This Preliminary Remarketing Circular and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Remarketing Circular constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

REMARKETING CIRCULAR **BOOK-ENTRY ONLY**

On September 10, 2014 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effecting an optional mandatory tender and purchase and remarketing of the Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1f (the Subseries 2002G-1f Bonds) and Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-1 (the Subseries 2012G-1 Bonds, and, together with the Subseries 2002G-1f Bonds, the Remarketed Bonds). All of the Remarketed Bonds will be subject to mandatory tender on the Mandatory Tender Date at a purchase price equal to the principal amount thereof, plus accrued interest to, but not including, the Mandatory Tender Date. See "REMARKETING PLAN." See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

$127,025,000
METROPOLITAN TRANSPORTATION AUTHORITY
TRANSPORTATION REVENUE VARIABLE RATE BONDS
consisting of

$42,575,000
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2002G-1f
(LIBOR Floating Rate Tender Notes)

$84,450,000
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2012G-1
(LIBOR Floating Rate Tender Notes)

Dated and accruing interest from September 10, 2014 **Due: November 1, as shown on the inside cover**

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

MTA has no taxing power.

The Remarketed Bonds are subject to redemption prior to maturity and mandatory tender for purchase, including on an Optional Purchase Date, as described herein.

Each Subseries of Remarketed Bonds will bear interest in the Term Rate Mode at a variable rate equal to the applicable Adjusted LIBOR Rate, as further described herein. The Adjusted LIBOR Rate for each Interest Rate Period of each Subseries of the Remarketed Bonds will equal 67% of the USD-LIBOR-BBA (one-month) plus the per annum spread set forth on the inside cover. The Adjusted LIBOR Rate will be determined on the second London Banking Day prior to the first Business Day of each month, and will be effective on the first Business Day of each month. See "DESCRIPTION OF REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds" herein.

MTA reserves the right to convert any of the Remarketed Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode or Fixed Rate Mode, and, in connection therewith, to change the principal amount of the Remarketed Bonds. **This remarketing circular is intended to provide disclosure relating to the Remarketed Bonds only to the extent the Remarketed Bonds remain in the Term Rate Mode bearing interest at the Adjusted LIBOR Rate.**

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

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

Sealed bids for the Subseries 2002G-1f Bonds will be received at 10:00 A.M. (Prevailing Time) and for the Subseries 2012G-1 Bonds at 10:30 A.M. (Prevailing Time) each on September 4, 2014, unless postponed, in accordance with the Notice of Sale attached as Exhibit 1 to this Preliminary Remarketing Circular, pursuant to electronic competitive bidding to be held via i-Deal LLC's BiDCOMP/PARITY (BiDCOMP) Competitive Bidding System.

September __, 2014

$42,575,000
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2002G-1f
(LIBOR Floating Rate Tender Notes)
Term Bond Maturing November 1, 2026

Purchase Date	Principal Amount	Interest Rate (Variable)	Price	CUSIP Number**
November 1, 2018	$42,575,000	67% of USD-LIBOR-BBA (one month)* plus __%	100%	59259YJ59

$84,450,000
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2012G-1
(LIBOR Floating Rate Tender Notes)
Term Bond Maturing November 1, 2032

Purchase Date	Principal Amount	Interest Rate (Variable)	Price	CUSIP Number**
November 1, 2019	$84,450,000	67% of USD-LIBOR-BBA (one month)* plus __%	100%	59259YVE6

* See "DESCRIPTION OF REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds" herein for a description of the USD-LIBOR-BBA (one-month), the Adjusted LIBOR Rate and Determination thereof.

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

SUMMARY OF TERMS RELATING TO REMARKETED BONDS (FLOATING RATE TENDER NOTES)*

INTEREST PAYMENT DATES AND CALCULATION PERIOD	First Business Day of each month, on actual days over a 365-day year (366 in years when February has 29 days).
RECORD DATE	Opening of business on the first Business Day preceding an Interest Payment Date.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	• The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2002G-1f Bonds is November 1, 2018 and the Purchase Date for the Subseries 2012G-1 Bonds is November 1, 2019. • On any Business Day which is no earlier than the earliest Optional Purchase Date, at the option of MTA. The earliest possible Optional Purchase Date for the Subseries 2002G-1f Bonds is May 1, 2018 and the earliest possible Optional Purchase Date for the Subseries 2012G-1 Bonds is May 1, 2019. • On any Mode Change Date, which such Mode Change Date shall not be prior to the earliest possible Optional Purchase Date.
NOTICE OF MODE CHANGE; MODE CHANGE DATE; REVOCABILITY	Trustee to mail notice to Owners not later than 15 days before the Mode Change Date; MTA may rescind a conversion notice up to one Business Day before the Mode Change Date.
RATE DETERMINATION DATE	Second London Banking Day prior to the first Business Day of each month.
RATE ADJUSTMENT DATE	First Business Day of each month.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	A rate per annum equal to the lesser of the maximum rate permitted by law and 10%.
MAXIMUM ADJUSTED LIBOR RATE	A rate per annum equal to the lesser of the maximum rate permitted by law and 10%.
CALCULATION AGENT	The Bank of New York Mellon.

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

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

Thomas F. Prendergast	Chairman and Chief Executive Officer
Fernando Ferrer	Vice Chairman
Andrew B. Albert	Non-Voting Member
Jonathan A. Ballan	Member
John H. Banks III	Member
Robert C. Bickford	Member
Norman E. Brown	Non-Voting Member
Allen P. Cappelli	Member
Ira R. Greenberg	Non-Voting Member
Jeffrey A. Kay	Member
Susan G. Metzger	Member
Charles G. Moerdler	Member
John J. Molloy	Member
Mitchell H. Pally	Member
Andrew M. Saul	Member
James L. Sedore, Jr.	Member
Vincent Tessitore, Jr.	Non-Voting Member
Polly Trottenberg	Member
Ed Watt	Non-Voting Member
Iris Weishall	Member
Carl V. Wortendyke	Member
Neal Zuckerman	Non-Voting Member

Robert E. Foran	Chief Financial Officer
Catherine A. Rinaldi	Chief of Staff
Jerome F. Page, Esq.	General Counsel
Patrick J. McCoy	Director of Finance

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

PUBLIC FINANCIAL MANAGEMENT, INC.
New York, New York
Financial Advisor

SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Remarketed Bonds (defined herein). The information in this Remarketing Circular, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to MTA's Transportation 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	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Remarketed	Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1f and Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-1 (collectively, the Remarketed Bonds).
Purpose of Issue	To effect a mandatory tender and purchase of the Transportation Revenue Variable Rate Refunding Bonds, Remarketed Bonds.
Maturities and Rates	The Remarketed Bonds mature on the dates and at the rates shown on the inside cover.
Denominations	$5,000 and integral multiples of $5,000.
Interest Payment Dates	The first Business Day of each month, commencing October 1, 2014.
Redemption	See "DESCRIPTION OF REMARKETED BONDS – Tender and Redemption Provisions for the Remarketed Bonds" in Part I.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in Part II.
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee	The Bank of New York Mellon, New York, New York.
Bond Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in Part III.
Ratings	*Rating Agency* — *Rating* Moody's: A2 Standard & Poor's: AA- Fitch: A See "RATINGS" in Part III.
Financial Advisor	Public Financial Management, Inc., New York, New York.
Purchase Price	The Remarketed Bonds are being sold competitively to purchasers (the Remarketing Agents) pursuant to the terms of the Notice of Sale relating thereto dated August 26, 2014.

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

- ***No Contract or Investment Advice*. This Remarketing Circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Remarketing Circular and the Remarketed Bonds being offered, or 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 Remarketing Circular shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein.**

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

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

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Information Included by Specific Cross-reference. The following portions of MTA's 2014 Combined Continuing Disclosure Filings, dated April 30, 2014, as supplemented on May 1, 2014, filed with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the delivery date of the Remarketed Bonds, together with any supplements or amendments thereto:

- **Appendix A** – The Related Entities
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2013 and 2012

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

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Three-Month Period Ended March 31, 2014

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

INTRODUCTION

MTA, TBTA and Other Related Entities

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

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA's service region (the MTA Commuter Transportation District), which consists of 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 and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in New York City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities. MTA Bridges and Tunnels is also empowered to issue debt obligations to finance the Transit and Commuter Systems. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA's affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Appendix A** to MTA's 2014 Combined Continuing Disclosure Filings (**Appendix A**), which is included by specific cross-reference in this Remarketing Circular.

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

Legal Name	Popular Name
Metropolitan Transportation Authority	MTA
New York City Transit Authority	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	MTA Metro-North Railroad
MTA Capital Construction Company	MTA Capital Construction
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Capitalized terms used herein and not otherwise defined have the meanings provided by **Appendix A**.

Information Provided in Appendix A

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

Where to Find Information

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

- **Part I** provides specific information about the Remarketed Bonds.
- **Part II** describes the sources of payment and security for all Transportation Revenue Refunding Bonds, including the Remarketed Bonds.
- **Part III** provides miscellaneous information relating to the Remarketed Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Remarketed Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Remarketed Bonds.
- **Attachment 3-1** is the form of approving opinion of Bond Counsel originally delivered in connection with the original issuance of the Subseries 2002G-1f Bonds on November 20, 2002.
- **Attachment 3-2** is the form of opinion of Nixon Peabody LLP delivered in connection with the initial remarketing of the Subseries 2002G-1f Bonds on October 9, 2008.
- **Attachment 3-3** is the form of approving opinion of Bond Counsel delivered in connection with the further remarketing of the Subseries 2002G-1f Bonds on October 3, 2013.
- **Attachment 3-4** is the form of approving opinion of Nixon Peabody LLP delivered in connection with the original issuance of the Subseries 2012G-1 Bonds on November 13, 2012.
- **Exhibit 1** is in the form of Notice of Sale for the Remarketed Bonds.
- Information Included by Specific Cross-reference in this Remarketing Circular and identified in the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

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

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

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

Recent Developments Affecting MTA

The 2014 Mid-Year Forecast, 2015 Preliminary Budget and July Financial Plan 2015-2018 (collectively, the July Plan or Plan) was presented to the MTA Board at its July 28, 2014, meeting.

Changes Since the February Plan

The MTA 2014 Adopted Budget and the 2014-2017 Financial Plan of February 2014 (collectively the February Plan) was balanced through 2016 with a manageable deficit of $255 million in 2017. The February Plan was based upon five key inter-related elements: (i) three years of "net zero" labor settlements with all MTA unions; (ii) annually recurring savings of $1.1 billion in 2014 increasing to $1.5 billion by 2017; (iii) projected fare/toll increases of 4% in 2015 and 2017; (iv) no further legislative erosion of Payroll Mobility Tax (PMT) revenues; and (v) $370 million of pay-as-you-go capital (PAYGO) beginning in 2015 as a "down payment" on the 2015–2019 Capital Program.

The February Plan stated that failure to achieve the assumed labor settlements, the increase in recurring savings, or any significant decrease in the PMT or any other taxes/subsidies would require an increase in fares/tolls or a decrease in funds committed to PAYGO.

While MTA is on track to achieve the February Plan's estimated increase in annually recurring savings, the July Plan no longer assumes represented labor costs based upon three years of "net zero" wage growth. Actual and assumed labor settlements with Transport Workers Union Local 100 (TWU Local 100) and other unions, and the actual and assumed settlements with the commuter railroad unions, if patterned after the recent agreement with the leadership of a coalition of unions representing the majority of the employees of MTA Long Island Rail Road (LIRR Union Coalition), will increase labor costs by almost $1.3 billion through 2017.

Exclusive of the impacts of the actual and assumed labor settlements, there have been other favorable and unfavorable revenue and expense re-estimates and changes since the February Plan that are $635 million net favorable to the July Plan through 2017.

Favorable re-estimates and other changes in the July Plan include:

- Lower health and welfare and Other Post-Employment Benefit (OPEB) current payment costs
- Lower debt service costs
- Favorable energy expenses in 2015–2017
- Lower pension re-estimates
- Higher passenger/toll and other revenues
- Higher paratransit savings
- Higher real estate receipts in 2014, nearly offset by lower projections in 2015-2017
- Favorable operating expense decreases as a result of a delay in the East Side Access in service date
- Reduced 2013 spending that increased carryover balance

Unfavorable re-estimates and other changes from the February Plan include:

- Lower PMT receipts
- Higher overtime
- New safety investments
- Additional operational and maintenance needs
- Additional service investments and customer enhancements

However, actual and assumed labor settlements with TWU Local 100 and other unions, and the actual and assumed settlements with the commuter railroad unions, if patterned after the recent agreement with the

leadership of a coalition of unions representing the majority of the employees of LIRR Union Coalition, will increase labor costs by almost $1.3 billion through 2017.

