is not available therefor.

(Section 503)

Debt Service Fund

The Issuer shall transfer from the Revenue Fund (as defined in the Senior Resolution) from time to time (but no less frequently than on or before the 25th day of each calendar month) from such amounts as shall from time to time be available for transfer pursuant to either Section 503.1(c) or Section 506.2 of the Senior Resolution, free and clear of the lien of the Senior Resolution, the amount, if any, required so that the balance in such Fund equals the 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 amounts required for all payment dates occurring prior to the 25th day of the next succeeding calendar month; provided further that, for the purposes of computing the balance in such Fund, there shall be included the amount, if any, set aside in any account within the Debt Service Fund or the Proceeds Funds or otherwise in trust for the payment of interest on Subordinate Revenue Obligations or Parity Debt to the last day of the current calendar month.

The Issuer shall pay out of the Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Subordinate Revenue Obligations or Parity Debt the amount required for the interest payable on such date unless such interest is paid from the Proceeds Fund as capitalized interest, (ii) on or before each principal payment due date for any of the Subordinate Revenue Obligations or Parity Debt the amount required for the principal amount (including the portion thereof payable in respect of a Parity Reimbursement Obligation) payable on such date, and (iii) on or before any redemption date for the Subordinate Revenue Obligations or Parity Debt the amount required for the payment of the Redemption Price of and interest on the Subordinate Revenue Obligations or Parity Debt then to be redeemed.

In the event of the refunding (including in connection with any payment at maturity, redemption, purchase, tender or exchange) of any Subordinate Revenue Obligations, the Issuer may withdraw from the Debt Service Fund all or any portion of the amounts accumulated therein with respect to the Debt Service on the Subordinate Revenue Obligations being refunded and (a) deposit such amounts, free and clear of any lien, pledge or claim of the Subordinate Revenue Resolution, with itself or an escrow agent to be held in trust solely for the purchase, exchange or payment of the principal or Redemption Price, if applicable, of and interest on the Subordinate Revenue Obligations being refunded, (b) apply such amounts to pay the Costs of Issuance of the refunding Subordinate Revenue Obligations, or (c) deposit such amounts in any Fund or Account established hereunder; provided, however, that no such withdrawal or deposit shall be made unless (i) upon such refunding, the Subordinate Revenue Obligations being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Subordinate Revenue Resolution and (ii) at the time of and giving effect to such withdrawal and refunding, there shall exist no deficiency in any Fund or Account established under the Subordinate Revenue Resolution.

(Section 504)

Subordinated Indebtedness; Subordinated Contract Obligations

The Issuer may, at any time, or from time to time, issue Subordinated Indebtedness or incur Subordinated Contract Obligations payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer pursuant to the Subordinate Revenue Resolution, as specified with respect to any such Subordinated Indebtedness or Subordinated Contract Obligations by Supplemental Resolution or an Authorized Officer; provided, however, that (a) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Senior Resolution as security for the Senior Obligations and Senior Parity Debt, and (b) to the extent provided by Supplemental Resolution, any amounts so transferred shall thereafter be free and clear of any lien, pledge or claim of the Senior Resolution. The Issuer may establish such priorities of payment and security among Subordinate Revenue Obligations, Subordinated Indebtedness and Subordinated Contract Obligations as it deems appropriate.

The Issuer shall have the right to covenant with Persons to whom Subordinated Contract Obligations run and with the holders from time to time of Subordinated Indebtedness in order to add to the conditions, limitations and restrictions under which any additional Capital Cost Obligations or Refunding Obligations (each as defined in the Senior Resolution) or Capital Cost Subordinate Revenue Obligations or Refunding Subordinate Revenue Obligations may be issued or Senior Parity Debt or Parity Debt may be incurred; provided, however, that the

Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness or the incurrence of such Subordinated Contract Obligations shall not permit the holders of such obligations to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable prior to any time that all Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt have become due and payable.

(Section 505)

Operation and Maintenance

The Issuer shall at all times operate or cause to be operated the TBTA Facilities properly and in a sound and economical manner and shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted; provided, however, that nothing herein contained shall be construed (i) to affect the Issuer's powers under the section of the Senior Resolution summarized under the caption "Sale and Lease of Property" and referred to under the caption "Rate and Other Covenants" or (ii) to prevent the Issuer from ceasing to operate or maintain, or from leasing or disposing of, all or any of the TBTA Facilities if, in the judgment of the Issuer, it is advisable to lease, dispose of, or not to operate and maintain the same and the operation thereof shall not be essential to the maintenance and continued operation of any remaining TBTA Facilities and such cessation or disposition will not materially impair the Issuer's ability to meet the requirements of the section of the Senior Resolution summarized under the caption "Rates and Fees" and referred to under the caption "Rate and Other Covenants", and provided further that the sale-leaseback or the lease-leaseback of any of the TBTA Facilities or other similar contractual arrangements, the effect of which is that the Issuer continues to retain as part of the Trust Estate the Revenues from such TBTA Facilities, shall not constitute a lease or disposition of such TBTA Facility for purposes of this caption or the section of the Senior Resolution summarized under the caption "Sale and Lease of Property" and referred to under the caption "Rate and Other Covenants".

(Section 603)

Rates and Other Covenants

The covenants of the Issuer in the Senior Resolution contained in the document entitled "Summary of Certain Provisions of the TBTA Resolution" (referred to in this summary as the "Senior Resolution") and summarized therein under the captions "Power to Construct and Operate TBTA Facilities and Collect Tolls and Fees", "Sale and Lease of Property", and "Rate and Fees" inure to the benefit of Owners of the Subordinate Revenue Obligations and are incorporated by reference in the Subordinate Revenue Resolution. Any Subordinate Revenue Obligations issued and Outstanding shall be treated as Subordinated Indebtedness (as defined in the Senior Resolution) for purposes of the "Rate and Fees" covenant so summarized.

Also, see the summary of certain additional covenants summarized under the heading "Additional Provisions Relating to the Series 2002D Bonds."

(Section 604)

Agreement of the State; Limited Waiver by Owners

The Issuer incorporates the pledges, covenants and agreements of the State with the Owners of the Subordinate Revenue Obligations set forth in the TBTA Act as though set forth in full in the Subordinate Revenue Resolution. Notwithstanding the provisions of the agreement of the State contained in the TBTA Act, all Owners, by their acceptance and holding of the Subordinate Revenue Obligations, consent to the construction and operation by the Issuer (or to the construction by Persons other than the Issuer if the Issuer shall have assumed the operation thereof), and waive any and all rights under the TBTA Act with respect to such construction and operation, of any vehicular toll bridge or toll tunnel crossing the East River in the City as to which (i) so long as any Prior Lien

Obligations remain outstanding and unpaid, a supplemental resolution confirming the pledge of the revenues therefrom shall have been filed with the trustee under the 1980 Resolution, together with any supporting documentation required in connection therewith pursuant to the 1980 Resolution, and (ii) after the payment of all Prior Lien Obligations within the meaning and with the effect expressed in the 1980 Resolution or other applicable authorizing document, a Supplemental Resolution confirming the pledge of the revenues therefrom shall have been filed with the Trustee together with the Counsel's Opinion required in connection therewith pursuant to the Subordinate Revenue Resolution.

(Section 605)

Events of Default

Each of the following events is defined as and shall constitute an "Event of Default" under the Subordinate Revenue Resolution:

- (1) if default shall be made in the due and punctual payment of the principal or Redemption Price of, or interest on, any Subordinate Revenue Obligation when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise and such default shall continue for a period of 30 days, or
- (2) if default shall be made by the Issuer in the performance or observance on its part of any other of the covenants, agreements or conditions contained in the Subordinate Revenue Resolution or in the Subordinate Revenue Obligations, and such default shall continue for a period of 60 days after written notice thereof to the Issuer by the Trustee or to the Issuer and to the Trustee by the Owners of a majority in principal amount of the Subordinate Revenue Obligations Outstanding; provided, however, that if such default shall be such that it cannot be corrected within such 60 day period, it shall not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected.

(Section 701)

Powers of Trustee

In the event that any Event of Default specified in the section of the Subordinate Revenue Resolution summarized under the caption "Events of Default" shall occur and be continuing, the Trustee may, and, upon written request of the Owners of a majority in aggregate principal amount of the Subordinate Revenue Obligations then Outstanding, shall, in its name,

- (1) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the Owners of Subordinate Revenue Obligations;
- (2) bring suit upon the Subordinate Revenue Obligations against the Issuer;
- (3) by action or suit, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Subordinate Revenue Obligations;
- (4) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Subordinate Revenue Obligations; or
- (5) declare, on thirty days' written notice to the Issuer, the principal of all the Subordinate Revenue Obligations then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Subordinate Revenue Resolution or in any of the Subordinate Revenue Obligations contained to the contrary notwithstanding; provided, however, that the Subordinate

Revenue Obligations shall not in any event be declared due and payable prior to such time as all Senior Obligations and Senior Parity Debt have become due and payable. The right of the Trustee or of the Owners of a majority in principal amount of the Subordinate Revenue Obligations to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Subordinate Revenue Obligations shall have matured by their terms, all overdue installments of interest upon the Subordinate Revenue Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Issuer under the Subordinate Revenue Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Subordinate Revenue Obligations due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Issuer or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Subordinate Revenue Obligations or under the Subordinate Revenue Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Owners of a majority in principal amount of the Subordinate Revenue Obligations Outstanding, by written notice to the Issuer and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted without a direction from the Owners, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Owners of a majority in principal amount of the Subordinate Revenue Obligations then Outstanding, then any such declaration shall automatically be deemed to be rescinded and any such default and its consequences shall automatically be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

The remedies conferred upon or reserved to the Trustee in respect of any Event of Default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Subordinate Revenue Resolution or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

The Trustee shall in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Subordinate Revenue Resolution or incidental to the general representation of Owners of Subordinate Revenue Obligations in the enforcement and protection of their rights.

The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer and all other records relating to the Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys and, upon demand of the Trustee, the Issuer will account, as if it were the trustee of an express trust, for the Trust Estate for such period as shall be stated in such demand.

The right of the Trustee to the appointment of a receiver as provided in the TBTA Act is abrogated under the Subordinate Revenue Resolution.

(Section 702)

Priority of Payments After Default

In the event that the funds held by the Fiduciaries shall be insufficient for the payment of interest and principal or Redemption Price then due on the Subordinate Revenue Obligations and for payments then due with respect to Parity Debt, such funds (excluding funds held for the payment or redemption of particular Subordinate Revenue Obligations which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any fund or account under the Subordinate Revenue Resolution have been designated

to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Subordinate Revenue Obligation Anticipation Notes) and any other money received or collected by the Fiduciaries, or the Trustee, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the amounts to be received under the Subordinate Revenue Resolution or otherwise to protect the interest of the Owners of the Subordinate Revenue Obligations, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performance of their duties under the Subordinate Revenue Resolution, shall be applied as follows:

Unless the principal of all of the Subordinate Revenue Obligations shall have become due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Subordinate Revenue Obligations and the interest components of Parity Debt in the order of the maturity of such installments and interest components, and, if the amount available shall not be sufficient to pay in full any installments and interest components due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Subordinate Revenue Obligations and Parity Debt; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Subordinate Revenue Obligations and the principal component of Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Subordinate Revenue Obligations and Parity Debt due on any date, then to the payment thereof ratably, according to the amounts of principal and Redemption Price and principal component due on such date, to the Persons entitled thereto, without any discrimination or preference

If the principal of all of the Subordinate Revenue Obligations and the principal component of Parity Debt shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Subordinate Revenue Obligations and Parity Debt without preference or priority of principal or principal component over interest or interest component or of interest or interest component over principal or principal component, or of any installment of interest or interest component over any other installment of interest or interest component, or of any Subordinate Revenue Obligation or Parity Debt over any other Subordinate Revenue Obligation or Parity Debt, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discretion or preference except as to any difference in the respective rates of interest specified in the Subordinate Revenue Obligations and Parity Debt.

(Section 703)

Additional Provisions Relating to the Series 2002D Bonds

Covenant Regarding Senior Resolution. TBTA covenants and agrees that it will not issue any Senior Obligations under the Senior Resolution unless in addition to satisfying the requirements of the Senior Resolution, TBTA delivers to the Trustee under the Senior Resolution a certificate of an Authorized Officer demonstrating that the applicable Twelve Month Period Net Revenues are at least equal to 1.10 times the Combined Maximum Annual Calculated Debt Service for all Subordinate Revenue Obligations, Parity Debt, Senior Obligations and Senior Parity Debt.

