

ATTACHMENT 3

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Interagency Financing Agreement (the "Financing Agreement"). Such summary does not purport to be complete and reference is made to the Financing Agreement for full and complete statements of all provisions. Certain capitalized terms used herein shall have the meanings ascribed to them in Attachment 1. A copy of the Financing Agreement may be obtained upon request from the Authority or the Trustee.

Obligation to Make Financing Agreement Payments

1. For the purposes provided in the Financing Agreement, the Authority agrees to pay to, or for the benefit of, the Trustee, the MTA Financing Agreement Amount. Unless otherwise provided by a Supplemental Financing Agreement, the Interest Component shall be calculated on the basis of a 30-day month and 360-day year and shall be payable from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event the Interest Component with respect thereto shall be payable from such Interest Payment Date, or unless no Interest Component has been paid or duly provided for with respect to the Principal Components related to such Obligation, in which event the Interest Component shall be paid from the related Closing Date, or unless such Obligation is registered after the first day of a month of an Interest Payment Date, whether or not such day is a Business Day, in which event the Interest Component shall be payable from such Interest Payment Date; provided, however, that if at the date of registration of any Obligation the Interest Component with respect thereto is in default, the Interest Component with respect thereto shall be paid from the last date to which the Interest Component has been paid or made available for payment. The Authority may issue Refunding Obligations (and related Principal Components) in accordance with the Financing Agreement (and an applicable Supplemental Financing Agreement) to refund Principal Components in whole or in part.

2. The Authority shall pay the MTA Financing Agreement Amount with moneys provided by the Financing Agreement Payments and Interest Reserve Advances as herein provided. In connection therewith, the Authority has established the Dedicated Deposit Account with the Depository. On or prior to the Closing Date for the Series 2016A Obligations, the Authority shall have notified each Ground Lease Tenant of the information necessary to have the Ground Lease Tenant wire transfer all payments of Monthly Ground Rent and Fee Purchase Payments directly to the Depository for deposit into the Dedicated Deposit Account and shall have directed each Ground Lease Tenant to do so. Upon the execution and delivery of each Additional Severed Parcel Lease, the Authority shall notify the Ground Lease Tenant under the Additional Severed Parcel Lease of the information necessary to have the Ground Lease Tenant wire transfer all payments of Monthly Ground Rent and Fee Purchase Payments directly to the Depository for deposit into the Dedicated Deposit Account and shall have directed each Ground Lease Tenant to do so. In addition, in the event that the Authority elects to exercise its Cure Rights under the Trust Agreement, the Authority will transfer all payments in connection with the exercise of its Cure Rights, as provided in paragraph (5) below, to the Depository for deposit into the Dedicated Deposit Account.

3. In furtherance of the Authority's obligation to pay the MTA Financing Agreement Amount, the Authority grants to the Trustee all of its right, title and interest in and to the payment of Monthly Ground Rent under the Ground Leases, whether in the form of Regularly Scheduled Rent, Delinquent Rent or Prepaid Rent or in the right to take action to collect such Monthly Ground Rent if unpaid on its due date. As more fully described in the Trust Agreement, upon the receipt from the Depository of the information relating to monthly payments from Ground Lease Tenants of Monthly Ground Rent, following the Authority's comparison of the amount received against the then current Schedule 1 and the Authority's determination of which portions of such amounts received constitute Regularly Scheduled Rent, Prepaid Rent and Delinquent

Rent, the Authority shall direct the Trustee as to the amounts to be deposited into the applicable accounts of the Rent Payment Fund no later than 10 a.m. on the Business Day prior to each Monthly Transfer Date.

4. Upon the receipt from any Ground Lease Tenant, or upon the recovery of moneys applied in accordance with Section 5.06(a)(ii) of the Trust Agreement, of an amount equal to the Fee Purchase Payment, the Depository (if the Depository receives the money) shall promptly notify the Authority of such payment, and the Depository or the Authority (if the Authority recovers the money to be applied under Section 5.06(a)(ii) of the Trust Agreement) shall transfer such moneys to the Trustee in an amount equal to such Fee Purchase Payment for deposit into the Fee Purchase Payments Account in the Rent Payment Fund for subsequent transfer to the Principal Redemption Account. For purposes of clarification, Fee Purchase Payments will be received in connection with Ground Leases that do not have residential condominium units being constructed thereon and Ground Leases that do have residential condominium units being constructed thereon. Closings relating to the purchase of individual residential condominium units will be numerous and may involve transfers of money and the release of the portion of the Fee Mortgage relating to the residential condominium unit through a title insurance company or other third-party agent. The Authority hereby covenants and agrees that it will use its best efforts to ensure that the portion of the Fee Mortgage relating to any residential condominium unit will not be released until the Depository, the Authority or the title insurance company or other third-party agent has received the appropriate Fee Purchase Payment relating to such residential condominium unit and made appropriate arrangements to transfer such Fee Purchase Payment to the Trustee promptly following the closing of such residential condominium unit.