The net impact of all of the changes since the February Plan, including actual and assumed labor settlements, is $645 million unfavorable through 2017.

Highlights of the July Plan

TWU Local 100 Settlement. On April 17, 2014, MTA and its largest union, the TWU Local 100, settled a contract with provisions that will cost more than what was projected in the February Plan.

The July Plan reflects the additional incremental financial impact of the TWU Local 100 agreement and assumes the agreements described below under the subheading "*LIRR Union Coalition Agreements*" will be approved by the MTA Long Island Rail Road Board and that a comparable proposal will be accepted by the remaining unions at the MTA Long Island Rail Road and the unsigned unions at MTA Metro-North Railroad.

Combining the costs of the TWU Local 100 pattern and the assumed incremental cost needed to settle contracts with the commuter railroads results in incremental increases in labor costs over those incorporated into the February Plan of $478 million in 2014, $293 million in 2015, $256 million in 2016, $255 million in 2017, and $237 million in 2018.

The July Plan proposes to fund these anticipated additional incremental increases in labor costs with favorable revenue and expense re-estimates and the reallocation of resources, including: the use of existing OPEB reserves; the elimination of OPEB contributions through 2017; the elimination of supplemental LIRR pension contributions; and a reduction in PAYGO earmarked for the 2015–2019 Capital Program.

Such favorable revenue and expense re-estimates and reallocation of resources allows MTA to maintain the projected fare/toll increases of 4% in 2015 and 2017. However, the reallocation of resources does adversely affect MTA's ability to address long-term costs and liabilities and will require some long-term trade-offs.

Nevertheless, the July Plan continues to reflect receipt of $290 million of PAYGO funding annually, a $240 million payment to fund the LIRR Additional Pension Plan, resulting in a reduction of that plan's unfunded liability by 18 percent, and the maintenance of approximately $450 million in the OPEB Reserve/Trust.

Fare/Toll increases of 4% in 2015 and 2017. The July Plan continues to project biennial fare/toll increases of approximately 2% per year, which are in line with inflation forecasts. Consistent with recent financial plans, a March 1 implementation for both the 2015 and 2017 increases is anticipated. In November 2013, the MTA raised savings targets in order to fund a reduction in projected fare/toll increases that had been anticipated to be 7.5% for each of those years.

Support for the Capital Program. The July Plan includes PAYGO for the 2015-2019 Capital Program of $290 million per year beginning in 2015. This level of funding is an annual reduction of $80 million from the February Plan assumption. Such $80 million annually would support capital funding of approximately $1.5 billion for the 2015–2019 Capital Program if used for debt service in addition to direct funding; however, the remaining PAYGO of $290 million annually will still support capital funding of $5.4 billion if such PAYGO is used for debt service or $2.3 billion of capital funding is such PAYGO is directly applied to capital funding over the expected eight-year expenditure period.

Safety investments. The safety of customers and employees is the top priority for the MTA. Since 2013 changes were made to MTA's executive structure, including establishing a Chief Safety Officer position at each agency and at MTA Headquarters and forming a Safety Committee of the MTA Board. Agencies are in the process of updating their current safety practices and procedures. Additionally, MTA convened a Blue

Ribbon Panel (the "Panel") comprised of outside safety experts. The Panel has made recommendations, some of which are currently being implemented, and will be issuing a final report later this summer.

The July Plan includes an unprecedented level of safety funding, with investments totaling $363 million over the July Plan period. Investments are being made in customer and employee safety programs to promote and adhere to a culture of safety via improved work practices, additional training and investments in technology and equipment, including the use of audio/visual cameras on the commuter rails and track, signals and communications improvements, more inspections and maintenance of the right-of-way and the provision of operating resources to support the capitally-funded implementation of Positive Train Control.

Service and service quality investments. MTA is adding or restoring $20 million of annual service and service quality investments to complement the $29 million in service investments approved in 2012 and the $18 million approved in 2013. These investments reflect agency-identified service and customer enhancement priorities which MTA believes are affordable in the current financial climate. These new investments are in addition to the normal platform service guideline adjustments which, in the July Plan, approach $5 million per year.

Addressing new operational and maintenance needs. In addition to the safety and service investments mentioned above, MTA is investing $125 million over the July Plan period to improve operations and maintenance. MTA Headquarters is leading an Enterprise Asset Management system implementation that will help MTA to make informed decisions that balance operating and capital investments, asset performance, and the operational risk inherent in managing its assets. MTA Headquarters is also making important and necessary investments in security technology, resiliency, and maintenance.

MTA New York City Transit investments include additional maintenance of its older buses, more station cleaners to improve cleanliness and reduce unscheduled overtime, improved track maintenance, increased employee training, and the funding of normal "platform" service adjustments. MTA Bus investments include additional resources for tires and tubes for its low floor bus fleet, additional fare box maintainers to address reliability issues and additional maintenance of its older buses.

MTA Long Island Rail Road investments include additional maintenance for its M-3 fleet, replacement of obsolete electronic system components on its M-7 fleet, and the funding of normal "platform" service adjustments. MTA Metro-North Railroad investments include the purchase of two new catenary maintenance vehicles, investments in critical warehouse inventory management system components, replacement of power system electrical components to maintain the reliability of third rail traction, and other infrastructure Improvements. MTA Bridges and Tunnels is making investments to hire additional positions associated with its All Electronic Tolling and Open Road Tolling programs.

Annually recurring expense reductions and efficiencies. The July Plan continues the strategy developed in 2010 to "make every dollar count." This results in anticipated annual, recurring savings of over $1.1 billion in 2014, growing to $1.5 billion by 2017. This savings target has increased every year. The July Plan reduces the level of unimplemented savings projected for 2015 from $121 million in February to $72 million. Of that remaining target, only $26 million remains to be identified. The unidentified portions of out-year savings targets have been similarly reduced.

Overall Results

Taken in total, these re-estimates, changes and recommendations result in a net improvement to MTA's cash projections during the July Plan period. The July Plan remains balanced through 2016, the 2017 deficit is eliminated, and the 2018 deficit is projected to be $262 million. While MTA's cash position has improved since it was reported in the February Plan, the long-term financial picture may be more vulnerable than in recent plans, since higher labor costs are being funded through the reallocation of resources that were intended to reduce long-term costs.

Strategy Going Forward

While MTA cost reduction efforts have yielded positive results, MTA continues to pursue efficiencies and consolidations, to maximize annually recurring cost savings while maintaining existing cost control measures.

Although the need to fund the labor settlements has caused a temporary reallocation of some resources, MTA remains committed to the objective of addressing long-term costs and liabilities. While the July Plan suspends OPEB contributions through 2017, it resumes the contributions in 2018, albeit in a much lower amount. Should finances improve, MTA will increase funding to the extent possible.

MTA will continue to use non-recurring revenues, favorable budget variances and unused general reserve funds to reduce long-term unfunded liabilities such as OPEB, and the LIRR Additional Pension Plan or as PAYGO to produce recurring savings. Similarly, MTA will continue to reinvest debt service savings into PAYGO capital, which has become an increasingly important source of funding to MTA's capital programs.

Risks to the July Plan

The July Plan assumes that MTA will successfully execute the July Plan strategy. While MTA labor costs will be more expensive than assumed in the February Plan, one of MTA's most significant risks has been addressed. Efforts to reduce costs will continue, but at some point, additional savings may be more difficult to achieve. The next significant concern will be obtaining approval for a fully funded 2015-2019 Capital Program. MTA can provide no assurance that sufficient funding will be available at the time the 2015-2019 Capital Program is introduced.

The Federal Reserve Board has indicated that the eventual end to the Federal Reserve Board's program of bond purchases is approaching; this could lead to an increase in bond rates, which would ultimately increase debt service payments to support the MTA Capital Program.

The July Plan assumes that State budget actions will reflect full remittance to MTA of all funds collected on its behalf, including the PMT, which remains an unpopular tax. MTA could not continue to offer its present level of service without the PMT or a comparable replacement funding source.

Finally, the finances of the MTA are highly dependent on the economy. Passenger and toll revenues, dedicated taxes and subsidies and debt service, pensions and energy costs are all affected by the economy.

Labor Update

Subsequent to the presentation of the July Plan to the MTA Board, certain of the unions representing Long Island Railroad and MTA Metro-North Railroad employees reached agreement.

Long Island Rail Road Union Coalition Agreements. On July 17, 2014, MTA Long Island Rail Road entered into tentative agreements with the leaders of a coalition of eight unions representing the majority of employees at MTA Long Island Rail Road constituting the LIRR Union Coalition to settle outstanding issues arising from collective bargaining agreements that expired in 2010. A ninth union entered into a similar agreement on July 30, 2014. Subsequently, all nine agreements were ratified by their respective union's membership and will be presented to the MTA Board for approval at the September 2014 meeting.

Metro-North Union Agreements. On Monday, August 18, 2014, MTA Metro-North Railroad reached tentative agreements affecting seven of its bargaining units representing 42% of its represented work force. These agreements, all of which mirror the LIRR Union Coalition agreements with regard to both structure and cost, are currently pending union ratification and, if ratified, will be presented to the MTA Board for approval at the September 2014 meeting.

Superstorm Sandy Update

The total allocation of appropriated emergency relief funding from the Federal Transit Administration (FTA) to MTA in connection with Superstorm Sandy to date is $3.79 billion. Of the total allocated amount, the FTA has approved and executed two grants to MTA in the amounts of $194 million and $886 million, respectively, for a total of $1.08 billion. As of August 22, 2014, MTA has drawn down $181 million of the $194 million for reimbursement of eligible operating and capital expenses. The grant in the amount of $886 million is solely for MTA capital projects and will be used for recovery projects totaling $802 million and for four resiliency projects totaling $84 million. As of August 22, 2014, MTA has drawn down $313 million of the $886 million for reimbursement of eligible capital expenses. The balance of funds to be drawn down from both grants is available to MTA for reimbursement of eligible expenses as requisitions are submitted by MTA and approved by FTA. Additional requisitions are in process. MTA has not yet submitted grant requests for the remaining $2.71 billion of FTA allocated and appropriated emergency relief funding, but has begun discussions with FTA staff about the formal submission of the next round of grant(s) in the coming months before the end of federal fiscal year 2014.

On December 26, 2013, the FTA issued a Notice of Fund Availability soliciting proposals for a $3 billion competitive resiliency program. MTA submitted proposals for projects totaling $3.9 billion ($2.9 billion federal share) by the March 28, 2014, deadline. It is currently not known what portion of that $3 billion allocation MTA will receive; FTA award announcements will be made later this year.

FEMA has approved approximately $17 million in expenses for emergency measures, debris removal, repair and resiliency for the MTA Bridges and Tunnels' bridge facilities, of which $5.9 million has been received to date.

On April 16, 2014, FEMA approved, under the Public Assistance Alternative Procedures Pilot Program, approximately $329 million in FEMA funding for repairs and $74.5 million in FEMA funding for hazard mitigation of the damaged elements of the Hugh Carey Tunnel and the Queens Midtown Tunnel. MTA Bridges and Tunnels has applied for an additional $4.76 million from FEMA for hazard mitigation at other facilities.

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PART I: REMARKETED BONDS

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

REMARKETING PLAN

On September 10, 2014 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effecting an optional mandatory tender of the Remarketed Bonds. All of the Remarketed Bonds will be subject to mandatory tender on the Mandatory Tender Date at a purchase price equal to the principal amount thereof, plus accrued interest to, but not including, the Mandatory Tender Date.

DESCRIPTION OF THE REMARKETED BONDS

General

Book Entry Only System. The Remarketed 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 Remarketed Bonds. Individual purchases will be made in book entry only form, in the principal amount of $5,000 or integral multiples thereof (Authorized Denominations). So long as DTC is the registered owner of the Remarketed Bonds, all payments on the Remarketed Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1-**"Book Entry Only System."

Interest Payments. Interest on the Remarketed Bonds is payable on the first Business Day of each month, commencing October 1, 2014. So long as DTC is the sole registered owner of all of the Remarketed Bonds, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC's participants will be responsible for payment of interest to beneficial owners. All Remarketed Bonds will be fully registered in Authorized Denominations.