Rate Covenant. TBTA covenants and agrees that in addition to complying with the provisions of Section 604 of the Subordinate Revenue Resolution, TBTA shall at all times 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 (a) an amount equal to the sum of amounts necessary in such calendar year (i) to pay all Operating Expenses of TBTA, plus (ii) to pay the sum of Calculated Debt Service as defined in the Subordinate

Revenue Resolution and Calculated Debt Service as defined in the Senior Resolution, plus (iii) to maintain any reserve established by TBTA pursuant to the Senior Resolution, in such amount as may be determined from time to time by TBTA in its judgment, or (b) an amount such that Revenues less Operating Expenses shall equal at least 1.10 times the sum of Calculated Debt Service as defined in the Subordinate Revenue Resolution and Calculated Debt Service as defined in the Senior Resolution for such calendar year.

ATTACHMENT 5

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE STANDARD RESOLUTION PROVISIONS

The following sections contain definitions of certain terms used in, and a general summary (Summary) of, certain provisions of the Standard Resolution Provisions. The definitions and Summary are not to be considered a full statement of the terms of the Standard Resolution Provisions and, accordingly, are qualified by reference to and are subject to the full text of the Standard Resolution Provisions. Copies of the Subordinate Revenue Resolution (including the Standard Resolution Provisions) may be obtained upon request from the MTA.

Definitions

Accrued Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Debt Service with respect to all Obligations and Parity Debt, calculating the accrued Debt Service with respect to each obligation at an amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Obligations and interest components of Parity Debt accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Obligations and Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of “Debt Service”) to the end of such calendar month. For purposes of calculating Debt Service Fund deposits, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than Revenues, nor shall Accrued Debt Service include any amounts that, as certified by an Authorized Officer, have been set aside under the Resolution or otherwise in trust for the payment thereof.

Authorized Investments shall mean and include any of the following, to the extent the same are legal for investment of the Issuer’s funds:

- obligations of the State or the United States government;
- obligations the timely payment of the principal and interest on which are unconditionally guaranteed by the State or the United States government;
- certificates of deposit of banks or trust companies in the State, secured, if the Issuer shall so require, by obligations of the United States or of the State of a market value equal at all times to the amount of the deposit;
- banker’s acceptances with a maturity of 90 days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest Rating Category of each of the Rating Agencies that then rates such banker’s acceptances;
- obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within 270 days, provided that such obligations are rated in the highest Rating Category of each of the Rating Agencies that then rates such obligations;
- notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in the highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations;
- general obligation bonds and notes of any state other than the State, provided that such bonds and notes are rated in the highest Rating Category of each of the Rating Agencies that then rates such

bonds and notes, and (B) bonds and notes of any county, town, city, village, fire district or school district of the State, provided that such bonds and notes are rated in either of the 2 highest Rating Categories of each of the Rating Agencies that then rates such bonds and notes;

- mutual funds registered with the United States Securities and Exchange Commission, whose investments are limited to obligations of the State described in clause (i) above, obligations the principal and interest of which are guaranteed by the State as described in clause (ii) above, and those securities described in clause (vii) above, and that are rated in the highest Rating Category of each of the Rating Agencies that then rates such funds;
- repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (vi) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed; and
- any other investment in which the Issuer is authorized from time to time to invest under applicable law with respect to which an Authorized Officer has, on or before the date thereof, delivered to the Trustee (A) a certificate to the Trustee designating the additional investment as an Authorized Investment and (B) Rating Confirmation.

In addition to the foregoing, in the case of any money held in reserve and sinking funds “Authorized Investments” shall include any other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the money thereof pursuant to Article four-a of the Retirement and Social Security Law of the State, each such reserve and sinking fund being treated as a separate fund for the purposes of Article four-a of the Retirement and Social Security Law of the State.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized securities depository.

Authorized Officer shall mean (i) the Chairman and the Vice Chairman, (ii) the Executive Director, the Comptroller, the Chief Financial Officer, the Secretary and any Assistant Secretary of the Issuer, (iii) the Chief Financial Officer, the Director of Finance, and the Director of Budgets and Financial Management of the MTA, and (iv) any other Person authorized by the Issuer to perform the act or sign the document in question.

Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Business Day shall mean any day of the year other than (i) Saturday or Sunday, (ii) any day on which Banks located in New York, New York or the city in which the principal office of the Trustee is located are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

Calculated Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, the sum of Debt Service for such period determined by the Issuer based on the following adjustments:

(1) Interest on Variable Interest Rate Obligations shall be based on the Estimated Average Interest Rate applicable thereto.

(2) Interest on any Obligation or Parity Debt in respect of which the Issuer has entered into a Qualified Swap shall be based on:

- (A) the fixed rate or rates of the Qualified Swap if the Issuer has entered into what is generally referred to as a “floating-to-fixed” Qualified Swap (where the Issuer pays a fixed rate and receives a floating rate); or
- (B) the lower of (i) the Estimated Average Interest Rate and (ii) the effective capped rate of any Obligation or Parity Debt if the Issuer has entered into a Qualified Swap that is generally referred to as an “interest rate cap” (where the Issuer receives a payment if a variable rate exceeds a certain amount); or
- (C) the Estimated Average Interest Rate of the Qualified Swap if the Issuer has entered into either what is generally referred to as a “fixed-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Swap (where the Issuer pays a variable rate and receives a different variable rate).

(3) With respect to Put Obligations and any Obligations of a Series the interest on which is payable periodically and at least twenty-five per centum (25%) of the original principal amount of which is stated to mature at one time and for which maturing principal amount amortization requirements have not been designated, (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance (or any shorter period provided by Supplemental Resolution) based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable.

(4) If the Issuer has irrevocably deposited Authorized Investments or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the expected future cash flow from such Authorized Investments and money shall be deducted from Debt Service.

(5) If the Issuer has, at any time, irrevocably called for redemption one or more Series of Obligations, including pursuant to a covenant to apply any portion of the Trust Estate to redeem Obligations or Parity Debt (which particular Obligations or Parity Debt need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Debt Service.

(6) With respect to Parity Reimbursement Obligations, accelerated payments of principal shall only be taken into account if, at the time of calculation, such amounts are payable due to a draw under a credit or liquidity facility.

Capital Appreciation Obligations shall mean any Obligations denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Obligations. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Capital Appreciation Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Capital Appreciation Obligation shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

Certificate of Determination shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Obligations, Parity Debt, Credit Facilities, Subordinated Indebtedness or Subordinated Contract Obligations in accordance with the delegation of power to do so under a Supplemental Resolution.

Costs of Issuance shall mean the costs of the authorization, sale and issuance of a Series of Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under the Resolution, including with respect to any party to a transaction State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, fees and charges of the Trustee and other Fiduciaries and agents, legal fees and charges, professional consultants’ fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Obligations, premiums, fees and charges in

order to obtain, renew, extend or terminate Credit Facilities and Qualified Swaps and other financial arrangements, costs and expenses of refunding such Obligations, Obligation Anticipation Notes, Subordinated Indebtedness, Parity Debt, Subordinated Contract Obligations or other obligations authorized under the Resolution, and other costs, charges and fees, including those of the Issuer and any other Related Entities, in connection with the foregoing.

Counsel's Opinion or **Opinion of Counsel** or **Opinion** shall mean an opinion signed by an attorney or firm of attorneys of recognized standing (who may be counsel to the Issuer) selected by the Issuer.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Obligations, Parity Debt or Obligation Anticipation Notes.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt outstanding, the sum of: (i) interest on the Obligations of such Series and the interest components of Parity Debt accruing during such period and (ii) that portion of each Principal Installment for such Obligations and Parity Debt that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Obligations and Parity Debt; provided, however, that, unless otherwise set forth in a Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until the later of one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Obligation or Parity Debt.

Debt Service Payment Date shall mean, with respect to any portion of Debt Service, the date on which the Debt Service shall be payable.

Defeasance Security shall mean

- (1) an Authorized Investment as specified in clause (1) of the definition thereof (other than an obligation of the State), which is not redeemable at the option of the issuer thereof,
- (2) an Authorized Investment as specified in clause (1) (which is an obligation of the State), (2), (3), (6) or (7) of the definition thereof, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency,
- (3) any depositary receipt issued by a Bank as custodian with respect to any Defeasance Security which is specified in clause (a) above and held by such Bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any such Defeasance Security which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Defeasance Security or the specific payment of principal or interest evidenced by such depositary receipt,
- (4) any certificate of deposit specified in the Resolution, including certificates of deposit issued by the Trustee or by a Paying Agent, secured by obligations specified in clause (a) above of a market value equal at all times to the amount of the deposit, which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency, or
- (5) any other Authorized Investment designated in a Supplemental Resolution as a Defeasance Security for purposes of defeasing the Obligations authorized by such Supplemental Resolution, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

Deferred Income Obligation shall mean any Obligation (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Obligation is (i) compounded on each Valuation Date for such Deferred Income Obligation and (ii) payable only at the maturity or prior redemption of such Obligations and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Obligation is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Deferred Income Obligation in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Deferred Income Obligation shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Obligations or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Obligations or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer.

Final Judgment shall mean any judgment or order of any court of competent jurisdiction, or of any arbitrator or panel of arbitrators, as to which all appeals have been exhausted.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Obligation, the date determined by Supplemental Resolution after which interest accruing on such Obligation shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

LIRR shall mean The Long Island Rail Road Company and any successor thereto.

MaBSTOA shall mean the Manhattan and Bronx Surface Transit Operating Authority and any successor thereto.

MNCRC shall mean the Metro-North Commuter Railroad Company and any successor thereto.

MSBA shall mean the Metropolitan Suburban Bus Authority and any successor thereto.

MTA shall mean the Metropolitan Transportation Authority, the corporation organized and existing under the MTA Act, and any successor thereto.

MTA Act shall mean the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended.

Obligation Anticipation Notes shall mean any such notes issued and delivered pursuant to the Resolution, except to the extent (but only to the extent) that all or any portion of such notes either are not payable, or are anticipated by the Issuer not to be paid, from the proceeds of the Obligations in anticipation of which such notes are being issued.

Opinion of Bond Counsel shall mean an opinion signed by Hawkins, Delafield & Wood or any other attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities, selected by the Issuer.

Outstanding, when used with reference to Obligations or Obligations of a Series, shall mean, as of any date, Obligations or Obligations of such Series theretofore or thereupon to be delivered under the Resolution except:

- (1) Any Obligations canceled at or prior to such date;

(2) Obligations the principal and Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof;

(3) Obligations in lieu of or in substitution for which other Obligations shall have been delivered;

(4) Obligations deemed to have been paid;

(5) Put Obligations tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Obligations on the applicable tender date, if the Purchase Price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Obligations thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution; and

(6) For the purpose of any consent to be given or other action to be taken by or upon the direction of Owners of a specified portion of Obligations Outstanding, Obligations owned or held by or for the account of the Issuer or any Related Entity.

The principal component of any Parity Debt shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Obligation, regardless of the authorized amount of the principal component of such Parity Debt or the related Obligation and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Parity Debt shall not by itself increase the Outstanding principal amount of Obligations.

Owner, or any similar terms, shall mean the registered owner of any Obligation as shown on the books for the registration and transfer of Obligations.

Parity Debt shall mean any Parity Reimbursement Obligation, any Parity Swap Obligation or any other contract, agreement or other obligation of the Issuer designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the Trustee; provided, however, that any such Parity Reimbursement Obligation, Parity Swap Obligation, or other contract, agreement or other obligation shall not constitute Parity Debt solely to the extent of any obligations to pay termination or other fees, expenses, indemnification or other similar payments to the counterparty to such arrangement; provided further that Parity Reimbursement Obligations may include accelerated principal amortization provisions to the extent permitted by the terms of the Resolution.

Parity Reimbursement Obligation has the meaning provided under the caption "Credit Facilities; Qualified Swaps and Other Similar Agreements; Parity Debt."

Parity Swap Obligation has the meaning provided under the caption "Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt."