5. If the Authority decides under the provisions of the Trust Agreement to cure a Ground Lease Payment Event of Default by exercising its Cure Rights, the Authority shall thereafter transfer to, and/or deposit such moneys with, the Depository in amounts equal to the Monthly Ground Rent thereafter to be paid at the times and in the amounts required by the applicable Ground Lease that is in default. In addition, the Authority shall, within ten (10) Business Days after making the decision to cure the Ground Lease Payment Event of Default, transfer to, and/or deposit moneys with, the Depository in an amount equal to the amount of Monthly Ground Rent then in default under the applicable Ground Lease, less any amount of Interest Reserve Advances previously made relating to such defaulted Ground Lease. The Authority shall continue to be obligated to make Interest Reserve Advances in accordance with Section 4.1 of the Financing Agreement in the event that it decides at any time to discontinue exercising such Cure Rights.

6. If, under the provisions of the Trust Agreement, the Authority elects to pursue remedies in accordance with Section 5.05(a) thereof, and the Ground Lease remains in effect following the exercise of such remedies, any amounts recovered in the enforcement thereof shall be applied as provided in Section 5.06(a)(i) of the Trust Agreement. If, under the provisions of the Trust Agreement, the Authority elects to pursue remedies in accordance with Section 5.05(a) thereof, and the parcel that is the subject of the Ground Lease is sold or otherwise disposed of, any amounts recovered in the enforcement thereof shall be applied as provided in Section 5.06(a)(ii) of the Trust Agreement. The Authority shall continue to be obligated to make Interest Reserve Advances in accordance with Section 4.1 of the Financing Agreement during the period that it is pursuing remedies in accordance with Section 5.05(a) of the Trust Agreement.

7. Upon any determination that the Ground Lease Tenant is entitled to a Direct Cost Rent Credit, the Authority shall, beginning on the first Business Day of the month following such determination, transfer to the Depository, but solely from Available Transportation Revenues, an amount equal to that month's Direct Cost Rent Credit plus Direct Cost Rent Credits that should have previously been paid by the Authority, if any. The Authority shall continue to monthly pay such Direct Cost Rent Credit to the Depository as long as the Ground Lease Tenant is entitled to such Direct Cost Rent Credit.

8. If the Authority shall, in any other manner, receive moneys from a Ground Lease Tenant that are meant to be a payment of Monthly Ground Rent or Fee Purchase Payment, or in the event the Authority recovers moneys from a guarantor under any of the Payment Guaranties that relates to a Financing Agreement Payment, the Authority shall promptly transfer to, and/or deposit such moneys with, the Trustee in an amount

equal to the moneys so received for application in accordance with the Trust Agreement. In the event the moneys received by the Authority reflect the payment of an amount by a guarantor under a Payment Guaranty as provided in the “Guaranteed Additional Amounts Due” column under the “Default Payments Schedule” of the Payment Guaranty relating to an event of default thereunder resulting in the termination of the related Ground Lease, the Authority shall direct the Trustee to deposit such moneys into the Fee Purchase Payments Account as provided in Section 4.04(d) of the Trust Agreement for the subsequent redemption of Principal Components and the related Trust Obligations in accordance with Section 3.16(c) of the Trust Agreement.

9. The amounts payable by the Authority to the Depository or the Trustee in accordance with paragraphs 3 through 8 above are the “Financing Agreement Payments” referred to in the Financing Agreement and in the Trust Agreement.