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

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

Determination of Interest Rates for the Remarketed Bonds

Each Subseries of 2002G-1f Bonds and the Subseries 2012G-1 Remarketed Bonds shall bear interest at the Adjusted LIBOR Rate. The Adjusted LIBOR Rates for the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds shall each equal the sum of 67% of the USD-LIBOR-BBA (one-month), plus the applicable per annum spread set forth on the inside cover page hereof. The Adjusted LIBOR Rates shall be determined on the second London Banking Day prior to the first Business Day of each month (each a Rate Determination Date), as further described below. Such Adjusted LIBOR Rates shall each be effective on the first Business Day of each month (the Rate Adjustment Date). Interest will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. The Adjusted LIBOR Rates shall never exceed an interest rate per annum equal to the lesser of the maximum rate permitted by law and 10.0%.

"London Banking Day" is defined as any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England.

"Reference Banks" shall mean the banks determined in accordance with the terms of the Certificate of Determination.

"USD-LIBOR-BBA" means the rate for a Rate Adjustment Date will be the rate for deposits in U.S. Dollars for a period of one month which appears on the Reuters Screen LIBOR 01 Page as of 11:00 A.M., London time, on the day that is two London Banking Days preceding the Rate Adjustment Date. If such rate does not appear on the Reuters Screen LIBOR 01 Page, the rate for that Rate Adjustment Date will be determined using a rate provided by USD-LIBOR-Reference Banks as the applicable floating rate.

"USD-LIBOR-Reference Banks" means that the rate for a Rate Adjustment Date will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the Reference Banks at approximately 11:00 A.M., London time, on the day that is two London Banking Days preceding that Rate Adjustment Date to prime banks in the London interbank market for a period of one month commencing on that Rate Adjustment Date and in an amount approximately equal to the par amount of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Rate Adjustment Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Rate Adjustment Date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11:00 A.M., New York City time, on that Rate Adjustment Date for loans in U.S. Dollars to leading European banks for a period of one month commencing on that Rate Adjustment Date and in an amount approximately equal to the respective par amount of each of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds, as applicable.

The Bank of New York Mellon is acting as the initial Calculation Agent with respect to the Subseries 2002G1f Bonds and the Subseries 2012G-1 Bonds. The initial Adjusted LIBOR Rates shall each be determined by the Calculation Agent based on 67% of the USD-LIBOR-BBA (one-month) published on Monday, September 8, 2014, with the effective date being Wednesday, September 10, 2014. Subsequently, the Adjusted LIBOR Rates shall each adjust monthly on each Rate Adjustment Date, based upon 67% of the USD-LIBOR-BBA (one-month) published on the second London Banking Day before the first Business Day of each month (rounded upward to the third decimal place when calculated), with the effective date for each adjustment of the Adjusted LIBOR Rates to be effective on the first Business Day of each month. Upon determining the Adjusted LIBOR Rates for a given month, the Calculation Agent shall notify MTA of such rate by electronic mail (e-mail) or by telephone or in such other manner as may be appropriate on the date of such determination, which notice, if provided by telephone, shall be promptly confirmed in writing. Such notice shall be provided by not later than 6:00 P.M. New York City time on the Rate Determination Date.

The determination of the Adjusted LIBOR Rate (absent manifest error) shall be conclusive and binding upon MTA, the Owners of the Remarketed Bonds, the Trustee, the Tender Agent and the Remarketing Agent. If the Adjusted LIBOR Rate shall not be established because the USD-LIBOR-BBA ceases to be published, the Calculation Agent shall substitute for 67% of the USD-LIBOR-BBA (one month), 67% of the sum of federal funds rate plus 0.10%. Such federal funds rate will be the rate as published by the Board of Governors of the Federal Reserve System on its Table H.15 at the time of determination of the Adjusted LIBOR Rate.

LIBOR Manipulation Claims

The interest rates to be borne by the Remarketed Bonds are based on a spread over one-month London Interbank Offered Rate (LIBOR), as set forth on the inside cover of this remarketing circular. The LIBOR serves as a global benchmark for home mortgages, student loans and what various issuers pay to borrow money. Certain financial institutions have announced settlements with certain regulatory authorities with respect to, among other things, allegations of manipulating LIBOR or have announced that they are involved in investigations by regulatory authorities relating to, among other things, the manipulation of LIBOR. In addition to the ongoing investigations, several plaintiffs have filed lawsuits against various banks in federal court seeking damages arising from alleged LIBOR manipulation. On September 28, 2012, a top official at the

United Kingdom's Financial Services Authority unveiled his recommendations calling for a sweeping overhaul of LIBOR and removing it from the control of the British Bankers' Association (the BBA). In December 2012, the United Kingdom passed legislation effective, April 1, 2013, bringing LIBOR activities within the scope of statutory regulation and creating a new criminal offence for misleading statements in relation to benchmarks such as LIBOR. On February 1, 2014, the ICE Benchmark Administration took over administration of LIBOR from the BBA. It is not possible to predict what effect, if any, these events will have on the use of LIBOR as a global benchmark going forward, or on the Remarketed Bonds.

Tender and Redemption Provisions for the Remarketed Bonds

The Remarketed Bonds are subject to tender and redemption prior to maturity on such dates and at such prices as are set forth below.

Mandatory Tender for Purchase at End of each Term Rate Mode Interest Rate Period. The Remarketed Bonds are subject to mandatory tender for purchase on the Business Day after the last day of the initial Interest Rate Periods (each a Purchase Date) at the Purchase Price. The Purchase Date for the Subseries 2002G-1f Bonds is November 1, 2018, and the Purchase Date for the Subseries 2012G-1 Bonds is November 1, 2019.

Mandatory Tender for Purchase at the Option of the Issuer. The Remarketed Bonds are subject to a mandatory tender for purchase at the option of the MTA (each an Optional Purchase) at the Purchase Price on any Business Day which Business Day is no earlier than May 1, 2018 with respect to the Subseries 2002G-1f Bonds and May 1, 2019 with respect to the Subseries 2012G-1 Bonds (each an Optional Purchase Date).

Mandatory Tender for Purchase on any Mode Change Date. The Remarketed Bonds are subject to a mandatory tender for purchase on the Mode Change Date (which Mode Change Date shall not be prior to the applicable earliest possible Optional Purchase Date) at the Purchase Price.

Mandatory Purchase Date and Purchase Price. The Purchase Date, the Optional Purchase Date and the Mode Change Date are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds on any Mandatory Purchase Date shall be the principal amount of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, as applicable, and interest shall be paid in accordance with customary procedures.

Optional Redemption. The Remarketed Bonds are subject to redemption prior to maturity as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any Business Day which Business Day is no earlier than May 1, 2018 in the case of the Subseries 2002G-1f Bonds and May 1, 2019, in the case of the Subseries 2012G-1 Bonds, subject to applicable notice, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest up to but not including the redemption date.

Mandatory Sinking Fund Redemption. The Subseries 2002G-1f 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 Subseries 2002G-1f Bonds specified for each of the years shown below:

November 1	Subseries 2002G-1f
2018	$4,305,000
2019	4,475,000
2020	4,650,000
2021	4,840,000
2022	5,035,000
2023	5,235,000
2024	5,445,000
2025	5,665,000
2026†	2,925,000

† Final maturity

The Subseries 2012G-1 Bonds are not subject to mandatory sinking fund redemption prior to the final maturity dated as of November 1, 2032.

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and if taken, thereafter reduce the amount of Subseries 2002G-1f Bonds otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase Subseries 2002G-1f 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 as directed by MTA.

- If MTA purchases or redeems term Subseries 2002G-1f Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installments in any order, and in any annual amount, that MTA may direct.

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

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the Notice Parties of the mandatory tender for purchase of the Remarketed Bonds that is to occur on that date.

Notice of any mandatory tender of the Remarketed Bonds will be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of the Remarketed Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,

- the Purchase Price,

- the place and manner of payment,

- that the Owner has no right to retain such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, and

- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds will in addition specify the conditions that have to be satisfied pursuant to the Transportation Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption would not affect the obligation of the Tender Agent to purchase the Subseries 2002G-1f Bonds or the Subseries 2012G-1Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Remarketed Bonds, the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds are not held in book-entry-only form, as applicable, then the Trustee must mail redemption notices directly to bondholders within the same time frame. A redemption of the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds, as applicable, 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.**

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Subseries 2002G-1f Bonds or the Subseries 2012G-1 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 Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds called for redemption will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds called for redemption, thereafter, no interest will accrue on those Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, as applicable.

Changes in Mode

General. Any Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds may be changed to any other Mode at the times and in the manner as summarized below.

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

General Provisions Applying to Changes from Term Rate Mode to Another.

1. The Mode Change Date must be a Business Day, which is no earlier than the earliest date on which the Remarketed Bonds are subject to an Optional Purchase, as described above under "-Tender and Redemption Provisions for the Remarketed Bonds-*Mandatory Tender for Purchase at the Option of the Issuer*."

2. On or prior to the date MTA provides the notice to the Notice Parties, MTA will deliver to the Trustee (with a copy to all other Notice Parties) a letter from 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 10:00 A.M., or such later time as is acceptable to MTA, the Trustee and the remarketing agent, on the Mode Change Date:

    - a Favorable Opinion of Bond Counsel dated the Mode Change Date,

    - unless the existing Tender Agency Agreement and Remarketing Agreement are effective on the Mode Change Date, a Tender Agency Agreement and a Remarketing Agreement if required for the New Mode, and

    - a certificate of an authorized officer of the Tender Agent to the effect that all of the Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, as applicable, 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 Rate Period for the New Mode shall commence on the Mode Change Date and the interest rate will 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 applicable Subseries of Remarketed Bonds that are the subject of the Mode change:

    - will be subject to mandatory tender for purchase;

    - will continue to be in the Term Rate Mode; and

    - will bear interest at the rate of 10% per annum.

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

Future Remarketing of Remarketed Bonds

MTA currently plans to remarket the Remarketed Bonds on or before their respective Purchase Dates, and apply the proceeds of such remarketing to pay the respective Purchase Price of such subseries. The remarketing agent to be appointed by MTA shall offer for sale and use its best efforts to find purchasers for all Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds required to be tendered for purchase.

Source of Funds for Purchase of Remarketed Bonds

On or before 3:00 P.M. on each Mandatory Purchase Date, the Tender Agent shall purchase the Remarketed Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price shall be derived solely from immediately available funds transferred by the remarketing agent to the Tender Agent derived from the remarketing of Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds.

Notwithstanding the foregoing, MTA shall have the option, but shall not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds tendered or deemed tendered as described in this Remarketing Circular and the Purchase Price of which is not paid on the Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent or the remarketing agent shall have any liability or obligation to pay or, except from the sources identified above, make available such Purchase Price. The failure to pay any such Purchase Price for Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds that have been tendered or deemed tendered for purchase from any of the sources identified above shall not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds shall be purchased, and such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, as applicable, shall remain in the respective Term Rate Mode and bear interest at the rate equal to the lesser of the maximum rate permitted by law and 10% per annum. See "-Consequences of a Failed Remarketing."

Delivery of Remarketed Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds

Except as otherwise required or permitted by DTC's book-entry-only system of the Securities Depository, remarketed Remarketed Bonds sold by a remarketing agent shall be delivered by the remarketing agent to the purchasers of those Remarketed Bonds by 3:00 P.M. on the Mandatory Purchase Date.

Delivery and Payment for Purchased Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds; Undelivered Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds

Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, remarketed Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds purchased as set forth above shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds purchased shall be made only if such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price shall be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mandatory Purchase Date or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution. If Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the Mandatory Purchase Date, the Tender Agent shall hold any funds received for the purchase of those Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds in trust in a separate account uninvested, and shall pay such funds to the former bondholders upon presentation of Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds subject to tender. Undelivered Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds are deemed tendered and cease to accrue interest as to the former bondholders on the Mandatory Purchase Date if moneys representing the Purchase Price shall be available against delivery of those Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds at the

Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds 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 MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds shall look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent shall have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds. The Tender Agent shall authenticate replacement Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds for any undelivered Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds which may then be remarketed by the remarketing agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the purchase price of all Outstanding Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds on the applicable Mandatory Purchase Date, (1) no purchase shall be consummated on such Mandatory Purchase Date and the Tender Agent shall, after any applicable grace period, (a) return all tendered Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds of the applicable Subseries to the registered owners thereof and (b) return all remarketing proceeds to the remarketing agent for return to the persons providing such moneys; and (2) the Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, as applicable, will bear interest at the rate of equal to the lesser of the maximum rate permitted by law and 10% per annum during the period of time from and including the applicable Mandatory Purchase Date to (but not including) the date that all such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds are successfully remarketed (the Delayed Remarketing Period).