Pre-existing Indebtedness shall mean any bonds, notes or other obligations of the Issuer or any Related Entity that are issued or incurred under an authorizing resolution or other document in effect prior to the date of issuance of the initial Series of Obligations under the Resolution, including any Prior Lien Obligations.

Principal Installments shall mean, as of any date of calculation and with respect to any Series of Obligations or any Parity Debt, as applicable, (a) the principal amount of Outstanding Obligations of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Obligations which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance (determined as provided in the Resolution) of any Sinking Fund Installments due on any certain future date for Obligations of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Parity Debt, the amount due thereunder on the dates and in the amounts established in accordance with the Resolution as a principal component of such Parity Debt payable on a parity with the Obligations.

Purchase Price shall mean, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

Put Obligations shall mean Obligations which by their terms may be tendered at the option of the Owner thereof, or are subject to a mandatory tender other than at the election of the Issuer or a Related Entity, for payment or purchase prior to the stated maturity or redemption date thereof.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Obligations of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Obligations or Variable Interest Rate Obligations on a synthetic basis or otherwise, and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Obligations.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either at least as high as (i) the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Issuer and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency shall mean each nationally recognized statistical rating organization then maintaining a rating on the Obligations at the request of the Issuer.

Rating Category shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken under the Resolution; provided, however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Obligations.

Redemption Price shall mean, with respect to any Obligation, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the Resolution.

Reimbursement Obligation has the meaning provided in the section of the Resolution summarized under the caption "Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt."

Related Entity shall mean any of the MTA, TBTA, MaBSTOA, the Transit Authority, MNCRC, LIRR, SIRTOA, MSBA and any affiliate or subsidiary of any of the foregoing now or hereafter established and designated as a Related Entity by an Authorized Officer.

Responsible Officer shall mean any officer assigned to the corporate trust office of the Trustee, or any other officer of the Trustee customarily performing functions similar to those performed by any of such officers and who has direct responsibility for the administration of the Resolution, and also, with respect to a particular matter,

any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Securities Depository shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Obligations (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

Series shall mean all of the Obligations delivered on original issuance pursuant to a single Supplemental Resolution and denominated therein a single series, and any Obligations thereafter delivered in lieu of or in substitution therefor, regardless of variations in maturity, interest rate, or other provisions.

Sinking Fund Installment shall mean, as of a particular date, any Sinking Fund Installment established pursuant to the terms of the Resolution.

SIRTOA shall mean the Staten Island Rapid Transit Operating Authority and any successor thereto.

State shall mean the State of New York.

Subordinated Contract Obligation shall mean any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee, (b) any Qualified Swap or portion thereof which has been designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee, and (c) any other contract, agreement or other obligation of the Issuer designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee. Each Subordinated Contract Obligation shall be payable and secured in a manner permitted by Article V of the Resolution, and any lien on and pledge of any portion of the Trust Estate securing Subordinated Contract Obligations shall be junior and inferior to the lien on and pledge of the Trust Estate created in the Resolution for the payment of the Obligations and Parity Debt.

Subordinated Indebtedness shall mean any bond, note or other indebtedness authorized by Supplemental Resolution or other resolution of the Issuer and designated as constituting "Subordinated Indebtedness" in a certificate of an Authorized Officer delivered to the Trustee, which shall be payable and secured in a manner permitted by Article V of the Resolution, and any lien on and pledge of any portion of the Trust Estate securing Subordinated Indebtedness shall be junior and inferior to the lien on and pledge of the Trust Estate created for the payment of the Obligations and Parity Debt.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Issuer in accordance with the Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

TA Act shall mean the New York City Transit Authority Act being Title 9 of Article 5 of the New York Public Authorities Law, as amended from time to time.

Taxable Obligations shall mean any Obligations which are not Tax-Exempt Obligations.

Tax-Exempt Obligations shall mean any Obligations the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Obligations in the Supplemental Resolution authorizing such obligations.

TBTA shall mean the Triborough Bridge and Tunnel Authority, the corporation organized and existing under the TBTA Act, and any successor thereto.

TBTA Act shall mean the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the New York Public Authorities Law, as amended from time to time.

Transit Authority shall mean the New York City Transit Authority, the corporation organized and existing under the TA Act, and any successor thereto.

Transportation District shall mean the Metropolitan Commuter Transportation District created by Section 1262 of the MTA Act.

Transportation District Project shall mean any project, program or facility that the Issuer or any other Related Entity (in either case, by itself or with any other Person) is authorized from time to time by law to plan, design, acquire, establish, construct, effectuate, operate, maintain, renovate, improve, extend, rehabilitate or repair within, or for the benefit of, the Transportation District.

Valuation Date shall mean (i) with respect to any Capital Appreciation Obligations the date or dates set forth in the Supplemental Resolution authorizing such Obligations on which specific Accreted Values are assigned to the Capital Appreciation Obligations and (ii) with respect to any Deferred Income Obligations, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Obligations on which specific Appreciated Values are assigned to the Deferred Income Obligations.

Variable Interest Rate shall mean a variable interest rate to be borne by any Obligation. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Obligations.

Variable Interest Rate Obligations shall mean Obligations which bear a Variable Interest Rate.

(Section A-101)

Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Obligations and Parity Debt authorized to be issued under the Resolution by those who are Owners of the Obligations and Parity Debt from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Obligations and Parity Debt; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Obligations and Parity Debt, all of which, regardless of the time or times of their authentication, issuance and delivery, or maturity, shall be of equal rank without preference, priority or distinction of any of the Obligations or Parity Debt over any other Obligations or Parity Debt, except as expressly provided in or permitted by the Resolution.

(Section A-104)

Certain Provisions for Issuance of Obligations

The Obligations may be sold in one or more Series or subseries (each of which shall contain a designation distinguishing it from other Series or subseries), and shall be delivered by the Issuer under the Resolution but only upon receipt by the Trustee of, a number of items, including:

An Opinion of Bond Counsel in customary form to the effect that (i) the Issuer has the right and power under the Issuer Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and binding upon the Issuer, and enforceable in accordance with its terms, and no other authorization for the Resolution is required as of the date thereof; (ii) the Resolution creates the valid pledge which it purports to create of the Trust Estate in the manner and to the extent provided in the Resolution; (iii) the Obligations are valid and binding obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act as amended to the date of such Opinion of Bond Counsel; and (iv) such Obligations have been duly and validly authorized and issued in accordance with law and the Resolution.

(Section A-201)

Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt

The Issuer may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Obligations secured by a Credit Facility as the Issuer deems appropriate, and no such provisions shall be deemed to constitute an amendment to the Resolution, including:

So long as the Credit Facility is in full force and effect and payment on the Credit Facility is not in default, then (i) the issuer of the Credit Facility shall be deemed to be the sole Owner of the Outstanding Obligations the payment of which such Credit Facility secures or (ii) in the alternative or with respect to particular matters, the approval, consent or action of the issuer of the Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Owners of the Outstanding Obligations, in either case when the approval, consent or action of the Owners for such Obligations is required or may be exercised under the Resolution including any Supplemental Resolution and following an Event of Default under the Resolution; provided, however, that no issuer of a Credit Facility shall be deemed to be the sole Owner of Outstanding Obligations pursuant to this provision in the event that the Credit Facility or Credit Facilities securing such Obligations provide only liquidity support.

In addition, such Supplemental Resolution may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on Obligations secured by the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.

The Issuer may secure such Credit Facility by an agreement providing for the purchase of the Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Supplemental Resolution. The Issuer may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility (together with interest thereon, the "Reimbursement Obligation"); provided, however, that no amounts shall be payable by the Issuer under a Reimbursement Obligation for purposes of the Resolution, until amounts are paid under such Credit Facility by the issuer thereof. As determined by Supplemental Resolution, any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Obligation and accelerated principal amortization, (i) may be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Resolution to secure the Obligations (a "Parity Reimbursement Obligation"), but only to the extent that (prior to any acceleration of all Obligations, if permitted) any principal amortization requirements are either (A) commensurate with the amortization requirements for such related Obligations, without acceleration or (B) accelerated to no greater extent than to require repayment in equal principal installments over 5 or more years, or (ii) may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Reimbursement Obligations shall not include any payments (other than interest calculated at a higher rate pursuant to a Credit Facility) (i) of any fees or expenses, (ii) pursuant to any indemnification provisions or (iii) pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than permitted by clauses (A) and (B) of the preceding sentence, and any such payments of the items specified in clauses (i), (ii) or (iii) may constitute Subordinated Contract Obligations.

In connection with the issuance of any Obligations or at any time thereafter so long as Obligations remain Outstanding, the Issuer may, to the extent permitted pursuant to law, from time to time enter into Qualified Swaps. The Issuer's obligation to pay any amount under any Qualified Swap may be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Resolution to secure the Obligations (a "Parity Swap Obligation"), or may constitute a Subordinated Contract Obligation, as determined by the Issuer. Parity Swap Obligations shall not include any payments of any termination or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments may be Subordinated Contract Obligations.

Except to the extent that an Authorized Officer directs that such amounts be deposited in any other Fund or Account pledged to the payment of Obligations, any amounts paid to the Issuer under a Qualified Swap shall be deposited in the Debt Service Fund.

An Authorized Officer can, pursuant to a certificate filed with the Trustee, designate any other contract, agreement or obligation as Parity Debt.

(Section A-202)

Obligation Anticipation Notes

Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Obligations, the Issuer may by resolution authorize the issuance of Obligation Anticipation Notes in anticipation of the issuance of such authorized Series of Obligations, in a principal amount not exceeding the principal amount of the Obligations of such Series so authorized. The principal of and premium, if any, and interest on such Obligation Anticipation Notes and any renewals of such Obligation Anticipation Notes shall be payable only from any or all of the following items designated by the Issuer at or prior to issuance of any such series of Obligation Anticipation Notes (i) the proceeds of any renewals of such Obligation Anticipation Notes issued to repay such Obligation Anticipation Notes, (ii) the proceeds of the sale of the Series of Obligations in anticipation of which such Obligation Anticipation Notes are issued, (iii) amounts available to pay Subordinated Indebtedness, or (iv) any other money available therefor and not pledged under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Obligation Anticipation Notes, and any such pledge of the items set forth in clauses (i) and (ii) shall have priority over any other pledge created by the Resolution.

(Section A-203)

Redemption at the Election of the Issuer; Tender to Related Entities

The Issuer may elect to redeem Obligations in accordance with the Supplemental Resolution under which such Obligations were issued, prior to the redemption date, cause to be paid out to the appropriate Paying Agent or Paying Agents out of money available therefor an amount in cash which, in addition to other money, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, all of the Obligations to be redeemed.

In addition, as provided by Supplemental Resolution, the Issuer may, in its sole discretion, purchase or grant to any Related Entity the option to purchase, at any time and from time to time, any Obligations which are redeemable at the election of the Issuer at a purchase price equal to the redemption price therefor.

(Section A-402)

Investment of Funds

Subject to the provisions of the Resolution, amounts in the Funds and Accounts established by the Resolution may be invested only in Authorized Investments and only when and as specifically directed in writing by an Authorized Officer.

Except as provided by Supplemental Resolution, in computing the amount of such Funds, Accounts and subaccounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value.

(Section A-501)

Satisfaction of Sinking Fund Installments

Any amount accumulated in the Debt Service Fund in respect of and up to the unsatisfied balance of each Sinking Fund Installment shall be applied by the Trustee to either (a) or (b) below as directed by the Issuer (together with amounts accumulated in the Debt Service Fund with respect to interest on the Series of Obligations for which

such Sinking Fund Installment was established) if so directed by an Authorized Officer prior to the 45th day preceding the due date of such Sinking Fund Installment as follows:

- (a) to the purchase of Obligations for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Obligations plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Issuer shall direct; or
- (b) to the redemption of Obligations for which such Sinking Fund Installment was established, if then redeemable by their terms at the prices referred to in clause (a) above.

All Obligations so purchased or redeemed shall be canceled by the Trustee prior to the 45th day preceding the due date of such Sinking Fund Installment.

Upon the purchase or redemption of any Obligation pursuant to the preceding paragraph, an amount equal to the principal amount of the Obligations so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Obligations of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments for such Series as specified by an Authorized Officer. Prior to the purchase or redemption of such Obligations, the Issuer shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Obligations so to be purchased or redeemed, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Obligations are so to be purchased or redeemed, (iii) the aggregate principal amount of the Obligations so to be purchased or redeemed, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Obligations.