10. Upon the execution and delivery of the Series 2016A Obligations and any Refunding Obligations, the Authority shall deliver to the Trustee a schedule substantially in the form of Schedule 1 attached to the Financing Agreement showing (a) the Principal and Interest Components of the MTA Financing Agreement Amount and the corresponding payments with respect to the Series 2016A Obligations and such Refunding Obligations, (b) the application by month of amounts to be transferred from the Capitalized Interest Fund to the Interest Account as Capitalized Interest Fund Transfer Amounts, (c) by Ground Lease, a monthly schedule showing the Regularly Scheduled Monthly Ground Rent due under each such Ground Lease through and including at least the next two Interest Payment Dates and (d) the Applicable Redemption Price(s). Promptly following each event that results in (a) a redemption of a Principal Component in accordance with Section 3.16 of the Trust Agreement, including upon the payment by any Ground Lease Tenant of a Fee Purchase Payment, or (b) a severing of all or a portion of a parcel from one Ground Lease into an additional or substitute Ground Lease, the Authority shall deliver to the Trustee a revised Schedule 1 containing the information required to be set forth therein. Each such schedule shall also set forth the amount of the (a) revised Interest Account Requirement, (b) the Interest Reserve Requirement, and (c) then applicable Fee Purchase Payment required to be paid by the Ground Lease Tenant to exercise the Fee Purchase Option for each Ground Lease for the period covered by Schedule 1 to the Financing Agreement. The schedule set forth in the original Schedule 1 relating to the application by month of amounts to be transferred from the Capitalized Interest Fund to the Interest Account as Capitalized Interest Fund Transfer Amounts shall not be revised upon the occurrence of any subsequent event. Notwithstanding the foregoing, the Authority need not revise Schedule 1 in connection with each individual residential condominium unit until the aggregate amount of such purchases requires the redemption of Obligations in accordance with the Trust Agreement.

11. The Authority shall maintain, or cause the Depository or the Trustee to maintain, records relating to the receipt of payments of Monthly Ground Rent and Fee Purchase Payments and make such records available at the written request of the Trustee.

12. At any time that an Obligation is subject to optional or early mandatory redemption, the related Principal Component is also subject to redemption. A redemption of Obligations under the Trust Agreement shall be treated as also resulting in the redemption of the related Principal Components, and amounts used for such redemption shall first be treated as used to redeem Principal Components in a corresponding amount and with a corresponding maturity. In the case of any payment from the Interest Account under the Trust Agreement, the amounts used for such payment shall first be treated as used to pay the Interest Component payable at such time and in a corresponding amount.

13. Upon the exercise by any Ground Lease Tenant of its Fee Conversion Option in an amount that is equal to or greater than fifty million dollars (\$50,000,000) wherein the next Eligible Early Mandatory Redemption Date for such redemption shall be the 15th day of the next succeeding calendar month, the Authority shall promptly, and in any event within five (5) Business Days of the closing of the Fee Conversion Option, file with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board a notice detailing (a) the approximate amount to be redeemed, (b) the date of the expected redemption,

and (c) the Ground Lease the fee title to which is being purchased by the Ground Lease Tenant. The filing required by this paragraph is not an obligation required by SEC Rule 15c2-12.

Section 3.1

Nature of Obligation to Pay MTA Financing Agreement Amounts

1. Except as provided in the Financing Agreement in the case of Interest Reserve Advances and Direct Cost Rent Credits which are payable from Available Transportation Revenues and, as described above, the other Financing Agreement Payments, neither the Authority nor any of the other Related Transportation Entities is obligated to make any other payment of amounts with respect to the Principal and Interest Components of the MTA Financing Agreement Amount and the corresponding payments on the Trust Obligations from any other revenues or moneys.

2. Except as described below under “Nature of Obligation to Make Interest Reserve Advances and Direct Cost Rent Credits Payments,” the obligation to pay the MTA Financing Agreement Amount is not a general or special obligation of any of the Related Transportation Entities. The MTA Financing Agreement Amount and the corresponding payments on the Trust Obligations are payable solely from Financing Agreement Payments and Interest Reserve Advances and are not payable from the general fund or other funds and revenues of the State, the City or the other funds and revenues of the Related Transportation Entities.

Section 3.2

Obligation to Make Interest Reserve Advances

1. Once a calendar month, on the Monthly Transfer Date (as defined in the Trust Agreement), to the extent that there exists or will exist, after making all required transfers on such Monthly Transfer Date, an Interest Reserve Deficiency Amount, the Trustee shall give an Interest Reserve Advance Notice to the Authority pursuant to Section 4.06(b) of the Trust Agreement setting forth the Interest Reserve Deficiency Amount, the defaulting Ground Lease Tenant(s) and the Original Ground Lease Default Date(s) for each Ground Lease then in default, in substantially the form of Exhibit C to the Trust Agreement. Subject to the next sentence, the Authority shall, within twenty-five (25) days after receiving the Interest Reserve Advance Notice, pay to or upon the order of the Trustee the amount set forth in the Interest Reserve Advance Notice. The Authority shall not be obligated to make Interest Reserve Advances with respect to any Ground Lease (a) for a period longer than seven (7) years after the Original Ground Lease Default Date relating to such Ground Lease, or (b) beginning on the date after the Trustee or the Real Estate Asset Management Consultant has, in accordance with Section 5.05 of the Trust Agreement, relet, sold or otherwise disposed of the premises that are the subject matter of the Ground Lease. For purposes of clarification, the seven (7) year period shall commence upon the occurrence of a Ground Lease Payment Event of Default and shall continue until all of the Ground Lease Payment Events of Default under the same Ground Lease are cured; during the continuance of such initial Ground Lease Payment Event of Default, subsequent Ground Lease Payment Events of Default under the same Ground Lease do not extend the existing seven (7) year period nor begin a new seven (7) year period. After all of the Ground Lease Payment Events of Default have been cured, a new seven (7) year period may begin under that same Ground Lease upon the occurrence and during the continuance of a subsequent Ground Lease Payment Event of Default. The Trustee may amend the Interest Reserve Advance Notice from time to time to reflect any revision to the Interest Reserve Deficiency Amount.