On each Business Day following the failed remarketing on the applicable Mandatory Purchase Date, the remarketing agent shall continue to use its best efforts to remarket the applicable subseries of the Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds into the Mode designated by the Trustee, at the direction of the MTA (or such other Mode as the Trustee, at the direction of MTA, shall thereafter designate to the remarketing agent and the prospective owners thereof) or an additional Interest Rate Period in the Term Rate Mode. Once the remarketing agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the applicable Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; (4) the purchase price of such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds on the purchase date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply available amounts to the redemption of the Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption shall be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds shall be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest shall be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use its best efforts to cause the remarketing agent to remarket such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds, to convert such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds to another Mode or another Interest Rate Period or to refund such Subseries 2002G-1f Bonds or Subseries 2012G-1 Bonds.

Debt Service on the Bonds

Table 1 on the next page sets forth, on a cash basis, the estimated debt service on the outstanding Transportation Revenue Bonds, estimated debt service on the Remarketed Bonds, and the aggregate estimated debt service on all Transportation Bonds.

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

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4]	Remarketed Bonds			Aggregate Debt Service
		Principal	Interest[2]	Total	
2014	$1,398,083	$ -	$ 5,237	$5,237	$1,403,320
2015	1,401,852	-	5,237	5,237	1,407,089
2016	1,376,803	-	5,237	5,237	1,382,040
2017	1,406,946	-	5,237	5,237	1,412,183
2018	1,428,654	4,305	5,237	9,542	1,438,196
2019	1,429,728	4,475	5,048	9,523	1,439,251
2020	1,425,376	4,650	4,851	9,501	1,434,877
2021	1,426,389	4,840	4,646	9,486	1,435,875
2022	1,413,090	5,035	4,433	9,468	1,422,559
2023	1,428,564	5,235	4,212	9,447	1,438,010
2024	1,425,427	5,445	3,981	9,426	1,434,853
2025	1,401,755	5,665	3,742	9,407	1,411,162
2026	1,429,105	2,925	3,492	6,417	1,435,522
2027	1,439,494	-	3,364	3,364	1,442,857
2028	1,432,362	-	3,364	3,364	1,435,725
2029	1,429,565	-	3,364	3,364	1,432,929
2030	1,420,939	-	3,364	3,364	1,424,303
2031	1,436,326	-	3,364	3,364	1,439,690
2032	1,317,009	84,450	3,364	87,814	1,404,823
2033	1,075,795	-	-	-	1,075,795
2034	1,077,650	-	-	-	1,077,650
2035	1,068,203	-	-	-	1,068,203
2036	839,876	-	-	-	839,876
2037	806,078	-	-	-	806,078
2038	744,372	-	-	-	744,372
2039	675,683	-	-	-	675,683
2040	574,777	-	-	-	574,777
2041	410,870	-	-	-	410,870
2042	358,311	-	-	-	358,311
2043	216,451	-	-	-	216,451
2044	67,912	-	-	-	67,912
2045	20,828	-	-	-	20,828
2046	20,829	-	-	-	20,829
2047	9,009	-	-	-	9,009
Total	$34,834,111	$127,025	$80,770	$207,795	$35,041,907

(1) Totals may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped; Subseries 2002G-1 at an assumed rate of 4% plus the current fixed spread to maturity and Series 2011B at an assumed rate of 4%; Subseries 2008B-4 Bonds at their current coupon (5%) to maturity. MTA believes that its variable rate assumptions are reasonable for long term cost calculations.

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

(4) Excludes debt service on the Remarketed Bonds.

PART II: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this Remarketing Circular describes the sources of payment and security structure for all Transportation Revenue Bonds, including the Remarketed Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues

Under New York law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from the money pledged for payment under the "General Resolution Authorizing Transportation Revenue Obligations," adopted March 26, 2002 (referred to herein as the "Transportation Resolution"). They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

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

Table 2 sets forth the following for the 5 years ended December 31, 2013:

- by general category, the amount of pledged revenues (calculated in accordance with the Transportation Resolution). A general description of the pledged revenues in the general categories referenced in **Table 2** follows the table, and a more detailed description is set forth in Part 2 of **Appendix A** under the caption "REVENUES OF THE RELATED ENTITIES," and

- the amount of transit, commuter and MTA Bus operating expenses.

Table 2 is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA on a cash basis. This information in **Table 2** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

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Table 2
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution) and Expenses
Historical Cash Basis (in millions)

	Years Ended December 31,				
	2009[7]	**2010**	**2011**	**2012**	**2013**
Revenues from Systems Operations					
Fares from Transit System	$3,149	$3,338	$ 3,642	$ 3,706	$ 4,060
Fares from Commuter System	1,013	1,050	1,138	1,169	1,252
Fares from MTA Bus	181	193	199	202	219
Other Income[1]	161	144	139	197	230
Subtotal – Operating Revenues	**4,505**	**4,725**	**5,118**	**5,274**	**5,762**
Revenues from MTA Bridges and Tunnels Surplus	**318**	**406**	**510**	**509**	**606**
Revenues from Governmental Sources					
State and Local General Operating Subsidies	**376**	**340**	**411**	**375**	**376**
Special Tax-Supported Operating Subsidies					
DTF Excess[2]	373	271	271	241	226
MMTOA Receipts	1,250	1,315	1,262	1,343	1,514
Urban Tax	150	174	353	408	595
Excess Mortgage Recording Taxes	23	25	25	25	25
MTA Aid Trust Account Receipts[3]	0	212	303	306	303
Payroll Mobility Tax Receipts[3]	603	1,604	1,415	1,320	1,522
Subtotal Special Tax-Supported Operating Subsidies	**2,400**	**3,600**	**3,629**	**3,853**	**4,185**
Station Maintenance and Service Reimbursements	**370**	**403**	**426**	**460**	**505**
City Subsidy for MTA Bus	**293**	**233**	**292**	**290**	**308**
Revenues from Investment of Capital Program Funds[4]	**19**	**10**	**3**	**11**	**7**
Subtotal – Non-Operating Revenues[5]	**3,776**	**4,993**	**5,271**	**5,499**	**5,987**
Total Transportation Resolution Pledged Revenues	**$8,281**	**$9,718**	**$10,389**	**$10,773**	**$11,748**
Debt Service[6]	**642**	**807**	**925**	**1,093**	**1,257**
Transit Operating Expenses	5,917	6,187	6,230	6,932	6,946
Commuter Operating Expenses	2,039	2,097	2,115	2,197	2,425
MTA Bus Operating Expenses[8]	457	473	469	568	557
Total Operating Expenses	**$8,413**	**$8,757**	**$ 8,814**	**$ 9,697**	**$ 9,928**
Total Operating Expenses and Debt Service	**$9,055**	**$9,594**	**$ 9,739**	**$10,790**	**$11,185**

(1) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Pennsylvania Station concessions), rental income and miscellaneous. Does not include Superstorm Sandy reimbursement funds of $161 million in 2013.

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

(3) Payroll Mobility Tax Receipts and MTA Aid Trust Account Receipts become Pledged Revenues when MTA determines that they will be available for application to the operating needs of the Transit System and the Commuter System. For 2009, the amount shown ($603 million) represents the proceeds of revenue anticipation notes issued during 2009 which were applied to the payment of operating expenses of the Transit and Commuter Systems. $606 million of Payroll Mobility Tax Receipts and MTA Aid Trust Account Receipts were applied to the repayment of the 2009 revenue anticipation notes. Approximately $182 million of additional Payroll Mobility Tax Receipts and $56 million of MTA Aid Trust Account Receipts received by MTA late in 2009 are reflected in the table as 2010 Pledged Revenues since MTA did not determine to apply such amounts to operating expenses of the Transit System and the Commuter System until early 2010. For 2010, the Pledged Revenues shown include $480 million which represents the proceeds of revenue anticipation notes issued in 2010 which were applied to the payment of operating expenses of the Transit System and the Commuter System. $482 million of Payroll Mobility Tax Receipts and MTA Aid Trust Account Receipts were applied to the repayment of the 2010 revenue anticipation notes. MTA did not issue revenue anticipation notes in 2011, 2012 or 2013. 2012 and 2013 Payroll Mobility Tax Receipts include PMT Revenue Offset of $255 million and $307 million, respectively.

(4) Represents investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis.

(5) Sum of (a) Revenues from MTA Bridges and Tunnels Surplus, (b) MTA Bridges and Tunnels – Refund of Excess Debt Service Payments, (c) Revenues from Governmental Sources (including State and Local General Operating Subsidies and Special Tax-Supported Operating Subsidies), (d) Station Maintenance and Service Reimbursements, (e) City Subsidy for MTA Bus and (f) Revenues from Investment of Capital Program Funds.

(6) 2009 Debt Service reflects an economic defeasance done in 2008. For 2010, Debt Service has been reduced by approximately $30 million, and for 2011, 2012 and 2013 by approximately $56 million, $59 million and $54 million, respectively to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. 2013 Debt Service reflects a cash defeasance of $57.9 million done in December of 2013.

(7) Total Operating Expenses and Debt Service for 2009 are higher than Transportation Resolution Pledged Revenues. For 2009, additional non-pledged revenues, including concession revenues at Pennsylvania Station and Grand Central Terminal, and prior years' cash balances resulted in balanced budgets.

(8) 2012 MTA Bus Operating Expenses have been restated higher by $85 million.

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

- MTA receives annually four quarters of MMTOA Receipts, with the first quarter of each succeeding year's receipts advanced into the fourth quarter of the preceding year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year on its cash flow needs to determine if working capital borrowings may be necessary. MTA did borrow for working capital in 2009 and 2010, but did not borrow in 2011, 2012 and 2013. MMTOA Receipts fell in 2009 primarily due to lower economic activity and the State's reduction in prior appropriations by $143 million. MMTOA Receipts decreased slightly in 2011 and increased in 2012 and 2013 from the prior year's revenue, but, in each case, were in line with budget expectations.

- The "Urban Tax" collection reflects the activity level of certain residential and commercial real estate transactions in the City. Mortgage recording tax and urban tax proceeds fell to $150 million in 2009. However, for the past four years, Urban Tax revenues continuously increased due to improvements in residential and commercial real estate transactions.

- Excess mortgage recording taxes were available for Transit and Commuter Systems purposes after the payment of MTA Headquarters Expenses. However, due to declining mortgage recording tax receipts and increasing MTA Headquarters Expenses, the current Financial Plan provides for no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems. Excess mortgage recording taxes fell from $214 million in 2008 to $23 million in 2009, and increased to $25 million in each year from 2010 through 2013. From 2009 through 2013, Excess Mortgage Recording Taxes were used to pay MTA Bus debt service subject to subsequent reimbursement by the City.

- DTF Excess decreased in 2010 due to additional borrowing under the DTF Resolution and continued to decline in 2011, 2012 and 2013 due to lower MTTF Receipts and higher debt service expenses.

- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.

- The increase in Transit Operating Expenses in 2012 was largely due to increase in pension costs from NYCERS and Superstorm Sandy related expenses. In 2013, expenses were nearly flat with an increase of only 0.2% compared to 2012.

Table 3 sets forth the 2014 Mid-Year Forecast and 2015 Preliminary Budget Summary. The information set forth in **Table 3** is comparable to that set forth in **Table 2** with respect to the years 2009-2013.

Table 3

Summary of 2014 Mid-Year Forecast and 2015 Preliminary Budget (Calculated in Accordance with the Transportation Resolution) and Expenses on a Cash Basis (in millions)

	2014 Mid-Year Forecast	2015 Preliminary Budget
Revenues from Systems Operations		
Fares from Transit System	$4,142	$4,202
Fares from Commuter System	1,332	1,355
Fares from MTA Bus	201	201
Other Income[1]	239	237
Subtotal – Operating Revenues	**$5,913**	**$5,995**
Revenues from MTA Bridges and Tunnels Surplus	**$560**	**$508**
Revenues from State and Local Governmental Sources		
State and Local General Operating Subsidies	**376**	**376**
Special Tax-Supported Operating Subsidies		
DTF Excess[2]	235	215
MMTOA Receipts	1,564	1,632
Urban Tax	706	610
Excess Mortgage Recording Taxes	25	25
Aid Trust Account Receipts[3]	325	328
Payroll Mobility Tax Receipts[3][4]	1,566	1,625
Subtotal Special Tax-Supported Operating Subsidies	**$4,420**	**$4,435**
Station Maintenance and Service Reimbursements	**538**	**525**
City Subsidy for MTA Bus	**444**	**435**
Revenues from Investment of Capital Program Funds	**1**	**1**
Subtotal – Non-Operating Revenues	**$6,338**	**$6,280**
Total Transportation Resolution Pledged Revenues	**$12,251**	**$12,275**
Budgeted Debt Service[5]	**$1,292**	**$1,390**
Transit Operating Expenses	7,402	7,343
Commuter Operating Expenses	2,785	2,647
MTA Bus Operating Expenses	647	624
Total Operating Expenses	**$10,835**	**$10,614**
Total Operating Expenses and Debt Service	**$12,127**	**$12,005**

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

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

(3) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT — Description of Pledged Revenues – *Additional Taxes and Fees*" for a description of such additional revenues and MTA's current expectations for application of such revenues in the future.