In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Obligations acquired by purchase or redemption, except Obligations acquired by purchase or redemption pursuant to the provisions of the Resolution summarized in the first paragraph of this caption, of the maturity and interest rate entitled to such Sinking Fund Installment. All Obligations so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Obligations.

(Section A-502)

Trustee; Appointment; Resignation or Removal and Appointment of Successor

The Resolution appoints the Trustee named on the cover page thereof as Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Owners of the Obligations.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing. A successor may be appointed by the Owners of a majority in principal amount of the Obligations then Outstanding.

Any Trustee appointed under the provisions of the Resolution in succession to the Trustee shall be a Bank that is organized under the laws of the State or is a national banking association organized under the laws of the United States of America, doing business and having a corporate trust office in The City of New York, and having a capital and surplus aggregating at least \$100 million, if there be such a Bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-701, A-708, A-709, A-710)

Paying Agents and Registrars; Appointment; Resignation or Removal and Appointment of Successor

The Trustee is also the Registrar and a Paying Agent with respect to the Obligations. The Issuer may at any time or from time to time appoint one or more other Paying Agents and Registrars. The Issuer may be appointed a Paying Agent or Registrar.

Any Paying Agent or Registrar may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to the Issuer, the Trustee, and the other Paying Agents or Registrar, as the case may be. Any Paying Agent or Registrar may be removed at any time by an instrument filed with such Paying Agent or Registrar and the Trustee and signed by the Issuer. Any successor Paying Agent or Registrar shall be appointed by the Issuer, with the approval of the Trustee, and shall be a Bank that is organized under the laws of the State or is a national banking association organized under the laws of the United States of America doing business and having a corporate trust office in The City of New York and having a capital and surplus aggregating at least \$100 million, which is willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-703, A-713)

Supplemental Resolutions Effective Upon Filing With the Trustee

The Issuer may adopt at any time or from time to time, for any one or more of the purposes specified in the Resolution including but not limited to the following, a Supplemental Resolution, which does not require the consent of or notice to any Owner:

- (1) To authorize Obligations of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in the provisions of the Resolution authorizing issuance of Obligations, and also any other matters and things relative to such Obligations which are not contrary to or inconsistent with the Resolution as theretofore in effect, (b) in the case of Variable Interest Rate Obligations or Put Obligations, as applicable, set forth provisions specifying the manner in which interest on Variable Interest Rate Obligations or Put Obligations, as applicable, is to be calculated for the purposes of various definitions and provisions of the Resolution, provisions providing for changes in interest rates, interest rate periods or interest payment dates for any Variable Interest Rate Obligation of a Series or Put Obligations, as applicable, provisions regarding an Owner's right or obligation to tender Put Obligations for redemption or purchase in lieu of redemption, and provisions governing the manner in which Variable Interest Rate Obligations or Put Obligations, as applicable, which the Owner thereof has the right to, or has exercised a right to, tender for redemption or purchase in lieu of redemption shall be treated for purposes of various definitions and provisions of the Resolution, (c) set forth provisions governing the administration of any Qualified Swap or Credit Facility, and provisions providing for the issuance of Reimbursement Obligations or the conversion of other Obligations to Reimbursement Obligations (and in connection with such conversion to change the interest rates, sinking fund provisions or maturity date on such Obligations) to secure or reimburse the provider of such Credit Facility, (d) in the case of either Taxable Obligations or Tax-Exempt Obligations, set forth defeasance provisions with respect thereto (including the manner of attaining such defeasance and the effect thereof), and (e) make such additional changes in the Resolution, not materially adverse to the rights of the Owners of the Obligations previously issued, as are necessary or appropriate; or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance and delivery of such Obligations;
- (2) To (a) establish for any one or more Series of Obligations a separate debt service reserve fund which shall be permitted to be applied solely to the payment of specified Obligations, provided that (i) the specified Obligations shall have no claim or lien on nor be payable from any amounts in any other such debt service reserve fund, (ii) the specified Obligations shall be excluded from the calculation of any applicable debt service reserve fund requirement for any other Outstanding Obligations, and (iii) the amount required to be on deposit in such debt service reserve funds shall be specified in the Supplemental Resolutions authorizing the specified Obligations, but in no event shall such amount, after giving effect to any surety bond, insurance policy, letter of credit or similar obligation deposited in any such separate debt service reserve fund pursuant to the Resolution, be in excess of the amount that would otherwise be the debt service

reserve fund requirement for such specified Obligations assuming that such Obligations were the only Obligations Outstanding under the Resolution; and (b) make such other amendments, changes or modifications to the Resolution as may be deemed necessary or desirable by the Issuer to insure that such debt service reserve funds function in the manner contemplated in this subsection;

- (3) To authorize Parity Debt and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things referred to in that section of the Resolution summarized under the caption “Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt,” and also any other matters and things relative to such Parity Debt which are not contrary to or inconsistent with the Resolution as then in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first issuance or entering into of such Parity Debt, and at any time to rescind or limit any authorization for any such Parity Debt theretofore authorized but not issued or entered into; in connection with the authorization of Parity Swap Obligations and Parity Reimbursement Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of the Funds, Accounts and subaccounts established pursuant to the Resolution for the benefit of such Parity Swap Obligations and Parity Reimbursement Obligations; and shall grant to the Owners of such Parity Debt the same rights granted to Owners of Obligations in the section of the Resolution summarized under the caption “Supplemental Resolutions Effective With Consent of Owners of Obligations” and in the Resolution relating to amendments to the Resolution;
- (4) To authorize Subordinated Indebtedness or Subordinated Contract Obligations and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer to specify or determine) the matters and things required or permitted by Article V of the Resolution in connection therewith, and also any other matters and things relative to such Subordinated Indebtedness or Subordinated Contract Obligations which are not contrary to or inconsistent with the Resolution as then in effect, or at any time to amend, rescind or limit any authorization for any such Subordinated Indebtedness or Subordinated Contract Obligations theretofore authorized but not issued or entered into; and in connection with the authorization of Subordinated Indebtedness or Subordinated Contract Obligations, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of amounts available to pay Subordinated Indebtedness or Subordinated Contract Obligations and any other funds, accounts or subaccounts created for the benefit of such Subordinated Indebtedness or Subordinated Contract Obligations;
- (5) To add to the Resolution any provisions required by law to preserve the exclusion from gross income for Federal income tax purposes of interest received on Tax-Exempt Obligations then Outstanding or to be issued or the exemption of interest received on any Obligations from State income taxation;
- (6) To modify, amend or supplement the Resolution in any manner, not already provided for in or pursuant to the Supplemental Resolution authorizing the related Series of Obligations in order to provide for a Credit Facility, Qualified Swap, or other similar arrangement with respect to any Series of Obligations, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Owners of Outstanding Obligations;
- (7) To modify, amend or supplement the Resolution in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Obligations for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add thereto such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939 or similar Federal statute;
- (8) To amend or modify any Supplemental Resolution authorizing Obligations of a Series to reflect the substitution of a new Credit Facility for the Credit Facility then in effect;
- (9) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

- (10) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect, including, in the event the Issuer Act is amended or other legislation is enacted to so provide, the substitution of an alternate or different legal name for the current name of the Issuer or any other Related Entity in the Resolution or the form of Obligations; or
- (11) With Rating Confirmation, to make any other modification or amendment of the Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Owners of Outstanding Obligations.

(Section A-801)

Supplemental Resolutions Effective With Consent of Owners of Obligations

At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Owners of Obligations in accordance with and subject to the provisions of the Resolution, covering any subject.

(Section A-802)

Amendments

Any modification or amendment of the Resolution and of the rights and obligations of the Issuer and of the Owners, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution, (i) of the Owners of a majority in principal amount of the Obligations Outstanding at the time such consent is given, and (ii) in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the Owners of a majority in principal amount of the Obligations so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as particular Obligations remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this caption. No such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Obligation, (b) reduce the percentages or otherwise affect the classes of Obligations the consent of the Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment, (c) create a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Owners of all such Obligations, (d) create a lien prior to or on parity with the lien of the Resolution securing Obligations, without the consent of the Owners of all of the Obligations then Outstanding, or (e) change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the provision summarized in this caption, an Obligation shall be deemed to be affected by a modification or amendment of the Resolution if the same materially and adversely affects the rights of the Owner of such Obligation. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment particular Obligations would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Issuer and all Owners of Obligations. The Trustee may request and receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether particular Obligations would be so affected by any such modification or amendment of the Resolution and the Trustee shall have no duty or obligation to take any action under the Resolution unless and until it has received such opinion. *Notwithstanding anything in the Resolution to the contrary, the consent of Owners of any Series of additional Obligations to be issued thereunder shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment effected thereby, and such modification or amendment, as well as such consent, is disclosed in the official statement or other offering document pursuant to which such Series of additional Obligations is offered and sold.*

(Section A-902)

Consent of Owners of Obligations

The Issuer at any time may adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in the section of the Resolution summarized in this caption. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Issuer to the Owners (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as provided in this caption). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Owners of the percentages of Outstanding Obligations specified in the section of the Resolution summarized under the caption "Amendments" and (b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Issuer in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (ii) a notice shall have been mailed to Owners as provided in the Resolution. Any such consent, including any consent provided by the initial purchaser of an Obligation from the Issuer, shall be binding upon the Owner of the Obligations giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Owner of such Obligations and of any Obligations issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof). At any time after the Owners of the required percentages of Obligations shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Issuer and the Trustee a written statement that the Owners of such required percentages of Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Obligations and will be effective as provided in the section of the Resolution summarized in this caption, may be given to Owners of Obligations by the Issuer by mailing such notice to Owners of Obligations (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in the section of the Resolution summarized in this caption). The Issuer shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by the section of the Resolution summarized in this caption to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Fiduciaries and the Owners of all Obligations at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40-day period; provided, however, that any Fiduciary and the Issuer during such 40-day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

(Section A-903)

Defeasance

If the Issuer shall pay or cause to be paid to the Owners of all Obligations then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Issuer, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Issuer to the Owners of Obligations shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Issuer all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Obligations not theretofore surrendered for such payment or redemption.

Outstanding Obligations or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Paying Agents shall at the respective maturity or redemption dates thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. Outstanding Obligations or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to

have been paid within the meaning and with the effect expressed in the preceding paragraph either (A) with respect to the defeasance of Taxable Obligations, Tax-Exempt Obligations or otherwise, as provided in the Supplemental Resolution authorizing their issuance or (B) if (a) in case any of said Obligations are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption on said date of such Obligations, (b) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Obligations or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Obligations are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Obligations that the deposit required by (b) above has been made with the Trustee and that said Obligations are deemed to have been paid in accordance with the section of the Resolution summarized in this caption and stating such maturity or redemption date upon which money is to be available for the payment of the principal or Redemption Price, if applicable, on such Obligations. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the section of the Resolution summarized in this caption nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Obligations; provided, however, that any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Obligations or otherwise existing under the Resolution, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Obligations on and prior to such redemption date or maturity date thereof, as the case may be. *Notwithstanding any other provision of the Resolution, the Issuer may at the time of defeasance elect to retain the right to redeem or require the tender of any obligations deemed paid. The Trustee shall, at the direction of the Issuer, select the Obligations or portions thereof that are deemed to have been paid in advance of the redemption of such Obligations.*

Any money held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Obligations which remains unclaimed for 2 years after the date when such principal, Redemption Price or interest, respectively, has become due and payable, either at stated maturity dates or by call for earlier redemption, if such money was held by the Fiduciary at such date, or for 2 years after the date of deposit of such money if deposited with the Fiduciary after the date when such principal, Redemption Price, or interest, respectively, became due and payable, shall, at the written request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer for the payment of such principal, Redemption Price, or interest, respectively. Any money held by a Fiduciary in trust for the payment and discharge of any Obligations which remains unclaimed after such money was to be applied to the payment of such Obligations in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Issuer or the Comptroller of the State for the payment of such Obligations. Before being required to make any such payment to the Issuer or to apply such money in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Issuer, cause to be mailed to the Owners entitled to receive such money a notice that said money remains unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such money then unclaimed will be returned to the Issuer or applied in accordance with the Abandoned Property Law of the State, as the case may be.