2. The Authority shall maintain records relating to the amounts in the Obligations Proceeds Fund that are expended for Capital Costs attributable to each of the Related Transportation Entities in order to determine, from time to time, the respective percentages that each such Related Transportation Entity is responsible for reimbursing the Authority for with respect to the payment of Interest Reserve Advances.

3. Following the payment of any Interest Reserve Advance, the Authority shall calculate the portion of such payment allocable from each such Related Transportation Entity and shall internally charge each such Related Transportation Entity for its allocable share. The Authority shall account for all such payments in accordance with the provisions of the MTA Act and the TA Act, including, without limitation, Section 1270-d of the Authority Act.

4. The Related Transportation Entities may recover Interest Reserve Advances from defaulting Ground Lease Tenants as provided in the Trust Agreement.

5. Each of the Related Transportation Entities (other than the Authority) authorizes the Authority to include in the Trust Agreement covenants and agreements of the other Related Transportation Entities that enable the Trustee to enforce the agreement of the other Related Transportation Entities to pay its pro rata share of each Interest Reserve Advance directly against the Related Transportation Entity in the event the Authority is delinquent in its obligation to make such Interest Reserve Advance.

Section 4.1

Nature of Obligation to Make Interest Reserve Advances and Direct Cost Rent Credits Payments

The obligation of the Authority to pay the Interest Reserve Deficiency Amounts and the Direct Cost Rent Credit Payments on behalf of the Related Transportation Entities shall be absolute and unconditional, but such amounts are payable solely from Available Transportation Revenues, and such payments shall be payable without any rights of setoff, recoupment or counterclaim it might have against the Trustee, any of the Ground Lease Tenants or any other Person. If the Authority shall have paid all Interest Reserve Deficiency Amounts and the Direct Cost Rent Credit Payments required by the Financing Agreement and continues to pay the same when due, the Authority shall not be precluded from bringing any action it may otherwise have against the Trustee, the Ground Lease Tenants, the guarantors under the Payment Guaranties or any other Person arising out of the failure of any of them to perform and observe any agreement or covenant, or any duty, liability or obligation of any of them arising out of or in connection with the Financing Agreement, the Trust Agreement, the Ground Leases or the other Financing Documents.

The Authority will not terminate the Financing Agreement or be excused from performing its obligations under the Financing Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute a failure of consideration or frustration of purpose, without regard to any default by the Trustee or any of the Ground Lease Tenants, or the failure of the Trustee or any of the Ground Lease Tenants to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation of either of them arising out of or in connection with the Financing Agreement.

Section 4.2

Compliance with Financing Documents

Each Related Transportation Entity shall take all actions or refrain from taking all such actions, as the case may be, as shall ensure its compliance and compliance of the Authority with the terms and provisions of the Financing Documents or any other agreement entered into by the Authority in connection with the undertaking or financing of Capital Costs and which shall by its terms, directly or indirectly, apply to any Related Transportation Entity.

Section 5.1

Cooperation by a Related Transportation Entity

1. Each Related Transportation Entity shall give the Authority its full cooperation in respect of all matters relating to, and shall use its best efforts to, effect the financing by the Authority of Capital Costs and all other undertakings of the Authority pursuant to the Financing Documents.

2. A Related Transportation Entity shall, whenever requested by the Authority, provide and certify, or cause to be provided and certified, in form reasonably satisfactory to the Authority, such information concerning itself, all or any part of the Systems or the costs of all or any part of the Systems under its jurisdiction and the operations and finances of such Related Transportation Entity, and such other matters as the Authority reasonably considers necessary to enable the Authority to complete and publish an official statement, placement memorandum or other similar document relating to the sale of Trust Obligations, or to enable the Authority to make any reports required by law or governmental regulations, or which are the subject of any agreement or understanding entered into by the Authority in connection with the MTA Financing Agreement Amount and any Trust Obligations or the implementation of the Capital Program Plan or any other Capital Costs for the Systems.