(4) See also "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues –*Additional Taxes and Fees*" for a discussion of certain recent legislative changes affecting future Payroll Mobility Tax Receipts. Payroll Mobility Tax Receipts include PMT Revenue Offset of $307.2 million.

(5) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.5 million in 2014 and 2015 each. Such payments do not constitute pledged revenues under the Transportation Resolution.

Description of Pledged Revenues

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

Revenues from Systems Operations.

- ***Fares from the Transit and Commuter Systems.*** On December 19, 2012, the MTA Board approved a series of fare policy changes. The new fare charges and the commuter railroad ticket policies went into effect beginning on March 1, 2013.

  Base subway, local bus and paratransit fares were increased to $2.50 per trip and the base express bus fare was increased to $6.00 per trip. Single ride subway and bus tickets were increased to $2.75. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from $104 to $112, the cost of a 7-day unlimited ride MetroCard from $29 to $30, and the 7-day Express Bus Plus unlimited ride MetroCard from $50 to $55. The Pay-Per-Ride MetroCard bonus was reduced to 5% from 7%, and the minimum purchase price for the Bonus Pay-Per-Ride Card decreased to $5.

  At the commuter railroads, individual commuter rail fares increased by up to 16.7 percent, with most fares increasing between 8.9 and 9.1 percent. The current policy for onboard fares remains unchanged. Increased fares also apply to CityTicket, UniTickets and MNR-managed connecting services.

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

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

On March 1, 2013, new tolls became effective on MTA Bridges and Tunnels facilities as follows:

- ***Cash Tolls for Passenger Vehicles.*** Base tolls increased by $1.00 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to $7.50, by $2.00 at the Verrazano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to $15.00, by $1.00 at the Henry Hudson Bridge to $5.00, and by $0.50 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to $3.75. Commercial vehicle tolls also increased.

- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the New York E-ZPass Customer Service Center (NY-CSC) increased by $0.53 at major facilities, $1.06 at the VNB, $0.24 at the Henry Hudson Bridge and $0.20 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

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

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

- imposed a payroll mobility tax (the PMT) of 0.34 percent on payroll expenses and net earnings from self-employment within the MCTD (effective as of March 1, 2009, except school districts, effective September 1, 2009);
- imposed a supplemental fee of one dollar for each six month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD (effective September 1, 2009);

- imposed a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD (effective September 1, 2009);
- imposed on taxicab owners a tax of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD (effective November 1, 2009); and
- imposed a supplemental tax of five percent of the cost of rentals of automobiles rented within the MCTD (effective June 1, 2009).

On December 9, 2011, Governor Cuomo signed into law legislation (the December Legislation) that made significant changes to the PMT eliminating or reducing the PMT imposed within the MCTD for certain taxpayers. Employers with payroll expense less than or equal to $312,500 in any calendar quarter, any public school district, a board of cooperative educational services, a public elementary or secondary school, a school serving students with disabilities of school age and any nonpublic elementary or secondary school that provides instruction in grade one or above are no longer required to pay the PMT, as of the quarter beginning April 1, 2012. In addition, individuals with net earnings from self-employment attributable to the MCTD that do not exceed $50,000 for the tax year are no longer subject to the PMT. Employers with payroll expense no greater than $375,000 in any calendar quarter are subject to a reduced tax rate of 0.11 percent; employers with payroll expense greater than $375,000 but not greater than $437,500 in any calendar quarter are subject to a reduced tax rate of 0.23 percent. Employers with payroll expense in excess of $437,500 in any calendar quarter will continue to pay a tax rate of 0.34 percent. The employer rate changes became effective beginning April 1, 2012.

The December Legislation further expressly provided that any reductions in aid to MTA attributable to these reductions in the payroll mobility tax "shall be offset through alternative sources that will be included in the state budget" (the PMT Revenue Offset).

The 2014-2015 State Enacted Budget includes an appropriation of $307 million to MTA for the PMT Revenue Offset.

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

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

MTA anticipates establishing a new credit secured in whole or in part by the PMT Revenues and the Aid Trust Account Monies. Such pledge would reduce the amounts of PMT Revenues and Aid Trust Account Monies available to constitute Operating Subsidies.

MTA currently expects that, unless and until amounts constituting the PMT Revenue Offset are pledged as part of the security for the new credit secured in whole or in part by PMT Revenues, such amounts would be treated as "Operating Subsidies" pledged to the payment of principal and interest on the Transportation Revenue Bonds.

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

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

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

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

Factors Affecting Revenues

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

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

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation

Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the budget prepared in connection with 2014 and the forecasts prepared in connection with 2015, 2016 and 2017) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the adoption of the 2014-2017 Financial Plan, the budgets of the Related Entities are expected to be substantially in balance through 2016, but there is expected to be a deficit in 2017. For additional information regarding the February Plan, see Part 2 of **Appendix A** under the caption "FINANCIAL PLANS AND CAPITAL PROGRAMS - Subsequent Developments". See "INTRODUCTION – Recent Developments Affecting MTA" for a discussion of the July Plan.

Financial Plans. The 2014-2017 Financial Plan, the 2010-2014 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the 2014-2017 Financial Plan, 2010-2014 Capital Program and prior and future Capital Programs, as well as on pledged revenues. See Part 2 of **Appendix A** under the caption "FINANCIAL PLANS AND CAPITAL PROGRAMS - 2014-2017 Financial Plan (The February Plan)". See "INTRODUCTION – Recent Developments Affecting MTA" for a discussion of the July Plan.

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

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

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.
- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the States of New York and Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.

Information Relating to the State of New York. Information relating to the State of New York, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this remarketing circular. Such information is on file with MSRB through EMMA with which the State was

required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in SEC Rule 15c2-12. Prospective purchasers of the Transportation Revenue Bonds wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of the Transportation Revenue Bonds. MTA makes no representations about State information or its continued availability.

SECURITY

General

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

- The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section "SOURCES OF PAYMENT," which are, together with certain other revenues, referred to as "pledged revenues."

- Holders of Transportation Revenue Bonds are to be paid prior to the payment, from pledged revenues, of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus. However, MTA's ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.

- Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit.

- MTA has no taxing power.

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

Pledge Effected by the Resolution

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

- all pledged revenues as described above;

- the net proceeds of certain agreements pledged by MTA to the payment of transit and commuter capital projects;

- the proceeds from the sale of Transportation Revenue Bonds, until those proceeds are paid out for an authorized purpose;

- all funds, accounts and subaccounts established by the Transportation Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt); and

- the Amended and Restated Interagency Agreement dated as of April 1, 2006, among MTA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA New York City Transit, MaBSTOA and MTA Bus.

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

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

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

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

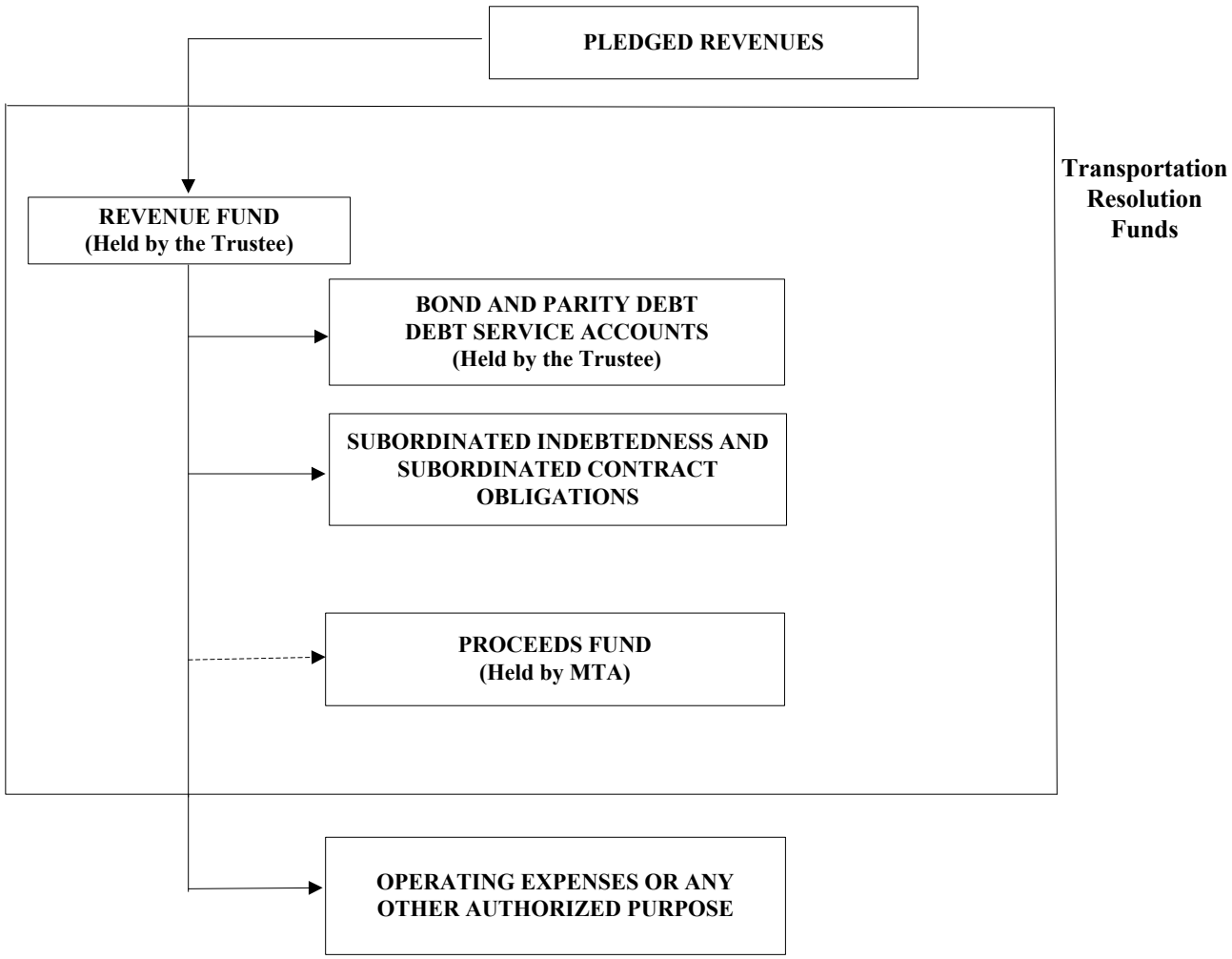
The Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

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

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

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

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



Covenants

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

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

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

Operating and Maintenance Covenants.

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

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

There is no covenant with bondholders limiting the aggregate principal amount of additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current New York law that covers the Transportation Revenue Bonds and certain other securities.

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

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

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

PART III: OTHER INFORMATION ABOUT THE REMARKETED BONDS

Part III of this Remarketing Circular provides miscellaneous additional information relating to the Remarketed Bonds.

TAX MATTERS

General

Hawkins Delafield & Wood LLP is Bond Counsel for the remarketing of the Subseries 2002G-1f Bonds. On November 20, 2002, the date of original issuance and delivery of the Subseries 2002G-1f Bonds (the Original Subseries 2002G-1f Bonds), Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-1** in connection with the Original Subseries 2002G-1f Bonds; on October 9, 2008, Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** related to the remarketing on that date of the Original Subseries 2002G-1f Bonds; and on October 3, 2013, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-3** related to the further remarketing on that date of the Original Subseries 2002G-1f Bonds. Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-4** on November 13, 2012, the date of original issuance of the Subseries 2012G-1 Bonds. Each of the foregoing opinions (collectively referred to herein as the Original Opinions) speaks only as of its date, and none of such opinions are being re-delivered.