(Section A-1101)

General Regulations as to Money and Funds

Each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

All amounts of the Issuer held or set aside under the Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

Unless otherwise specified in a Supplemental Resolution authorizing the issuance of Obligations, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(Section A-1104)

ATTACHMENT 6

AUCTION PROCEDURES

The following sections contain definitions of certain terms used in this official statement and this **Attachment 6**. Capitalized terms not otherwise defined in this official statement have the meanings set forth in the Summary of Certain Provisions of the Subordinate Revenue Resolution or the Definitions and Summary of Certain Provisions of the Standard Resolution Provisions that are **Attachments 4 and 5** to this official statement.

Unless the context otherwise indicates, references in this Attachment 6 to the "Series 2002D Bonds" apply to each subseries of the Series 2002D Bonds independently. Actions may be taken, or determinations made, with respect to one subseries that are not taken or made with respect to the other.

Definitions

Agent Member means a member of, or participant in, the Securities Depository who shall act on behalf of a Bidder.

All Hold Rate means, as of any Auction Date, with respect to Series 2002D Bonds of a subseries, 45% of the Index in effect on such Auction Date.

Auction means each periodic implementation of the Auction Procedures.

Auction Agent means The Bank of New York, New York, New York, or any successor Auction Agent appointed by TBTA.

Auction Agreement means an agreement between TBTA, the Auction Agent and the Trustee pursuant to which the Auction Agent agrees to follow the procedures specified in this Attachment 6, with respect to the Series 2002D Bonds of a subseries in an Auction Rate Mode, as such agreement may from time to time be amended or supplemented.

Auction Date means during any period in which the Auction Procedures are not suspended in accordance with the provisions hereof:

- (a) if the Series 2002D Bonds of a subseries are in a daily Auction Period, each Business Day;
- (b) if the Series 2002D Bonds of a subseries are in a Special Auction Period, the last Business Day of the Special Auction Period; and
- (c) if the Series 2002D Bonds of a subseries are in any other Auction Period, the Business Day next preceding each Interest Payment Date for such Series 2002D Bonds of a subseries (whether or not an Auction shall be conducted on such date); provided, however, that the last Auction Date with respect to the Series 2002D Bonds of any subseries in an Auction Period other than a daily Auction Period or Special Auction Period shall be the earlier of (i) the Business Day next preceding the Interest Payment Date next preceding the Mode Change Date for such Series 2002D Bonds of a subseries and (ii) the Business Day next preceding the Interest Payment Date next preceding the maturity date for such Series 2002D Bonds; and provided further, that if the Series 2002D Bonds of a subseries are in a daily Auction Period, the last Auction Date shall be the earlier of (x) the Business Day next preceding the Mode Change Date for such Series 2002D Bonds and (y) the Business Day next preceding the maturity date for the Series 2002D Bonds of a subseries.

The last Business Day of a Special Auction Period shall be the Auction Date for the Auction Period which begins on the next succeeding Business Day, if any. On the Business Day preceding the conversion from a daily Auction Period to another Auction Period, there shall be two Auctions, one for the last daily Auction Period and one for the first Auction Period following the conversion.

Auction Multiple means, as of any Auction Date, the Percentage of Index (in effect on such Auction Date) determined as set forth below, based on the Prevailing Rating of the Series 2002D Bonds of a subseries in effect at the close of business on the Business Day immediately preceding such Auction Date:

| <u>Prevailing Rating</u> | <u>Percentage of Index</u> |
|--------------------------|----------------------------|
| AAA/AAA/Aaa | 125% |
| AA/AA/Aa | 150 |
| A/A/A | 200 |
| BBB/BBB/Baa | 250 |
| Below BBB/BBB/Baa | 275 |

Auction Period means:

(a) a Special Auction Period;

(b) with respect to Series 2002D Bonds of a subseries in a daily Auction Period, a period beginning on each Business Day and extending to but not including the next succeeding Business Day;

(c) with respect to Series 2002D Bonds of a subseries in a seven day Auction Period and with Auctions generally conducted on (i) Fridays, a period of generally seven days beginning on a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on the Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) Mondays, a period of generally seven days beginning on a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on the Monday thereafter (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iii) Tuesdays, a period of generally seven days beginning on a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iv) Wednesdays, a period of generally seven days beginning on a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), and (v) Thursdays, a period of generally seven days beginning on a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day);

(d) with respect to Series 2002D Bonds of a subseries in a 28-day Auction Period and with Auctions generally conducted on (i) Fridays, a period of generally 28 days beginning on a Monday (or the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on the fourth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) Mondays, a period of generally 28 days beginning on a Tuesday (or the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on the fourth Monday thereafter (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iii) Tuesdays, a period of generally 28 days beginning on a Wednesday (or the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on the fourth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iv) Wednesdays, a period of generally 28 days beginning on a Thursday (or the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on the fourth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), and (v) Thursdays, a period of generally 28 days

beginning on a Friday (or the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on the fourth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day);

(e) with respect to Series 2002D Bonds of a subseries in a 35-day Auction Period and with Auctions generally conducted on (i) Fridays, a period of generally 35 days beginning on a Monday (or the last day of the prior Auction Period if the prior Auction Period does not end on Sunday) and ending on the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) Mondays, a period of generally 35 days beginning on a Tuesday (or the last day of the prior Auction Period if the prior Auction Period does not end on Monday) and ending on the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iii) Tuesdays, a period of generally 35 days beginning on a Wednesday (or the last day of the prior Auction Period if the prior Auction Period does not end on Tuesday) and ending on the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (iv) Wednesdays, a period of generally 35 days beginning on a Thursday (or the last day of the prior Auction Period if the prior Auction Period does not end on Wednesday) and ending on the fifth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), and (v) Thursdays, a period of generally 35 days beginning on a Friday (or the last day of the prior Auction Period if the prior Auction Period does not end on Thursday) and ending on the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day);

(f) with respect to Series 2002D Bonds of a subseries in a three-month Auction Period, a period of generally three months (or shorter period upon a conversion from another Auction Period) beginning on the day following the last day of the prior Auction Period and ending on the first day of the month that is the third calendar month following the beginning date of such Auction Period (unless such first day of the month is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day); and

(g) with respect to Series 2002D Bonds of a subseries in a six-month Auction Period, a period of generally six months (or shorter period upon a conversion from another Auction Period) beginning on the day following the last day of the prior Auction Period and ending on the next succeeding April 30 or October 31;

provided, however, that

(a) if there is a conversion of Series 2002D Bonds of a subseries with Auctions generally conducted on Fridays (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Sunday (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the Sunday (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on Sunday (unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion;

(b) if there is a conversion of Series 2002D Bonds of a subseries with Auctions generally conducted on Mondays (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Monday (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the Monday (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period

shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on Monday (unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion;

(c) if there is a conversion of Series 2002D Bonds of a subseries with Auctions generally conducted on Tuesdays (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion;

(d) if there is a conversion of Series 2002D Bonds of a subseries with Auctions generally conducted on Wednesdays (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Wednesday (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the Wednesday (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on Wednesday (unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion; and

(e) if there is a conversion of Series 2002D Bonds of a subseries with Auctions generally conducted on Thursdays (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Thursday (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the Thursday (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on Thursday (unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion;

provided further, however, that any Auction Period that is greater than 35 days may be extended as described in paragraph (d) in the section entitled “Determination of Auction Period Rate” in this Attachment 6.

Auction Period Rate means with respect to Series 2002D Bonds of each subseries, the rate of interest to be borne by the Series 2002D Bonds of such subseries during each Auction Period determined in accordance with the section entitled “Determination of Auction Period Rate” in this Attachment 6; provided, however, in no event may the Auction Rate exceed the Maximum Rate.

Auction Procedures means the procedures for conducting Auctions for Series 2002D Bonds of a subseries in an Auction Rate Mode set forth in this Attachment 6.

Auction Rate means for each series of Series 2002D Bonds for each Auction Period, (i) if Sufficient Clearing Bids exist, the Winning Bid Rate; provided, however, if all of such Series 2002D Bonds of a subseries are the subject of Submitted Hold Orders, the All Hold Rate with respect to such Series 2002D Bonds and (ii) if Sufficient Clearing Bids do not exist, the Maximum Auction Rate with respect to such Series 2002D Bonds.

Auction Rate Mode means the mode during which the duration of the Auction Period and the interest rate is determined in accordance with this Attachment 6.

Authorized Denominations means \$25,000 and integral multiples thereof while the Series 2002D Bonds are in the Auction Rate Mode.

Available Bonds means for each series of Series 2002D Bonds on each Auction Date, the aggregate principal amount of such Series 2002D Bonds that are not the subject of Submitted Hold Orders.

Bid has the meaning specified in subsection (a) of “Orders by Existing Owners and Potential Owners” of this Attachment 6.

Bidder means each Existing Owner and Potential Owner who places an Order.

Broker-Dealer means, with respect to the Series 2002D Bonds of a subseries, (i) any entity that is specified as the Broker-Dealer for the Series 2002D Bonds of such subseries on the outside cover page of this official statement, and (ii) any entity that is permitted by law to perform the function required of a Broker-Dealer described in this Attachment 6 that is a member of, or a direct participant in, the Securities Depository, that has been selected by TBTA, and that is a party to a Broker-Dealer Agreement with the Auction Agent.

Broker-Dealer Agreement means an agreement among the Auction Agent, TBTA and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the procedures described in this Attachment 6 as such agreement may from time to time be amended or supplemented.

Business Day means a day other than (i) a Saturday and Sunday, (ii) a day on which the Trustee, the Tender Agent, the Auction Agent, the Broker-Dealers, the Insurer 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.

Default Rate means, in respect of any Auction Period other than a daily Auction Period, a per annum rate equal to two hundred three hundred percent (300%) of the Index determined on the Auction Date next preceding the first day of such Auction Period or in the case of Series 2002D Bonds of a subseries in a daily Auction Period, three hundred percent (300%) of the Index determined on the Auction Date which was the first day of such Auction Period; provided, however, the Default Rate shall not exceed the Maximum Rate.

Existing Owner means a Person who is listed as the beneficial owner of Series 2002D Bonds of a subseries in the records of the Auction Agent.

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 TBTA Act and the Subordinate Revenue Resolution and that such action will not impair the exclusion of interest on such Series 2002D 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 2002D Bonds).

Fitch means Fitch, Inc.

Index shall have the meaning specified in the section entitled “Index” in this Attachment 6.

Interest Payment Date means:

(a) when used with respect to any Auction Period other than a daily Auction Period or a Special Auction Period, the Business Day immediately following such Auction Period;

(b) when used with respect to a daily Auction Period, the first Business Day of the month immediately succeeding such Auction Period; and

(c) when used with respect to a Special Auction Period of (i) more than seven but fewer than 92 days, the Business Day immediately following such Special Auction Period, or (ii) 92 or more days, (A) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Fridays, each thirteenth Monday after the first day of such Special Auction Period or the next Business Day if such Monday is not a Business Day and on the Business Day immediately following such Special Auction Period, (B) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Mondays, each thirteenth Tuesday after the first day of such Special Auction Period or the next Business Day if such Tuesday is not a Business Day and on the Business Day immediately following such Special Auction Period, (C) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Tuesdays, each thirteenth Wednesday after the first day of such Special Auction Period or the next Business Day if such Wednesday is not a Business Day and on the Business Day immediately following such Special Auction Period, (D) in the case of Series 2002D Bonds of a subseries with Auctions conducted on Wednesdays, each thirteenth Thursday after the first day of such Special Auction Period or the next Business Day if such Thursday is not a Business Day and on the Business Day immediately following such Special Auction Period and (E) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Thursdays, each thirteenth Friday after the first day of such Special Auction Period or the next Business Day if such Friday is not a Business Day and on the Business Day immediately following such Special Auction Period.

Maximum Auction Rate means as of any Auction Date, the product of the Index multiplied by the Auction Multiple; provided, however, that in no event shall the Maximum Auction Rate exceed the Maximum Rate, anything herein to the contrary notwithstanding.

Maximum Rate means, with respect to Series 2002D Bonds of a subseries, twelve percent (12%) per annum; provided, however, that in no event shall the Maximum Rate on any such Series 2002D Bonds of a subseries exceed the maximum rate permitted by applicable law.