Section 5.2

Further Assurances

To the extent permitted by law, each Related Transportation Entity from time to time shall make, do, execute, adopt, acknowledge and deliver and take all and every such further acts, deeds, conveyances, assignments, resolutions, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and interests assigned under the Financing Documents and the Ground Leases or intended to be so assigned, or which the Authority may become bound to pledge or assign.

Section 5.3

Agreement of the State

In accordance with Section 1271 of the Authority Act and, in the case of the Transit Authority and MaBSTOA, subdivision 8 of Section 1207-m of the TA Act, each Related Transportation Entity includes the pledge and agreement of the State with each Related Transportation Entity, the Trustee and the Owners of the Trust Obligations that the State will not limit or alter the rights and powers vested in any of them to fulfill the terms of any agreement made by any of them with such Owners, or in any way impair their rights and remedies until such agreements and obligations, including the Financing Agreement, together with the Interest Components thereon and all costs and expenses in connection with any action or proceedings by or on behalf of the Authority or such Owners, are fully met and discharged.

Section 5.9

Tax Covenant

The Authority covenants and agrees that it will maintain the exclusion from gross income of the Interest Components paid or accrued pursuant to Section 103(a) of the 1986 Code. In furtherance thereof, the Authority will comply with the Tax Certificate (including any supplements thereto or amendments thereof). The Authority further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts, if any, necessary to satisfy the rebate requirements of Section 148(f) of the 1986 Code.

Notwithstanding any other provision of this Financing Agreement to the contrary, upon the Authority's failure to observe, or refusal to comply with, the above covenant, the Trustee acting on behalf of

holders of the Obligations, shall be entitled to the rights and remedies provided to Owners of the Obligations or the Trustee under Section 5.04(b) of the Trust Agreement.

Notwithstanding the foregoing, at the written direction of an Authorized Officer, the Authority may issue all or any portion of the Principal Components in one or more series as taxable obligations.

Section 5.10

Default

In the event any Related Transportation Entity shall fail to observe or refuse to comply with any covenants or agreements on its part to be observed or performed by it under the Financing Agreement and such failure or refusal shall not give rise to a default enumerated in Section 5.04(a) of the Trust Agreement, the Authority may compel the observance or compliance with any such covenant or agreement. In the event any Related Transportation Entity shall fail to observe or refuse to comply with any covenants or agreements on its part to be observed or performed by it under the Financing Agreement and such failure or refusal shall give rise to a default enumerated in Section 5.04(a) of the Trust Agreement, then the Trustee may compel the observance or compliance with any such covenant or agreement.

Section 7.1

Remedies

Whenever any event of default shall have occurred and be continuing, and written notice of the default, if required, shall have been given to any Related Transportation Entity by the Authority or by the Trustee, as the case may be, and the default shall not have been cured within any period provided therefor, the Authority or the Trustee, as the case may be, so long as any Principal and Interest Components and Trust Obligations are Outstanding, may take whatever action at law or in equity may appear reasonably necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of such Related Transportation Entity under the Financing Agreement; provided, however, that, unless the failure to perform and observe the obligation, agreement or covenant will result in a default under the Financing Documents, if the failure stated in the notice cannot be remedied within the applicable period but can be remedied, the Authority and the Trustee, as the case may be, will not unreasonably withhold their consent to an extension of such time if corrective action has been instituted by the Related Transportation Entity in default within such period and is being diligently pursued.

Section 7.2

Enforcement by Trustee

The Trustee shall, so long as any Trust Obligations are Outstanding, have the right to enforce the Financing Agreement in its own right without joining with, or requiring the consent of, the Authority.

Section 8.3

Certain Provisions of the Trust Agreement

The Authority has certain rights related to defaults, defeasance, remedies, redemption and cure rights with respect to the Principal and Interest Components and the sources for paying such amounts that are set forth in the Trust Agreement although such provisions relate to the Principal and Interest Components, as well as the Obligations. Accordingly, the provisions of the Trust Agreement related to remedies, cure rights, defaults, remedies in the event of a Ground Lease Payment Event of Default, optional and mandatory redemption of Principal Components, defeasance of the Principal and Interest Components, amounts available

for the payment of the Principal and Interest Components are applicable under the Financing Agreement as if contained therein.

For avoidance of doubt, the Trustee is entitled to the rights, privileges, protections, immunities, benefits and indemnities provided under the Trust Agreement as if contained in the Financing Agreement.

Section 8.7