The Original Opinions each provided that under existing law, as of their respective dates, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, is that interest on the Remarketed 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.

Each of the Original Opinions also provided that, under then existing law, as of their respective dates, interest on the Remarketed Bonds is exempt from personal income taxes of New York State and any political subdivisions of the State, including The City of New York.

The Internal Revenue Code of 1986 imposes requirements on the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds that MTA must continue to meet after the Subseries 2002G-1f Bonds and the Subseries 2012G-1Bonds were issued. These requirements generally involve the way that bond proceeds must be invested and ultimately used. If MTA does not meet these requirements, it is possible that a bondholder may have to include interest on the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Subseries 2002G-1f Bonds and the Subseries 2012G-1 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 Remarketed Bonds.

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

Nixon Peabody LLP is not responsible for updating any opinion after the issue date of the bonds to which such opinion relates. Although it is not possible to predict, as of the issue date of the reissued Remarketed Bonds, it is possible that something may happen in the future that could change the tax treatment of the interest on the Remarketed Bonds or affect the market price of the Subseries 2002G-1f Bonds or the Subseries 2012G-1 Bonds.

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

Information Reporting and Backup Withholding

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

If an owner purchasing a Remarketed Bonds Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Remarketed Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds under federal or state law or otherwise prevent beneficial owners of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some

amount of federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

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

LEGALITY FOR INVESTMENT

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

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

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

LITIGATION

There is no pending litigation concerning the bonds being remarketed.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including the MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to holders of the obligations. A summary of certain of these potentially material claims and actions is set forth in Part 6 of Appendix A under the caption "LITIGATION," as that filing may be amended or supplemented to date.

FINANCIAL ADVISOR

Public Financial Management, Inc. is MTA's financial advisor for the Remarketed Bonds. The financial advisor has provided MTA advice on the plan of financing and reviewed the pricing of the Remarketed Bonds. The financial advisor has not independently verified the information contained in this Remarketing Circular and does not assume responsibility for the accuracy, completeness or fairness of such information.

REMARKETING

After competitive bidding on September 4, 2014, the Subseries 2002G1-f Bonds were awarded to _____ and the Subseries 2012G-1 Bonds were awarded to _____ for a purchase price, in each case, of 100% of the par amount of each Subseries of the Remarketed Bonds.

The Subseries 2002G1-f Bonds and the Subseries 2012G-1 Bonds are being remarketed, in each case, at prices that are not in excess of the prices stated on the inside cover of this Remarketing Circular. _____ will be paid a fee of $_____ for services rendered in connection with the remarketing of the Subseries 2002G1-f Bonds and _____ will be paid a fee of $_____ for services rendered in connection with the remarketing of the Subseries 2012G-1 Bonds.

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

In the ordinary course of their various business activities, the Remarketing Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The Remarketing Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

RATINGS

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

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

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

LEGAL MATTERS

Hawkins Delafield & Wood LLP is Bond Counsel to MTA for the remarketing of the Remarketed Bonds. On November 20, 2002, the date of original issuance and delivery of the Subseries 2002G-1f Bonds, Hawkins Delafield & Wood LLP, as Bond Counsel to MTA, delivered the opinion set forth in **Attachment 3-1**. On October 9, 2008, Nixon Peabody LLP delivered the opinion set forth in **Attachment 3-2** in connection with the initial remarketing of the Subseries 2002G-1f Bonds. On October 3, 2013, Hawkins Delafield & Wood LLP, as Bond Counsel to MTA for the further remarketing of the Subseries 2002G-1f Bonds, delivered an opinion substantially in the form set forth in **Attachment 3-3**. On November 13, 2012,

the date of original issuance of the Subseries 2012G-1 Bonds, Nixon Peabody LLP delivered the opinion set forth in **Appendix 3-4.** Such opinions are not being reissued and speak only as of their respective dates and only as to the matters expressly stated.

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

CONTINUING DISCLOSURE

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

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

- principal and interest delinquencies;
- non-payment related defaults if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions or the issuance by the IRS of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds or other material events affecting the tax status of the Bonds;
- modifications to the rights of security holders if material;
- bond calls if material;
- defeasance;
- bankruptcy, insolvency, receivership or similar event of the issuer;
- a rating change;
- tender offers;
- consummation of a merger, consolidation, acquisition, or sale or all of substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- appointment of a successor or additional trustee or the change if name of a trustee, if material; and
- release, substitution, or sale of property securing repayment of the securities if material.

MTA has not failed to comply in the last five years, 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

MTA may place a copy of this Remarketing Circular on its website at "www.mta.info/mta/investor/index.html." No statement on the MTA's website or any other website is included by specific cross-reference herein.

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

METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Patrick J. McCoy
Director, Finance

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER

SEC RULE 15c2-12

In order to assist the Remarketing Agent in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Remarketed Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2014 (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 MTA with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of material events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Remarketed Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2014, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

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

1. a description of the systems operated by the Related Transportation Entities and their operations,

2. a description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities,

3. operating data of the Related Transportation Entities, including data of the type included in Appendix A under the following captions:

   a. "TRANSIT SYSTEM,"

   b. "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership,"

   c. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Transit System,"

   d. "COMMUTER SYSTEM,"

   e. "RIDERSHIP AND FACILITIES USE – Commuter System Ridership,"

f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Commuter System,"

g. "MTA BUS COMPANY,"

h. "RIDERSHIP AND FACILITIES USE – MTA Bus Ridership," and

i. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS - MTA Bus."

4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in Appendix A under the caption "FINANCIAL PLANS AND CAPITAL PROGRAMS,"

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

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

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

8. financial information of the type included in this Remarketing Circular in Table 2 under the caption "SOURCES OF PAYMENT-Pledged Transportation Revenues" and included in Appendix A under the caption "REVENUES OF THE RELATED ENTITIES,"

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

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

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

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

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

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

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

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

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ATTACHMENT 3-1

**FORM OF OPINION DELIVERED ON NOVEMBER 20, 2002
BY HAWKINS DELAFIELD & WOOD LLP
IN CONNECTION WITH THE ORIGINAL ISSUANCE OF THE
SUBSERIES 2002G-1f BONDS**

November 20, 2002

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

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the "MTA") and other proofs submitted to us relative to the issuance of $400,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G (the "Subseries 2002G Bonds").

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

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

The Subseries 2002G 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 Subseries 2002G Bonds is being used to refund certain outstanding bond anticipation notes (the "Refunded Notes") of the Triborough Bridge and Tunnel Authority (the "TBTA") that were issued pursuant to the 1980 Revenue Bond Resolution adopted by the TBTA on July 23, 1980, as supplemented and amended (collectively, the "TBTA Resolution"). A portion of the proceeds of the Subseries 2002G Bonds, together with any other amounts made available by the MTA (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 of and interest due and to become due on said Refunded Notes (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under an escrow agreement, dated November 20, 2002 (the "Escrow Agreement"), by and among the TBTA, MTA and U.S. Bank Trust National Association, as escrow agent thereunder and as trustee under the TBTA Resolution (the "Prior Trustee"). The MTA has certified that it has 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 Subseries 2002G Bonds in order that interest on the Subseries 2002G Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated

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

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Subseries 2002G Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

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

We are of the opinion that:

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

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

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

4. The Interagency Agreement has been duly and lawfully authorized, executed and delivered by MTA and the other parties thereto, is in full force and effect, is valid and binding upon MTA and other parties thereto, and is enforceable in accordance with its terms.

5. The Subseries 2002G Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries,

and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Subseries 2002G Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Subseries 2002G Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

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

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

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Subseries 2002G Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Subseries 2002G 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 Subseries 2002G Bonds.

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

Very truly yours,

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ATTACHMENT 3-2

FORM OF OPINION OF NIXON PEABODY LLP DELIVERED ON OCTOBER 9, 2008 IN CONNECTION WITH THE REMARKETING OF THE SUBSERIES 2002G-1f BONDS

October 9, 2008

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

Ladies and Gentlemen:

On November 20, 2002, Hawkins, Delafield & Wood delivered their opinion as bond counsel for the Metropolitan Transportation Authority ("MTA") in connection with the issuance by MTA of $200,000,000 aggregate principal amount of its Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1 (the "Subseries 2002G-1 Bonds").

The Subseries 2002G-1 Bonds were issued and are secured under and pursuant to the Transportation Revenue Resolution of the MTA, adopted on March 26, 2002, as supplemented and amended to the date thereof (the "Resolution").

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

On the date hereof, (i) the Subseries 2002G-1 AMBAC insurance policy and the Bank of Nova Scotia Standby Bond Purchase Agreement relating to the Subseries 2002G-1 Bonds (the "Existing Liquidity and Credit Facilities") will each be terminated; (ii) Bank of Nova Scotia, acting through its New York Agency, will issue an irrevocable direct pay letter of credit providing liquidity and credit support for the Subseries 2002G-1 Bonds as described herein (the "New Credit Facility"); and (iii) the Subseries 2002G-1 Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof, plus accrued interest to, but not including, the mandatory tender date.

Based on the foregoing, we are of the opinion that the substitution of the New Credit Facility for the Existing Liquidity and Credit Facilities for the Subseries 2002G-1 Bonds is authorized under the Resolution, and all conditions to such substitution have been satisfied. In addition, under existing statutes and court decisions the foregoing action will not, in and of itself, adversely affect the exclusion of interest on the Subseries 2002G-1 Bonds from gross income of the owners thereof for federal income tax purposes and from personal income taxation of the State of New York.

Except as necessary to render this opinion, we have undertaken no investigation as to matters affecting the exclusion of interest on the Subseries 2002G-1 Bonds from gross income for Federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Subseries 2002G-1 Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Subseries 2002G-1 Bonds were applied in accordance with the Resolution and the tax certificate of MTA delivered in connection with the issuance of the Subseries 2002G-1 Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Subseries 2002G-1 Bonds, or to so comply, could adversely affect the exclusion of interest on the Subseries 2002G-1 Bonds from gross income for Federal income tax purposes. We are expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance may have adversely affected the exclusion of interest on the Subseries 2002G-1 Bonds from gross income for Federal income tax purposes.

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

Very truly yours,

ATTACHMENT 3-3

FORM OF OPINION OF HAWKINS DELAFIELD & WOOD LLP DELIVERED IN CONNECTION WITH THE REMARKETING OF THE SUBSERIES 2002G-1f BONDS

October 3, 2013

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

Ladies and Gentlemen:

On November 20, 2002, in connection with the issuance by the Metropolitan Transportation Authority ("MTA") of its $194,100,000 aggregate principal amount of its Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1 (the "Original Subseries 2002G-1 Bonds"), Hawkins Delafield & Wood LLP delivered their opinion as bond counsel for MTA. On October 9, 2008, Nixon Peabody LLP delivered their opinion as bond counsel for MTA related to the remarketing of the Subseries 2002G-1 Bonds and termination of a bond insurance policy and substitution of the standby letter of credit relating to the Original Subseries 2002G-1 Bonds with an irrevocable direct-pay letter of credit issued by the Bank of Nova Scotia, acting through its New York Agency (the "Scotiabank Facility").

The Original Subseries 2002G-1 Bonds were issued pursuant to the MTA Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "Original General Resolution"), as amended and supplemented to the date of issuance thereof, including by a resolution adopted on March 26, 2002 (collectively with the Original General Resolution, the "Original Resolution"), along with a Certificate of Determination relating to the Original Subseries 2002G-1 Bonds, as amended October 9, 2008 (the "Original Certificate of Determination" and, collectively with the Original Resolution, the "Resolution").

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

On the date hereof, MTA intends to terminate the Scotiabank Facility and will (i) further amend the Original Certificate of Determination (the "Amended Certificate of Determination"), to provide for, among other things, the redesignation of the Subseries 2002G-1 Bonds in seven subseries consisting of Subseries 2002G-1a (Floating Rate Tender Notes) (the "Subseries G-1a Bonds"), Subseries 2002G-1b (Floating Rate Tender Notes) (the "Subseries G-1b Bonds"), Subseries 2002G-1c (Floating Rate Tender Notes) (the "Subseries G-1c Bonds"), Subseries 2002G-1d (Floating Rate Tender Notes) (the "Subseries G-1d Bonds"), Subseries 2002G-1f (Floating Rate Tender Notes) (the "Subseries G-1f Bonds"), Subseries 2002G-1g (Floating Rate Tender Notes) (the "Subseries G-1g Bonds") and Subseries 2002G-1h (Floating Rate Tender Notes) (the "Subseries G-1h Bonds); (ii) modify the terms and provisions of the Subseries G-1a Bonds, the Subseries G-1b Bonds, the Subseries G-1c Bonds, the Subseries G-1d Bonds, the Subseries G-1f Bonds, the Subseries G-1g Bonds and the Subseries G-1h Bonds relating to the Term Rate Mode; and (iii) convert the Subseries 2002G-1 Bonds from a Weekly Mode to a Term Mode (as further described in the Amended Certificate of Determination).