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.

Moody's means Moody's Investors Service.

Order means a Hold Order, Bid or Sell Order.

Potential Owner means any Person, including any Existing Owner, who may be interested in acquiring a beneficial interest in the Series 2002D Bonds of a subseries in addition to the Series 2002D Bonds currently owned by such Person, if any.

Prevailing Rating means, when such term is used in the definition of the Auction Multiple, (a) AAA/AAA/Aaa, if the Series 2002D Bonds of a subseries shall have a rating of AAA or better by S&P and Fitch and a rating of Aaa or better by Moody's, (b) if not AAA/AAA/Aaa, AA/AA/Aa if the Series 2002D Bonds of a subseries shall have a rating of AA- or better by S&P and Fitch and a rating of Aa3 or better by Moody's, (c) if not AAA/AAA/Aaa or AA/AA/Aa, A/A/A if the Series 2002D Bonds of a subseries shall have a rating of A- or better by S&P and Fitch and a rating of A3 or better by Moody's, (d) if not AAA/AAA/Aaa, AA/AA/Aa or A/A/A, BBB/BBB/Baa if the Series 2002D Bonds of a subseries shall have a rating of BBB- or better by S&P and Fitch and a rating of Baa3 or better by Moody's, and (e) if not AAA/AAA/Aaa, AA/AA/Aa, A/A/A or BBB/BBB/Baa, then below BBB/BBB/Baa, whether or not the Series 2002D Bonds of a subseries are rated by any Rating Agency. For purposes of this definition, S&P's and Fitch's rating categories of "AAA," "AA-," "A-" and "BBB-" and Moody's rating categories of "Aaa," "Aa3," "A3" and "Baa3" shall be deemed to refer to and include the respective rating

categories correlative thereto in the event that any such Rating Agencies shall have changed or modified their generic rating categories or if any successor thereto appointed in accordance with the definitions thereof shall use different rating categories. If the Series 2002D Bonds of a subseries are not rated by a Rating Agency, the requirement of a rating by such Rating Agency shall be disregarded. If the ratings for the Series 2002D Bonds of a subseries are split between two of the foregoing categories, the lower rating shall determine the Prevailing Rating. If there is no rating, then the Auction Period Rate shall be the Maximum Auction Rate.

Principal Office means, with respect to the Auction Agent, the office thereof designated in the Auction Agreement as the office of the Auction Agent to which notices, requests or communications should be sent.

Remarketing Agent means the remarketing agent appointed by TBTA in connection with a Mode change.

Remarketing Agreement means the remarketing agreement entered into by and between TBTA and the Remarketing Agent with respect to the Series 2002D Bonds of a subseries pursuant to which the Remarketing Agent has agreed to remarket the Series 2002D Bonds of such subseries on the Mode Change Date at a price of not less than 100% of the principal amount thereof.

Securities Depository means The Depository Trust Company and its successors and assigns or any other securities depository selected by TBTA which agrees to follow the procedures required to be followed by such securities depository in connection with the Series 2002D Bonds of a subseries.

Sell Order has the meaning specified in subsection (a) of “Orders by Existing Owners and Potential Owners” of this Attachment 6.

Special Auction Period means any period of more than seven but less than 1,092 days which is not another Auction Period and which begins on an Interest Payment Date and ends (i) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Fridays, on a Sunday unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (ii) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Mondays, on a Monday unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (iii) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Tuesdays, on a Tuesday unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (iv) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Wednesdays, on a Wednesday unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, and (v) in the case of Series 2002D Bonds of a subseries with Auctions generally conducted on Thursdays, on a Thursday unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day.

S&P means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

Submission Deadline means 1:00 p.m., New York City time, on each Auction Date for Series 2002D Bonds of a subseries not in a daily Auction Period and 11:00 a.m., New York City time, on each Auction Date for Series 2002D Bonds of a subseries in a daily Auction Period, or such other time on such date as shall be specified from time to time by the Auction Agent pursuant to the Auction Agreement as the time by which Broker-Dealers are required to submit Orders to the Auction Agent.

Submitted Bid has the meaning specified in subsection (b) of “Determination of Auction Period Rate” of this Attachment 6.

Submitted Hold Order has the meaning specified in subsection (b) of “Determination of Auction Period Rate” of this Attachment 6.

Submitted Order has the meaning specified in subsection (b) of “Determination of Auction Period Rate” of this Attachment 6.

Submitted Sell Order has the meaning specified in subsection (b) of “Determination of Auction Period Rate” of this Attachment 6.

Subordinate Revenue Resolution means the 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations, adopted by members of TBTA on March 26, 2002, as amended and supplemented.

Sufficient Clearing Bids means with respect to Series 2002D Bonds of a subseries, an Auction for which the aggregate principal amount of Series 2002D Bonds of such subseries that are the subject of Submitted Bids by Potential Owners specifying one or more rates not higher than the Maximum Auction Rate is not less than the aggregate principal amount of Series 2002D Bonds of such subseries that are the subject of Submitted Sell Orders and of Submitted Bids by Existing Owners specifying rates higher than the Maximum Auction Rate.

Trustee means The Bank of New York, New York, New York.

Tender Agent means The Bank of New York, New York, New York.

Tender Agency Agreement means the tender agency agreement entered into by and between the Tender Agent and TBTA with respect to the Series 2002D Bonds of a subseries.

Winning Bid Rate means with respect to Series 2002D Bonds of a subseries the lowest rate specified in any Submitted Bid for such subseries which if selected by the Auction Agent as the Auction Period Rate would cause the aggregate principal amount of Series 2002D Bonds of such subseries that are the subject of Submitted Bids specifying a rate not greater than such rate to be not less than the aggregate principal amount of Available Bonds of such series.

Orders by Existing Owners and Potential Owners

(a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Owner may submit to a Broker-Dealer, in writing or by such other method as shall be reasonably acceptable to such Broker-Dealer, information as to:

(A) the principal amount of Series 2002D Bonds of a subseries, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period without regard to the rate determined by the Auction Procedures for such Auction Period,

(B) the principal amount of Series 2002D Bonds of a subseries, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period if the rate determined by the Auction Procedures for such Auction Period shall not be less than the rate per annum then specified by such Existing Owner (and which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date (or the same day in the case of a daily Auction Period) if the rate determined by the Auction Procedures for the next succeeding Auction Period shall be less than the rate per annum then specified by such Existing Owner), and/or

(C) the principal amount of Series 2002D Bonds of a subseries, if any, held by such Existing Owner which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date (or on the same day in the case of a daily Auction Period) without regard to the rate determined by the Auction Procedures for the next succeeding Auction Period: and

(ii) for the purpose of implementing the Auctions and thereby to achieve the lowest possible interest rate on the Series 2002D Bonds of a subseries, the Broker-Dealers shall contact Potential Owners, including Persons that are Existing Owners, to determine the principal amount of Series 2002D Bonds of a

subseries, if any, which each such Potential Owner irrevocably offers to purchase if the rate determined by the Auction Procedures for the next succeeding Auction Period is not less than the rate per annum then specified by such Potential Owner.

For the purposes hereof, an Order containing the information referred to in clause (i) (A) above is herein referred to as a “Hold Order,” an Order containing the information referred to in clause (i) (B) or (ii) above is herein referred to as a “Bid,” and an Order containing the information referred to in clause (i) (C) above is herein referred to as a “Sell Order.”

(b) (i) A Bid by an Existing Owner shall constitute an irrevocable offer to sell:

(A) the principal amount of Series 2002D Bonds of a subseries specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be less than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Series 2002D Bonds of a subseries to be determined as described in subsection (a)(v) of “Allocation of Series 2002D Bonds of a Subseries” hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate; or

(C) a lesser principal amount of Series 2002D Bonds of a subseries to be determined as described in subsection (b)(iv) of “Allocation of Series 2002D Bonds of a Subseries” hereof if such specified rate shall be higher than the Maximum Auction Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Owner shall constitute an irrevocable offer to sell:

(A) the principal amount of Series 2002D Bonds of a subseries specified in such Sell Order; or

(B) such principal amount or a lesser principal amount of Series 2002D Bonds of a subseries as described in subsection (b)(iv) of “Allocation of Series 2002D Bonds of a Subseries” hereof if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Owner shall constitute an irrevocable offer to purchase:

(A) the principal amount of Series 2002D Bonds of a subseries specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be higher than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Series 2002D Bonds of a subseries as described in subsection (a)(vi) of “Allocation of Series 2002D Bonds of a Subseries” hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate.

(c) Anything herein to the contrary notwithstanding:

(i) for purposes of any Auction, any Order which specifies Series 2002D Bonds of a subseries to be held, purchased or sold in a principal amount which is not equal to the Authorized Denomination for Series 2002D Bonds of such subseries or an integral multiple thereof shall be rounded down to the nearest amount that is equal to the Authorized Denomination for Series 2002D Bonds of such subseries, and the Auction Agent shall conduct the Auction Procedures as if such Order had been submitted in such lower amount;

(ii) for purposes of any Auction other than during a daily Auction Period, any portion of an Order of an Existing Owner which relates to a Series 2002D Bond of a subseries which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction shall be invalid with respect to such portion and the Auction Agent shall conduct the Auction Procedures as if such portion of such Order had not been submitted;

(iii) for purposes of any Auction other than during a daily Auction Period, no portion of a Series 2002D Bond of a subseries which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction shall be included in the calculation of Available Bonds for such Auction; and

(iv) the Auction Procedures shall be suspended with respect to the Series 2002D Bonds of a subseries during the period commencing on the date of the Auction Agent's receipt of notice from the Trustee of the occurrence of a default of TBTA in the payment of principal, sinking fund installment, interest or premium on any Series 2002D Bond of such subseries after the same shall have become due, whether at maturity, upon call for redemption or on an Interest Payment Date (provided however that for purposes of this provision only payment by the Insurer shall be deemed to cure such default and no such suspension of the Auction Procedures shall occur) but shall resume two Business Days after the date on which the Auction Agent receives notice from the Trustee that such default has been waived or cured, with the next Auction to occur on the next regularly scheduled Auction Date occurring thereafter.

Submission of Orders by Broker-Dealers to Auction Agent

(a) Each Broker-Dealer shall submit to the Auction Agent in writing or by such other method as shall be reasonably acceptable to the Auction Agent, including such electronic communication acceptable to the parties, prior to the Submission Deadline on each Auction Date, all Orders obtained by such Broker-Dealer and, if requested, specifying with respect to each Order:

(i) the name of the Bidder placing such Order;

(ii) the aggregate principal amount of Series 2002D Bonds of each subseries, if any, that are the subject of such Order;

(iii) to the extent that such Bidder is an Existing Owner;

(A) the principal amount of Series 2002D Bonds of each subseries, if any, subject to any Hold Order placed by such Existing Owner;

(B) the principal amount of Series 2002D Bonds of each subseries, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(C) the principal amount of Series 2002D Bonds of each subseries, if any, subject to any Sell Order placed by such Existing Owner;

(iv) to the extent such Bidder is a Potential Owner, the rate specified in such Bid.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth of one percent (0.001%).

(c) If an Order or Orders covering all of the Series 2002D Bonds of a particular subseries held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner and not subject to Orders submitted to the Auction Agent; provided, however, that if there is a conversion from one Auction Period to another Auction Period or an amendment or modification to the Subordinate Revenue Resolution as described in the section entitled

“Miscellaneous Provisions Regarding Auctions” in this Attachment 6 and Orders have not been submitted to the Auction Agent prior to the Submission Deadline covering the aggregate principal amount of Series 2002D Bonds of the subseries held by such Existing Owner, the Auction Agent shall deem a Sell Order to have been submitted on behalf of such Existing Owner covering the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner not subject to Orders submitted to the Auction Agent.