In order for MTA to effectuate the mode change and the other changes described above, MTA was required to provide to the Trustee a Mandatory Tender Notice pursuant to Section A-406 of Appendix A to the Original Certificate of Determination (the "Mandatory Tender Notice"). In accordance with such requirement, the Trustee disseminated the Mandatory Tender Notice to the owners of the Original Subseries 2002G-1 Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the mandatory tender and remarketing of the Subseries 2002G-1 Bonds; the termination of the Scotiabank Facility; the change in mode from the Weekly Mode to the Term Mode with interest at a floating rate based on 67% of USD-LIBOR BBA (one month) and the amendment of the terms and provisions of the Subseries 2002G-1 Bonds to reflect the terms and provisions described herein, will result in a reissuance for tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Subseries 2002G-1 Bonds in order that interest on the Subseries 2002G-1 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Subseries 2002G-1 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Subseries 2002G-1 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Subseries 2002G-1 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Subseries 2002G-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Subseries 2002G-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in the following paragraphs, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Subseries 2002G-1 Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We are further of the opinion that, under existing statutes and court decisions and assuming continued compliance with certain tax covenants described herein, (i) interest on the Subseries 2002G-1 Bonds, as reissued, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Subseries 2002G-1 Bonds, as reissued, is not treated as a preference item in calculating the alternative minimum tax imposed on individual and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

In addition, we are of the opinion that interest on the Subseries 2002G-1 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in the preceding paragraphs, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Subseries 2002G-1 Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Subseries 2002G-1 Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2002G-1 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not

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

Very truly yours,

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ATTACHMENT 3-4

**FORM OF APPROVING OPINION OF NIXON PEABODY LLP
DELIVERED IN CONNECTION WITH THE ORIGINAL ISSUANCE
OF THE SUBSERIES 2012G-1 BONDS**

November 13, 2012

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

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $359,450,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G, consisting of $84,450,000 of such Bonds designated as Subseries 2012G-1 (Floating Rate Tender Notes), $125,000,000 of such Bonds designated as Subseries 2012G-2 (Floating Rate Tender Notes), $75,000,000 of such Bonds designated as Subseries 2012G-3 (Floating Rate Tender Notes), and $75,000,000 of such Bonds designated as Subseries 2012G-4 (Floating Rate Tender Notes) (collectively, the "Series 2012G Bonds").

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

The Series 2012G Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations," as supplemented by a resolution of said members adopted on January 31, 2007 (collectively, the "Resolution").

A portion of the proceeds of the Series 2012G Bonds is being used to refund certain outstanding bonds of MTA issued pursuant to the Resolution, such bonds having been issued as described in the hereinafter defined Escrow Agreement (the "Refunded Bonds"). A portion of the proceeds of the Series 2012G Bonds (the "Defeasance Deposit") has been used to deposit with The Bank of New York Mellon, as escrow agent under the Escrow Agreement and as Trustee under the Resolution, a cash amount sufficient, together with other amounts provided by MTA, to pay when due the applicable principal of and interest due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under an escrow agreement, dated the date hereof (the "Escrow Agreement"), by and between MTA and The Bank of New York Mellon, as escrow agent thereunder and as Trustee under the Resolution. The Trustee has previously given, at the direction of MTA, notice of the redemption of the Refunded Bonds. Samuel Klein and Company, Certified Public Accountants, has prepared a report stating that they have reviewed the accuracy of the mathematical computations of the

adequacy of the Defeasance Deposit 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 2012G Bonds in order that interest on the Series 2012G Bonds be and remain excluded from gross income for federal income tax purposes under Section

103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2012G Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2012G Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2012G 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 2012G Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2012G Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2012G Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2012G Bonds as executed and, in our opinion, the form of said Series 2012G Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2012G Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2012G Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2012G Bonds.

4. The MTA, the holders of the Series 2012G Bonds, or the holders of any evidence of indebtedness of the MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2012G Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons

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

6. Under existing statutes and court decisions (i) interest on the Series 2012G Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2012G Bonds is not treated as a preference item in calculating the federal corporate alternative minimum tax imposed on individuals and corporations under the Code; however, we note that interest is included in the adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.

We are further of the opinion that, for any Series 2012G Bonds having "original issue discount" (a "Discount Bond"), "original issue discount" that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2012G Bonds.

7. Under existing statutes, interest on the Series 2012G Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

8. The Escrow Agreement has been duly authorized, executed and delivered by MTA, and, assuming the due authorization, execution and delivery thereof by the Trustee, the Escrow Agreement is a valid and binding obligation of MTA, enforceable in accordance with its terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Resolution, and the covenants, agreements and other obligations of MTA 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 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2012G Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2012G Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2012G 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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NOTICE OF SALE

Dated August 26, 2014

METROPOLITAN TRANSPORTATION AUTHORITY

Transportation Revenue Variable Rate Bonds
consisting of

$42,575,000*
Transportation Revenue Variable Rate Refunding Bonds,
Subseries 2002G-1f
(Floating Rate Tender Notes)

and

$84,450,000*
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2012G-1
(Floating Rate Tender Notes)

Electronic Bids, as Described Herein,
Will Be Accepted Until

10:00 a.m. (New York Time)**for the Subseries 2002G-1f Bonds
10:30 a.m. (New York Time)**for the Subseries 2012G-1 Bonds

on September 4, 2014**

* Subject to change before award as provided herein.
** Subject to change before the sale date and time as provided herein.

CONTACTS

Issuer

MTA
Patrick J. McCoy — (212) 878-7183
Director, Finance — Fax: (212) 878-0159
Metropolitan Transportation Authority — pmccoy@mtahq.org
347 Madison Avenue
New York, NY 10017

Financial Advisor

Public Financial Management, Inc.
Scott Trommer — (646) 561-0711
40 Wall Street, 49th Floor — Fax: (212) 809-5874
New York, New York 10005 — trommers@pfm.com

PARITY®

Customer Service — (212) 849-5021

ImageMaster, LLC

Customer Service — (734) 821-2525

NOTICE OF SALE

Dated August 26, 2014

METROPOLITAN TRANSPORTATION AUTHORITY

Transportation Revenue Variable Rate Bonds
consisting of

$42,575,000*
Transportation Revenue Variable Rate Refunding Bonds,
Subseries 2002G-1f
(Floating Rate Tender Notes)
and
$84,450,000*
Transportation Revenue Variable Rate Refunding Bonds
Subseries 2012G-1
(Floating Rate Tender Notes)

NOTICE IS HEREBY GIVEN that electronic bids will be received at the place, on the date, and until the time specified below for the purchase of all, but not less than all, of the $42,575,000* Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1f (the "Subseries 2002G-1f Bonds") and $84,450,000* Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-1 (the "Subseries 2012G-1 Bonds," and, together with the Subseries 2002G-1f Bonds, the "Remarketed Bonds"), to be remarketed by the Metropolitan Transportation Authority ("MTA").

DATE:	September 4, 2014**
TIME:	10:00 a.m. (New York Time)**for the Subseries 2002G-1f Bonds 10:30 a.m. (New York Time)**for the Subseries 2012G-1 Bonds
ELECTRONIC BIDS:	May be submitted only through PARITY® as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

The Remarketed Bonds are more particularly described below and in the Preliminary Remarketing Circular dated August 26, 2014 (the "Preliminary Remarketing Circular"), relating to the Remarketed Bonds, available at the ImageMaster website, *www.munios.com*. For

* Subject to change before award as provided herein.
** Subject to change before the sale date and time as provided herein.

assistance in obtaining the Preliminary Remarketing Circular from this website, contact ImageMaster's customer service or Public Financial Management, Inc., as Financial Advisor. See the Contacts page of this Notice of Sale.

Prior to accepting bids, MTA reserves the right to modify or amend this Notice of Sale, to change the aggregate principal amount of either Subseries of the Remarketed Bonds being offered or the terms of either Subseries of the Remarketed Bonds, and to postpone the sale to a later date or time or to cancel the sale. Notice of a change, postponement or cancellation will be announced via Thomson Municipal News at the website address *www.tm3.com* not later than 9:00 a.m., New York time, on the day on which bids may be submitted (and bidders shall bid on all, but not less than all, of the Remarketed Bonds based upon the terms thereof set forth in this Notice of Sale, as so modified by such supplemental information) and, in the case of a cancellation, at any time prior to the receipt of bids. If the sale is postponed, a later public sale may be held on such date and at such time as shall be announced at least 48 hours in advance of such sale via Thomson Municipal News at the website address *www.tm3.com*. Consideration of the bids and the award of the Remarketed Bonds will be completed within one (1) hour after bids are received. MTA also reserves the right to cancel the sale of the Remarketed Bonds after the bids are opened.

REMARKETED BONDS BIDDING PARAMETERS TABLE**

Subseries 2002G-1f Bonds

DATES	
Dated Date:	September 10, 2014
Delivery Date:	September 10, 2014
INTEREST	
Interest Payment Dates:	The first Business Day of each month, commencing October 1, 2014
Rate Adjustment Date:	First Business Day of each month
Coupon Multiples:	1/100 of 1%
Maximum Interest Rate:	The lesser of the maximum rate permitted by law and 10%
Rate Following Unsuccessful Remarketing:	The lesser of the maximum rate permitted by law and 10%
OPTIONAL MANDATORY TENDER AND REDEMPTION	
Mandatory Tender:	See Preliminary Remarketing Circular
Optional Redemption:	On any Business Day which Business Day is no earlier than May 1, 2018* at 100%
Final Maturity Date	November 1, 2026

PRICING	
Aggregate Purchase Price:	100%
PROCEDURAL	
Bid Submission:	PARITY® only
All or None:	Yes
Bid Award Method:	Lowest TIC
Award of Bid:	Within 1 hour
Good Faith Deposit:	$425,750 (1%)
Maximum Remarketing Agent's Discount:	1.0% or $10.00/bond

SUBSERIES 2002G-1f BONDS MATURING NOVEMBER 1, 2026

Purchase Date	Amount	Interest Rate (variable)	Purchase Price
November 1, 2018*	$42,575,000*	67% of USD-LIBOR-BBA (one month)† plus ____%	100%

Mandatory Sinking Fund Installments

Year (November 1)	Amount
2018	$4,305,000
2019	4,475,000
2020	4,650,000
2021	4,840,000
2022	5,035,000
2023	5,235,000
2024	5,445,000
2025	5,665,000
2026	2,925,000

SUBSERIES 2012G-1 BONDS

DATES

Dated Date:	September 10, 2014
Delivery Date:	September 10, 2014

INTEREST

Interest Payment Dates:	The first Business Day of each month, commencing October 1, 2014
Rate Adjustment Date:	First Business Day of each month
Coupon Multiples:	1/100 of 1%
Maximum Interest Rate:	The lesser of the maximum rate permitted by law and 10%
Rate Following Unsuccessful Remarketing:	The lesser of the maximum rate permitted by law and 10%

OPTIONAL MANDATORY TENDER AND REDEMPTION

Mandatory Tender:	See Preliminary Remarketing Circular
Optional Redemption:	On any Business Day which Business Day is no earlier than May 1, 2019* at 100%
Final Maturity Date	November 1, 2032

PRICING

Aggregate Purchase Price:	100%

PROCEDURAL

Bid Submission:	PARITY® only
All or None:	Yes
Bid Award Method:	Lowest TIC
Award of Bid:	Within 1 hour
Good Faith Deposit:	$844,500 (1%)
Maximum Remarketing Agent's Discount:	1.0% or $10.00/bond

SUBSERIES 2012G-1 BONDS MATURING NOVEMBER 1, 2032

Purchase Date	Amount	Interest Rate (variable)	Purchase Price
November 1, 2019*	$84,450,000*	67% of USD-LIBOR-BBA (one month)† plus ____%	100%

* Subject to change before award as provided herein.

** If numerical or date references contained in the body of this Notice of Sale conflict with the Remarketed Bonds Bidding Parameters Table, the body of this Notice of Sale shall control. Consult the body of this Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

† See "DESCRIPTION OF THE REMARKETED BONDS —Determination of Interest Rates for the Remarketed Bonds" in the Preliminary Remarketing Circular for a description of the LIBOR Rate and the determination thereof."

Each bidder shall submit (i) a coupon which shall be equal to the spread to 67% of the USD-LIBOR-BBA (one-month) and (ii) an aggregate remarketing agent's discount.

Each bid will be calculated using an assumption that 67% of the USD-LIBOR-BBA (one-month) equals 0% so the winning TIC shall be based upon the coupon present valued to the purchase price.

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THE REMARKETED BONDS

General

Each Subseries of the Remarketed Bonds will be dated as of the Dated Date shown on the Bidding Parameters Table, will be issued in denominations of $5,000 or integral multiples thereof, and will bear interest from their date at 67% of the USD-LIBOR-BBA (one-month) plus the per annum spread specified by the successful bidder, subject to the limitations specified below, payable as shown on the Bidding Parameters Table. Interest payable on the Remarketed Bonds will be computed on the basis of actual number of days elapses over a 365-day year (366 in years when February has 29 days). Each Subseries of the Remarketed Bonds must meet the criteria shown on the Bidding Parameters Table.

Each of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds will mature on respective months and days in the years and in the principal amounts shown, as described in the Preliminary Remarketing Circular, subject to change before the sale date and time as provided above.

AUTHORITY AND SECURITY

The Remarketed Bonds were issued under and pursuant to the Constitution and laws of the State, including the Metropolitan Transportation Authority Act (the "Act"), being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, all as more fully described in the Preliminary Remarketing Circular relating to the Remarketed Bonds. The Remarketed Bonds are special obligations of MTA payable solely from the trust estate pledged for the payment of the senior bonds and parity debt pursuant to the terms of the Transportation Resolution. The Remarketed Bonds are not a debt of the State of New York, The City of New York, nor any local governmental unit. MTA has no taxing power. (See the Preliminary Remarketing Circular for a more complete description of security for the Remarketed Bonds and other related matters.)

FORM AND PAYMENT

Each of the Subseries 2002G-1f Bonds and the Subseries 2012G-1 Bonds will be delivered in fully registered book-entry only form, and a single bond certificate for each Subseries will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed to evidence ownership of the Remarketed Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. Principal of, premium, if any, and interest on the Remarketed Bonds will be payable by MTA to DTC or its nominee as registered owner of the Remarketed Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. MTA will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such

participants. Beneficial owners will be entitled to receive Remarketed Bond certificates only under the limited circumstances described in the Preliminary Remarketing Circular.

BIDDING PROCEDURE

Only electronic bids submitted via PARITY® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to MTA or any other party will be accepted. Bidders are permitted to submit bids for the Remarketed Bonds, during the bidding time period, provided they are eligible to bid as described under "ELIGIBILITY TO BID".

Each electronic bid submitted via PARITY® for the purchase of the Remarketed Bonds shall be deemed an offer to purchase the Remarketed Bonds in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to MTA.

ELECTRONIC BIDDING

The use of PARITY® electronic bidding shall be at the bidder's risk and expense, and MTA shall have no liability with respect thereto. MTA is using electronic bidding as a communications medium, and PARITY® is not acting as the agent of MTA.

If any provisions of this Notice of Sale conflict with information provided by PARITY®, this Notice of Sale shall control. MTA is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

ELIGIBILITY TO BID

MTA does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BidCOMP Competitive Bidding System and should promptly contact PARITY® directly for information about PARITY®, including its rules and fees, and becoming a contracted customer. (See the Contacts page of this Notice of Sale.)

MINORITY/WOMEN BUSINESS ENTERPRISES

It is the policy of MTA that appropriate consideration be given to firms which are minority business enterprises ("MBE") and women's business enterprises ("WBE") registered with the State of New York. MTA requests and strongly urges bidders to include such firms in their management group or syndicate and to allocate bonds accordingly. MTA may request a report of the winning bidder showing the portion of the issue that was allocated to MBE and/or WBE firms.

CONTENTS OF BID, INTEREST RATES AND BID PRICES

Each bid must specify (1) a coupon spread to 67% of the USD-LIBOR-BBA (one-month) for each Subseries of the Remarketed Bonds (the "Bid Price") and (2) the aggregate amount of

the remarketing agent's discount, to be paid to the winning bidder by MTA at closing from other available funds.

The reoffering price and the dollar price of each Subseries of the Remarketed Bonds shall equal 100% of the Bid Price and, among other things, will be used by MTA to calculate the yield for federal tax purposes of the Remarketed Bonds, but will not be used in computing the bidders' purchase price.

No bid will be deemed responsive if the aggregate remarketing agent discount exceeds $10.00 per bond or 1.0%.

Each bid for the Remarketed Bonds must meet the criteria shown on the Bidding Parameters Table.

As promptly as reasonably possible after bids for the Remarketed Bonds are received, MTA will notify the successful bidder for the Remarketed Bonds that it is the apparent winner. Upon such notice, such bidder must confirm to MTA the initial reoffering price and Remarketing Agents' discount for the Remarketed Bonds. Reoffering prices for the Remarketed Bonds also must conform to the requirements of, and be confirmed as described under, "REOFFERING PRICE CERTIFICATE" below.

AWARD

MTA expects to separately award the Subseries 2002G-1f Bonds and the Subseries 2002G-1 Bonds to the winning bidder of each subseries within one (1) hour of the bid opening. Bids may not be withdrawn prior to the award. Unless all bids for the Remarketed Bonds are rejected, the Remarketed Bonds will be awarded to the bidder whose bid complies with this Notice of Sale and results in the lowest true interest cost ("TIC") to MTA. The TIC (expressed as an annual rate) and separately calculated for the Subseries 2002G-1f Bonds and the Subseries 2002G-1 Bonds will be determined as being twice the semi-annual discount rate, compounded semi-annually, which, when applied against principal of an interest on the Remarketed Bonds as due (such interest calculation being based solely on the coupon spread, assuming 67% of the USD-LIBOR-BBA (one-month) is equal to 0%) will equate the sum of such discounted payments to the aggregate purchase price less remarketing agent's discount for the Remarketed Bonds, provided by the bidder on the PARITY® Bid Form. The TIC shall be calculated from the Delivery Date to the Purchase Date for each Subseries of the Remarketed Bonds as shown on the Bidding Parameters Table. If two or more bidders offer to purchase each Subseries of the Remarketed Bonds at the same price (rounded to six (6) places after the decimal point), MTA reserves the right to award such Remarketed Bonds to one of such bidders based upon which bid was received first.

RIGHT OF REJECTION

MTA reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

RIGHT OF CANCELLATION

The successful bidder for any Subseries of the Remarketed Bonds will have the right, at its option, to cancel its obligation to purchase if MTA fails to deliver the Remarketed Bonds within 60 days from the date of sale, and in such event the successful bidder will be entitled to the return of an amount equal to the good faith deposit but without any additional liability to MTA.

GOOD FAITH DEPOSIT

Upon notification from MTA, the successful bidder for each of the Subseries 2002G-1f Bonds and Subseries 2012G-1 Bonds shall wire transfer to MTA in an amount equal to 1% of the aggregate principal amount of the respective Subseries of Remarketed Bonds (each a "Good Faith Deposit"), in immediately available funds, not later than 1:00 P.M., New York time, on the day of the award.

The Good Faith Deposit so wired will be deposited by MTA until the delivery of the applicable Subseries of Remarketed Bonds, at which time the Good Faith Deposit will be applied against the purchase price of such Remarketed Bonds or the Good Faith Deposit will be retained by MTA as liquidated damages in the event of the failure of the successful bidder to take up and pay for such Remarketed Bonds in compliance with the terms of the Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by MTA. The balance of the purchase price must be wired in Federal Funds to the account specified by or on behalf of MTA, simultaneously with delivery of the Remarketed Bonds.

REOFFERING PRICE CERTIFICATE

The successful bidder for each of the Subseries 2002G-1f Bonds and Subseries 2012G-1 Bonds will be required to confirm to MTA, by a certificate satisfactory to MTA in form and substance and dated the date of and delivered simultaneously with delivery of such Remarketed Bonds, to the effect that either (i) it has sold all of such Remarketed Bonds to the public (and for purposes of this certification requirement, the term "public" does not include sales to bond houses, brokers, or similar persons or organizations acting in the capacity of remarketing agents or wholesalers) at the reoffering price calculated as set forth in the Bidding Parameters Table; or (ii) the reoffering price to the public for such Remarketed Bonds at which a substantial amount (i.e. at least 10%) of such Subseries of Remarketed Bonds were first sold to the public or, if not sold, were all reasonably expected to be sold to the public as of the award of the Remarketed Bonds. If the successful bidder is unable to provide the certifications described in the preceding sentence, the successful bidder will be required to provide a similar certificate satisfactory to MTA and acceptable to Bond Counsel.

PRELIMINARY REMARKETING CIRCULAR AND FINAL REMARKETING CIRCULAR

The Preliminary Remarketing Circular comprises the "deemed final" Remarketing Circular for purposes of Rule 15c2-12 of the Securities and Exchange Commission and, when amended to reflect, among other things, the actual amount of the Remarketed Bonds sold, the interest rate specified by the successful bidder and the price or yield at which the successful bidder will reoffer the Remarketed Bonds to the public, will constitute a "Final Remarketing

Circular" (as defined in Rule 15c2-12) with respect to the Remarketed Bonds. No more than seven business days after the date of the sale, MTA will provide without cost to the successful bidder for the Remarketed Bonds a reasonable number of copies of the final Remarketing Circular, together with an electronic copy, in order to comply with paragraph (b)(4) of Rule 15c2-12 and the Rules of the Municipal Securities Rulemaking Board (the "MSRB"). If the Remarketed Bonds are awarded to a syndicate, MTA will deliver final Remarketing Circulars only to the entity submitting the successful bid, which shall be responsible for distributing copies of the final Remarketing Circular among the participating remarketing agents.

MTA will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the final Remarketing Circular to the successful bidder in the currently required designated electronic format stated in MSRB Rule G-32 and the EMMA Dataport Manual (as defined below). The format in which the Preliminary Remarketing Circular was delivered meets such electronic format requirements.

"EMMA" means the MSRB's Electronic Municipal Market Access system or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information.

"EMMA Dataport Manual" means the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by remarketing agents under Rule G-32(b).

MTA will deliver to the purchasers of the Remarketed Bonds certificates of officials of MTA, dated the date of delivery of the Remarketed Bonds, stating that as of the sale date and at the time the Remarketed Bonds are delivered, insofar as MTA and its affairs, including its financial affairs, are concerned, the Remarketing Circular is and will be true and complete in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

DELIVERY AND PAYMENT

Delivery of the Remarketed Bonds will be made by MTA to DTC in book-entry only form, in New York, New York, on or about the Delivery Date shown in the Bidding Parameters Table, or such other date agreed upon by MTA and the successful bidder. Payment for Remarketed Bonds must be made in Federal Funds at the time of delivery of such Remarketed Bonds. Any expenses incurred in providing immediate funds, whether by transfer of Federal Funds or otherwise, will be borne by the purchaser. The cost of printing Remarketed Bonds, if any, will be borne by MTA.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on each Subseries of the Remarketed Bonds, but neither failure to print such numbers on any Remarketed Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchasers thereof to accept

delivery of and pay for the Remarketed Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Remarketed Bonds.

BLUE SKY

MTA has not taken any action relating to the requirements of the securities or "Blue Sky" laws of any jurisdiction with respect to the offer and sale of the Remarketed Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Remarketed Bonds.

CONTINUING DISCLOSURE

In order to assist bidders in complying with Rule 15c2-12, MTA will execute and cause to be delivered a written Continuing Disclosure Agreement to provide annual financial information, operating data and notices of certain events. A description of the Continuing Disclosure Agreement is set forth in the Preliminary Remarketing Circular and will be set forth in the final Remarketing Circular. Execution and delivery of the Continuing Disclosure Agreement will be a condition precedent to the obligation of the successful bidder to take up and pay for the Remarketed Bonds.

LEGAL OPINION

The legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to MTA, with respect to the remarketing of the Remarketed Bonds will be furnished in reasonable quantity to the successful bidder for the Remarketed Bonds without cost to the successful bidder for the Remarketed Bonds. For the proposed form of such opinion, see the Preliminary Remarketing Circular.

ADDITIONAL INFORMATION

Additional information may be obtained from either the Director, Finance of the Metropolitan Transportation Authority or MTA's Financial Advisor. See the Contacts page of this Notice of Sale.

METROPOLITAN TRANSPORTATION AUTHORITY

By: *Patrick J. McCoy*
Director, Finance

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