(d) If one or more Orders covering in the aggregate more than the principal amount of Outstanding Series 2002D Bonds of a subseries held by any Existing Owner are submitted to the Auction Agent, such Orders shall be considered valid as follows:

(i) all Hold Orders shall be considered Hold Orders, but only up to and including in the aggregate the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner;

(ii) (A) any Bid of an Existing Owner shall be considered valid as a Bid of an Existing Owner up to and including the excess of the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner over the principal amount of the Series 2002D Bonds of such subseries subject to Hold Orders referred to in paragraph (i) above;

(B) subject to clause (A) above, all Bids of an Existing Owner with the same rate shall be aggregated and considered a single Bid of an Existing Owner up to and including the excess of the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner over the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above;

(C) subject to clause (A) above, if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered Bids of an Existing Owner in the ascending order of their respective rates up to the amount of the excess of the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner over the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above; and

(D) the principal amount, if any, of such Series 2002D Bonds of such subseries subject to Bids not considered to be Bids of an Existing Owner under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Owner;

(iii) all Sell Orders shall be considered Sell Orders, but only up to and including a principal amount of Series 2002D Bonds of such subseries equal to the excess of the principal amount of Series 2002D Bonds of such subseries held by such Existing Owner over the sum of the principal amount of the Series 2002D Bonds considered to be subject to Hold Orders pursuant to paragraph (i) above and the principal amount of Series 2002D Bonds of such subseries considered to be subject to Bids of such Existing Owner pursuant to paragraph (ii) above.

(e) If more than one Bid is submitted on behalf of any Potential Owner, each Bid submitted with the same rate shall be aggregated and considered a single Bid and each Bid submitted with a different rate shall be considered a separate Bid with the rate and the principal amount of Series 2002D Bonds of such subseries specified therein.

(f) Neither TBTA, the Trustee nor the Auction Agent shall be responsible for the failure of any Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

Determination of Auction Period Rate

(a) Not later than 9:30 a.m., New York City time, on each Auction Date for Series 2002D Bonds of each subseries in an Auction Rate Mode, the Auction Agent shall advise the Broker-Dealers and the Trustee by telephone or other electronic communication acceptable to the parties of the All Hold Rate, the Maximum Auction Rate and the Index for the Series 2002D Bonds of such subseries.

(b) Promptly after the Submission Deadline on each Auction Date for Series 2002D Bonds of each subseries in an Auction Rate Mode, the Auction Agent shall assemble all Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, and collectively as a "Submitted Order") and shall determine (i) the Available Bonds, (ii) whether there are Sufficient Clearing Bids, and (iii) the Auction Rate.

(c) Promptly after the Auction Agent has made the determinations pursuant to subsection (b) above, the Auction Agent shall advise the Trustee by telephone (promptly confirmed in writing), telex or facsimile transmission or other electronic communication acceptable to the parties of the Auction Rate for the next succeeding Auction Period and the Trustee shall promptly notify the Securities Depository of such Auction Rate.

(d) In the event the Auction Agent fails to calculate or, for any reason, fails to timely provide the Auction Rate for any Auction Period, (i) if the preceding Auction Period was a period of 35 days or less, the new Auction Period shall be the same as the preceding Auction Period and the Auction Period Rate for the new Auction Period shall be the same as the Auction Period Rate for the preceding Auction Period, and (ii) if the preceding Auction Period was a period of greater than 35 days, the preceding Auction Period shall be extended to the seventh day following the day that would have been the last day of such Auction Period had it not been extended (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Auction Period Rate in effect for the preceding Auction Period will continue in effect for the Auction Period as so extended. In the event an Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held on the last Business Day of the Auction Period as so extended to take effect for an Auction Period beginning on the Business Day immediately following the last day of the Auction Period as extended which Auction Period will end on the date it would otherwise have ended on had the prior Auction Period not been extended.

(e) In the event that the Auction Procedures are suspended pursuant to paragraph (iv) of subsection (c) of "Orders by Existing Owners and Potential Owners" of this Attachment 6 with respect to any Series 2002D Bond of subseries, the Auction Period Rate for the next succeeding Auction Period shall be the Default Rate.

(f) In the event that all of the conditions for a change in the Mode applicable to the Series 2002D Bonds of a subseries from an Auction Mode to any other Mode pursuant to the Subordinate Revenue Resolution have not been met or in the event of a failure to change the length of the current Auction Period due to the lack of Sufficient Clearing Bids at the Auction on the Auction Date for the first new Auction Period, the Auction Period Rate for the next Auction Period shall be the Maximum Auction Rate and the Auction Period shall be a seven-day Auction Period.

(g) If the Series 2002D Bonds of a subseries are not rated or if the Series 2002D Bonds of a subseries are no longer maintained in book-entry form by the Securities Depository, then the Auction Period Rate shall be the Maximum Auction Rate.

(h) If the Auction Period Rate for the Series 2002D Bonds of a subseries is equal to the Maximum Auction Rate or the Default Rate for the longer of (i) two consecutive Auction Dates or (ii) ninety (90) days, the Insurer shall have the right to direct TBTA to change the Mode applicable to the Series 2002D Bonds of such subseries to the fixed rate and upon such direction TBTA shall change such Mode to the fixed rate in accordance with the Subordinate Revenue Resolution.

Allocation of Series 2002D Bonds of a Subseries

(a) In the event of Sufficient Clearing Bids for Series 2002D Bonds of a subseries, subject to the further provisions of subsections (c) and (d) below, Submitted Orders for such subseries shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Series 2002D Bonds of a subseries that are the subject of such Submitted Hold Order;

(ii) the Submitted Sell Order of each Existing Owner shall be accepted and the Submitted Bid of each Existing Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to sell the Series 2002D Bonds of a subseries that are the subject of such Submitted Sell Order or Submitted Bid;

(iii) the Submitted Bid of each Existing Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid;

(iv) the Submitted Bid of each Potential Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid;

(v) the Submitted Bid of each Existing Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid, but only up to and including the principal amount of Series 2002D Bonds of a subseries obtained by multiplying (A) the aggregate principal amount of Outstanding Series 2002D Bonds of a subseries which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii) or (iv) above by (B) a fraction the numerator of which shall be the principal amount of Outstanding Series 2002D Bonds of a subseries held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the aggregate principal amount of Outstanding Series 2002D Bonds of a subseries subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate, and the remainder, if any, of such Submitted Bid shall be rejected, thus requiring each such Existing Owner to sell any excess amount of Series 2002D Bonds of a subseries;

(vi) the Submitted Bid of each Potential Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid, but only in an amount equal to the principal amount of Series 2002D Bonds of a subseries obtained by multiplying (A) the aggregate principal amount of Outstanding Series 2002D Bonds of a subseries which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii), (iv) or (v) above by (B) a fraction the numerator of which shall be the principal amount of Outstanding Series 2002D Bonds of a subseries subject to such Submitted Bid and the denominator of which shall be the sum of the aggregate principal amount of Outstanding Series 2002D Bonds of a subseries subject to such Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate, and the remainder of such Submitted Bid shall be rejected; and

(vii) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected.

(b) In the event there are not Sufficient Clearing Bids for Series 2002D Bonds of a subseries, subject to the further provisions of subsections (c) and (d) below, Submitted Orders, for each Series 2002D Bond of a subseries shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Series 2002D Bonds of a subseries that are the subject of such Submitted Hold Order;

(ii) the Submitted Bid of each Existing Owner specifying any rate that is not higher than the Maximum Auction Rate with respect to Series 2002D Bonds of a subseries, shall be accepted, thus

requiring each such Existing Owner to continue to hold the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Owner specifying any rate that is not higher than the Maximum Auction Rate with respect to Series 2002D Bonds of a subseries, shall be accepted, thus requiring each such Potential Owner to purchase the Series 2002D Bonds of a subseries that are the subject of such Submitted Bid;

(iv) the Submitted Sell Orders of each Existing Owner shall be accepted as Submitted Sell Orders and the Submitted Bids of each Existing Owner specifying any rate that is higher than the Maximum Auction Rate with respect to Series 2002D Bonds of a subseries, shall be deemed to be and shall be accepted as Submitted Sell Orders, in both cases only up to and including the principal amount of Series 2002D Bonds of a subseries obtained by multiplying (A) the aggregate principal amount of Series 2002D Bonds of a subseries subject to Submitted Bids described in paragraph (iii) of this subsection (b) by (B) a fraction the numerator of which shall be the principal amount of Outstanding Series 2002D Bonds of a subseries held by such Existing Owner subject to such Submitted Sell Order or such Submitted Bid deemed to be a Submitted Sell Order and the denominator of which shall be the principal amount of Outstanding Series 2002D Bonds of a subseries subject to all such Submitted Sell Orders and such Submitted Bids deemed to be Submitted Sell Orders, and the remainder of each such Submitted Sell Order or Submitted Bid shall be deemed to be and shall be accepted as a Hold Order and each such Existing Owner shall be required to continue to hold such excess amount of Series 2002D Bonds of a subseries; and

(v) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Maximum Auction Rate with respect to the Series 2002D Bonds of a subseries shall be rejected.

(c) If, as a result of the procedures described in subsection (a) or (b) above, any Existing Owner or Potential Owner would be required to purchase or sell an aggregate principal amount of Series 2002D Bonds of a subseries which is not an integral multiple of the Authorized Denomination for Series 2002D Bonds of such subseries on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, round up or down the principal amount of Series 2002D Bonds of a subseries to be purchased or sold by any Existing Owner or Potential Owner on such Auction Date so that the aggregate principal amount of Series 2002D Bonds of a subseries purchased or sold by each Existing Owner or Potential Owner on such Auction Date shall be an integral multiple of the Authorized Denomination for Series 2002D Bonds or such subseries, even if such allocation results in one or more of such Existing Owners or Potential Owners not purchasing or selling any Series 2002D Bonds of a subseries on such Auction Date.

(d) If, as a result of the procedures described in subsection (a) above, any Potential Owner would be required to purchase a principal amount of Series 2002D Bonds of a subseries that is less than the Authorized Denomination for Series 2002D Bonds of such subseries on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, allocate such Series 2002D Bonds for purchase among Potential Owners so that the principal amount of Series 2002D Bonds of a subseries purchased on such Auction Date by any Potential Owner shall be an integral multiple of the Authorized Denomination for Series 2002D Bonds of such subseries, even if such allocation results in one or more of such Potential Owners not purchasing such Series 2002D Bonds on such Auction Date.

Notice of Auction Period Rate

(a) On each Auction Date, the Auction Agent shall notify by telephone or other telecommunication device or other electronic communication acceptable to the parties or in writing each Broker-Dealer that participated in the Auction held on such Auction Date of the following with respect to Series 2002D Bonds of each subseries for which an Auction was held on such Auction Date:

(i) the Auction Period Rate determined on such Auction Date for the succeeding Auction Period;

(ii) whether sufficient Clearing Bids existed for the determination of the Winning Bid Rate;

(iii) if such Broker-Dealer submitted a Bid or a Sell Order on behalf of an Existing Owner, whether such Bid or Sell Order was accepted or rejected and the principal amount of Series 2002D Bonds of a subseries, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer submitted a Bid on behalf of a Potential Owner, whether such Bid was accepted or rejected and the principal amount of Series 2002D Bonds of a subseries, if any, to be purchased by such Potential Owner;

(v) if the aggregate principal amount of the Series 2002D Bonds of a subseries to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted Bids or Sell Orders is different from the aggregate principal amount of Series 2002D Bonds of a subseries to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more Broker-Dealers (and the Agent Member, if any, of each such other Broker Dealer) and the principal amount of Series 2002D Bonds of a subseries to be (A) purchased from one or more Existing Owners on whose behalf such other Broker-Dealers submitted Bids or Sell Orders or (B) sold to one or more Potential Owners on whose behalf such Broker-Dealer submitted Bids; and

(vi) the immediately succeeding Auction Date.

(b) On each Auction Date, with respect to Series 2002D Bonds of each subseries for which an Auction was held on such Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall: (i) advise each Existing Owner and Potential Owner on whose behalf such Broker-Dealer submitted an Order as to (A) the Auction Period Rate determined on such Auction Date, (B) whether any Bid or Sell Order submitted on behalf of each such Owner was accepted or rejected and (C) the immediately succeeding Auction Date; (ii) instruct each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Existing Owner's Agent Member to pay to such Broker-Dealer (or its Agent Member) through the Securities Depository the amount necessary to purchase the principal amount of such Series 2002D Bonds of a subseries to be purchased pursuant to such Bid (including, with respect to such Series 2002D Bonds of a subseries in a daily Auction Period, accrued interest if the purchase date is not an Interest Payment Date for such Series 2002D Bond) against receipt of such Series 2002D Bonds of a subseries; and (iii) instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted or a Bid that was rejected, in whole or in part, to instruct such Existing Owner's Agent Member to deliver to such Broker-Dealer (or its Agent Member) through the Securities Depository the principal amount of such Series 2002D Bonds of a subseries to be sold pursuant to such Bid or Sell Order against payment therefor.

Index

(a) The Index on any Auction Date with respect to Series 2002D Bonds of a subseries in any Auction Period of 35 days or less shall be the One Month LIBOR Rate on such date. The Index with respect to Series 2002D Bonds of subseries in any Auction Period greater than 35 days shall be the rate on United States Treasury Securities having a maturity which most closely approximates the length of the Auction Period, as last published in *The Bond Buyer*. If either rate is unavailable, the Index for the Series 2002D Bonds of a subseries shall be an index or rate agreed to by all Broker-Dealers and consented to by TBTA.

“One Month LIBOR Rate” means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

(b) If for any reason on any Auction Date the Index shall not be determined as provided in this Section, the Index shall be the Index for the Auction Period ending on such Auction Date.

(c) The determination of the Index as provided herein shall be conclusive and binding upon TBTA, the Trustee, the Broker-Dealers, the Auction Agent and the Owners of the Series 2002D Bonds of a subseries.

Miscellaneous Provisions Regarding Auctions

(a) In this Attachment 6, each reference to the purchase, sale or holding of “Series 2002D Bonds” shall refer to beneficial interests in such Series 2002D Bonds, unless the context clearly requires otherwise.

(b) During an Auction Rate Mode, with respect to the Series 2002D Bonds of a subseries, the provisions of the Subordinate Revenue Resolution and the definitions contained therein and described in this Attachment 6, including without limitation the definitions of Maximum Rate, Maximum Auction Rate, All Hold Rate, Index, Default Rate, Auction Multiple and the Auction Period Rate, may be amended, with the consent of the Insurer, pursuant to the Subordinate Revenue Resolution by obtaining the consent of the owners of all Outstanding Series 2002D Bonds of such subseries as follows; provided, however, that no such amendments that adversely affect the rights, duties or obligations of the Auction Agent shall be made without the consent of the Auction Agent. If on the first Auction Date occurring at least 20 days after the date on which the Trustee mailed notice of such proposed amendment to the registered owners of the Outstanding Series 2002D Bonds of a subseries as required by the Supplemental Resolution, (i) the Auction Period Rate which is determined on such date is the Winning Bid Rate and (ii) there is delivered to TBTA and the Trustee a Favorable Opinion of Bond Counsel, the proposed amendment shall be deemed to have been consented to by the owners of all affected Outstanding Series 2002D Bonds of such subseries.

(c) If the Securities Depository notifies TBTA that it is unwilling or unable to continue as Owner of the Series 2002D Bonds of a subseries or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to the Securities Depository is not appointed by TBTA within 90 days after TBTA receives notice or becomes aware of such condition, as the case may be, TBTA shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2002D Bonds of such subseries. Such Series 2002D Bonds shall be authorized in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct TBTA and the Trustee.

(d) During an Auction Rate Mode, so long as the ownership of the Series 2002D Bonds of a subseries is maintained in book-entry form by the Securities Depository, an Existing Owner or a beneficial owner may sell, transfer or otherwise dispose of a Series 2002D Bond only pursuant to a Bid or Sell Order in accordance with the Auction Procedures or to or through a Broker-Dealer, provided that (i) in the case of all transfers other than pursuant to Auctions such Existing Owner or its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer and (ii) a sale, transfer or other disposition of Series 2002D Bonds of a subseries from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the holder of such Series 2002D Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this paragraph if such Broker-Dealer remains the Existing Owner of Series 2002D Bonds of a subseries so sold, transferred or disposed of immediately after such sale, transfer or disposition.

Changes in Auction Period or Auction Date

(a) Changes in Auction Period.

(i) During any Auction Rate Mode, TBTA may from time to time on any Interest Payment Date, change the length of the Auction Period with respect to all of the Series 2002D Bonds of any subseries among daily, seven-days, 28-days, 35-days, three months, six months and a Special Auction Period in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate borne by Series 2002D Bonds of such subseries. TBTA shall initiate the change in the length of the Auction Period by giving written notice to the Insurer, the Auction Agent, the Broker-Dealers and the Securities Depository that the Auction Period shall change if the conditions described herein are satisfied and the proposed effective date of the change, at least 10 Business Days prior to the Auction Date for such Auction Period; provided, however, that in the case of a change from a Special Auction Period of 92 or more days, the date of such change shall be the Interest Payment Date immediately following the last day of such Special Auction Period.

(ii) Any such changed Auction Period shall be for a period of one day, seven-days, 28-days, 35-days, three months, six months or a Special Auction Period and shall be for all of the Series 2002D Bonds of a subseries in an Auction Rate Mode.

(iii) The change in the length of the Auction Period for Series 2002D Bonds of any subseries shall not be allowed unless Sufficient Clearing Bids existed at both the Auction before the date on which the notice of the proposed change was given as provided in this subsection (a) and the Auction immediately preceding the proposed change.

(iv) The change in length of the Auction Period for Series 2002D Bonds of any subseries shall take effect only if (A) the Trustee and the Auction Agent receive, by 11:00 a.m., New York City time, on the Business Day before the Auction Date for the first such Auction Period, a certificate from TBTA consenting to the change in the length of the Auction Period specified in such certificate and (B) Sufficient Clearing Bids exist at the Auction on the Auction Date for such first Auction Period. For purposes of the Auction for such first Auction Period only, each Existing Owner shall be deemed to have submitted Sell Orders with respect to all of its Series 2002D Bonds of a subseries for which there is to be a change in the length of the Auction Period except to the extent such Existing Owner submits an Order with respect to such Series 2002D Bonds. If the condition referred to in (A) above is not met, the Auction Rate for the next Auction Period shall be determined pursuant to the Auction Procedures and the Auction Period shall be the Auction Period determined without reference to the proposed change. If the condition referred to in (A) is met but the condition referred to in (B) above is not met, the Auction Rate for the next Auction Period shall be the Maximum Auction Rate and the Auction Period shall be a seven-day Auction Period.

(v) On the conversion date for Series 2002D Bonds of a subseries from one Auction Period to another, any Series 2002D Bonds of such subseries which are not the subject of a specific Hold Order or Bid shall be deemed to be subject to a Sell Order.

(b) *Changes in Auction Date.* During any Auction Rate Mode, the Auction Agent, with the written consent of TBTA, may specify an earlier Auction Date for Series 2002D Bonds of any subseries (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rate borne on such Series 2002D Bonds. The Auction Agent shall provide notice of its determination to specify an earlier Auction Date for an Auction Period by means of a written notice delivered at least 45 days prior to the proposed changed Auction Date to the Trustee, TBTA, the Insurer, the Broker-Dealers and the Securities Depository.

Auction Agent

(a) The Auction Agent shall be appointed by the Trustee at the written direction of TBTA, to perform the functions specified herein. The Auction Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by an Auction Agreement delivered to TBTA, the Trustee and each Broker-Dealer which shall set forth such procedural and other matters relating to the implementation of the Auction Procedures as shall be satisfactory to TBTA and the Trustee.

(b) Subject to any applicable governmental restrictions, the Auction Agent may be or become the owner of or trade in Series 2002D Bonds with the same rights as if such entity were not the Auction Agent.

Qualifications of Auction Agent; Resignation; Removal.

The Auction Agent shall be (a) a bank or trust company organized under the laws of the United States or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least \$30,000,000, or (b) a member of National Association of Securities Dealers having a capitalization of at least \$30,000,000 and, in either case, authorized by law to perform all the duties imposed upon it by the Supplemental Resolution and a member of or a participant in, the Securities Depository. The Auction Agent may at any time resign and be

discharged of the duties and obligations created by the Supplemental Resolution by giving at least ninety (90) days notice to TBTA, the Insurer, each Broker-Dealer and the Trustee. The Auction Agent may be removed at any time by TBTA by written notice, delivered to the Auction Agent, TBTA, the Insurer, each Broker-Dealer and the Trustee. Upon any such resignation or removal, the Trustee shall appoint a successor Auction Agent meeting the requirements of this Section. In the event of the resignation or removal of the Auction Agent, the Auction Agent shall pay over, assign and deliver any moneys and Series 2002D Bonds held by it in such capacity to its successor. The Auction Agent shall continue to perform its duties hereunder until its successor has been appointed by the Trustee. In the event that the Auction Agent has not been compensated for its services, the Auction Agent may resign by giving thirty (30) days notice to TBTA and the Trustee even if a successor Auction Agent has not been appointed.

ATTACHMENT 7

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.

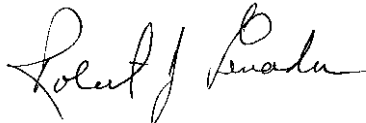
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form 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.

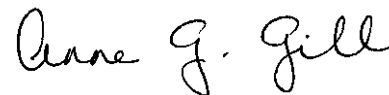
As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used 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:

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 Representative



Authorized Officer of Insurance Trustee

Endorsement

Policy for:

Attached to and forming part of Policy No.:

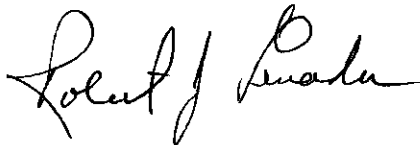
Effective Date of Endorsement:

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 8
SERIES 2002D BONDS
INFORMATION RELATING TO THE REFUNDED BONDS

* Maturities indicated by an asterisk are sinking fund payments.

T Bonds indicated by a T are final maturities of term bonds.

| Old TBTA Resolution | Series | Original CUSIP † | Maturity Date | Coupon | Refunded Principal Amount | Redemption Date | Redemption Price | Remaining Principal Outstanding †† |
|-------------------------|--------|---------------------|------------------|--------|------------------------------|--------------------|---------------------|--|
| 1980 Resolution | 1993A | | 01/01/09 | 5.000% | \$33,825,000 | * | 01/01/03 | \$4,480,000 |
| | 1993A | | 01/01/10 | 5.000% | 35,515,000 | * | 01/01/03 | 4,705,000 |
| | 1993A | | 01/01/11 | 5.000% | 26,065,000 | * | 01/01/03 | 3,455,000 |
| | 1993A | 896029ZK4 | 01/01/12 | 5.000% | 21,380,000 | T | 01/01/03 | 2,830,000 |
| | 1993A | | 01/01/13 | 5.000% | 22,450,000 | * | 01/01/03 | 2,975,000 |
| | 1993A | | 01/01/14 | 5.000% | 23,570,000 | * | 01/01/03 | 3,125,000 |
| | 1993A | 896029ZL2 | 01/01/15 | 5.000% | 64,000,000 | T | 01/01/03 | 8,475,000 |
| | | | | | <u>\$226,805,000</u> | | | <u>\$30,045,000</u> |
| | 1996B | 896029M93 | 01/01/03 | 4.400% | \$3,795,000 | Maturity | N/A | \$0 |
| | | | | | <u>\$3,795,000</u> | | | <u>\$0</u> |
| | 1997SR | 896029P58 | 01/01/03 | 5.500% | \$1,620,000 | * | Maturity | \$0 |
| | | | | | <u>\$1,620,000</u> | | | <u>\$0</u> |
| | 1999B | 896029X59 | 01/01/03 | 4.500% | \$3,420,000 | Maturity | N/A | \$0 |
| | | | | | <u>\$3,420,000</u> | | | <u>\$0</u> |
| BIC Resolution | 1993 | 896028AK3 | 01/01/03 | 5.100% | \$8,610,000 | Maturity | N/A | \$0 |
| | | | | | <u>\$8,610,000</u> | | | <u>\$0</u> |
| Special Obligation 1994 | 1998A | 896033PQ4 | 01/01/03 | 3.900% | \$6,370,000 | Maturity | N/A | \$0 |
| | | | | | <u>\$6,370,000</u> | | | <u>\$0</u> |

† CUSIP numbers have been assigned by an organization not affiliated with TBTA and are included solely for the convenience of bondholders. TBTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness. Bonds for which no CUSIP number is shown are sinking fund payments of the term bond which follows and have that CUSIP number.

†† Will be defeased by cash on hand on the date of delivery of the Series 2002D Bonds. The redemption date for such bonds is expected to be January 1, 2003.

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