MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Minutes of the Special Meeting of the Board of Directors,
August 10, 1977

A Special Meeting of the Board of Directors of the Municipal Assistance Corporation For The City of New York was held at 2:00 P.M., on August 10, 1977, at the offices of Paul, Weiss, Rifkind, Wharton & Garrison, general counsel to the Corporation, 345 Park Avenue, New York City. The following Directors were present:

Felix G. Rohatyn, Chairman
Frank Barry
George Brooker
Thomas Flynn
George Gould
Robert Weaver

constituting a quorum of the Board.

The following Representatives to the Board of Directors were present:

Edward Kresky
Leonard Nadel
Robert Seavey
Zane Klein

The following members of the Staff were present:

Eugene Keilin
Stephen Weinstein
Paul Giddings
Marilyn Friedman
William Lithgow
Michael Smith

Also present by invitation of the Board were: Simon Rifkind, Allen Thomas and George Balis, of Paul Weiss, Rifkind, Wharton & Garrison, general counsel to the Corporation; and Donald Robinson of Hawkins, Delafield & Wood, bond counsel to the Corporation; John C. Burton, Deputy Mayor for Finance of The City of New York; Steven Clifford, Special Deputy Comptroller of The City of New York; and Dale Horowitz of Salomon Brothers.

Ms. Friedman served as Acting Secretary of the meeting.
Mr. Rohatyn called the meeting to order and asked that the Board conduct an Executive Session for the purposes of discussing a proposed financing of the Corporation. Upon motion unanimously approved, the Board convened an Executive Session for such purposes.

Mr. Rohatyn suggested that Eugene Keilin describe the proposed financing. Mr. Keilin explained that the Corporation proposed to refinance approximately $1.5 billion of its bonds held by various clearing house banks and City pension funds. In addition, Mr. Keilin stated, the Corporation proposed to exchange approximately $820 million of City notes held by such banks and pension funds for bonds of the Corporation issued pursuant to its Second General Bond Resolution. Finally, the Corporation proposed to issue between $75 and $200 million of its Second Resolution Bonds to the public. Mr. Keilin described certain limitations which would be placed upon issuance by the Corporation of further bonds, pursuant to the Series Resolutions authorizing the bonds to be issued in this financing. Under such limitations, (a) the Corporation would not be permitted to issue new First Resolution Bonds if such issuance would cause maximum annual debt service on all obligations issued under the First General Bond Resolution to exceed $425 million (with certain adjustments for small denomination notes of the Corporation); and (b) the Corporation would not issue any additional Second Resolution bonds, if such issuance would cause required coverage of all revenues available for the payment of Second Resolution bonds to be less than two times debt service for such bonds in any
given year. Mr. Keilin then related to the Board his discussions with Moody's Investors Service and Standard and Poor's Corporation concerning ratings for the Corporation's First and Second Resolution Bonds. There ensued a discussion respecting the adoption of a proposal to improve bond ratings by filling the Capital Reserve Fund under the First General Bond Resolution with a portion of the proceeds of a negotiated sale of $200 million Second Resolution Bonds. Such negotiated sale would replace a previously discussed $75 million competitive sale of such Bonds. It was agreed that the issuance of $200 million of Second Resolution bonds would not have an adverse effect on the marketability of the bonds of the Corporation presently outstanding, that an improved rating would facilitate advance refunding of certain issues, which would, in turn, decrease the capital reserve requirements of the Corporation, and that an upgrading could result in a national market for the Corporation's bonds.

Mr. Burton reported that the issuance of $200 million of the Corporation's Second Resolution bonds in connection with the financing would have a favorable impact on the City's budget.

Mr. Clifford reported that while the City Sinking Funds were funded and would therefore not exchange their MAC bonds for newly issued MAC bonds, the Sinking Funds would join in agreement to effectuate the proposed financing. There ensued discussion of certain other proposed limitations on the Cor-
poration's issuance of its bonds. It was the sense of the Board that additional limitations were unnecessary. It was also the sense of the Board that the larger $200 million offering would be made only if it would result in an A rating for the Corporation's First Resolution bonds.

The Chairman then reconvened the public meeting.

Mr. Keilin described a proposed financing which, he stated, was set forth in a document entitled "First Amendment to the Amended and Restated Agreement," a draft of which had been circulated to the Board prior to the meeting.

Mr. Keilin reviewed for the Board the provisions of the First Amendment to the Amended and Restated Agreement and indicated that it would be appropriate for the Corporation to adopt a resolution authorizing the Chairman to execute the First Amendment in the form presented to the meeting. Following discussion the following resolution was, upon motion duly made and seconded, unanimously adopted:

RESOLVED, that the Chairman of the Corporation be, and hereby is, authorized to execute the First Amendment to the Amended and Restated Agreement in substantially the form presented to the meeting.

Mr. Keilin reported to the Board that the Corporation was considering offering to the public $200 million principal amount of its 1977 Series B Bonds, through a negotiated sale of such Bonds to certain underwriters. He indicated that in connection with such sale it would be appropriate for the Corporation to prepare and circulate a Preliminary Official
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10 August 1977
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Statement. Following a discussion of this matter, upon motion
duly made, seconded and unanimously carried, it was

RESOLVED, that a Preliminary Official
Statement be, and hereby is, authorized to
be prepared, issued and distributed for use
in connection with the offer and sale of the
1977 Series 8 Bonds.

Mr. Rohatyn noted that it was the sense of the Board
that the public offering be reduced from $200 million to $75
million in the event it was determined that an accelerated
funding of the Capital Reserve Fund would not yield higher
ratings for the Corporation's bonds.

Mr. Rohatyn noted that he had discussed with Roger Altman,
Assistant Secretary, Department of the Treasury, both the
nature of the offering and its timing and that Mr. Altman approved
of both. Mr. Burton and Mr. Clifford agreed that the accelerated
funding of the Capital Reserve Fund through issuance of the
Second Resolution bonds would be beneficial to the City.

In connection with the First Amendment, Mr. Keilin noted
that the City Sinking Funds were not participating in the
exchange of MAC bonds for technical reasons but would execute
the Amendment. Mr. Clifford, representing the Comptroller of
The City of New York, sole trustee for the Sinking Funds, concurred.

There being no further business at the meeting, it was by
motion duly made, seconded and carried, adjourned at approximately
5:00 P.M.

[Signature]
Marilyn Friedman
Acting Secretary
FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT

FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT
made as of the day of 1977 (the "Amendment"),
by and among the Municipal Assistance Corporation For The City
of New York (the "Corporation") and each of the undersigned New
York City Commercial Banks (the "Banks"), New York City Pension
Funds (the "Pension Funds") and New York City Sinking Funds
(the "Sinking Funds").

Each of the parties hereto agrees that the agree-
ment made as of the 26th day of November, 1975 (the "Amended
and Restated Agreement"), by and among the parties to this
Amendment is hereby further amended and restated in its en-
tirety to provide as follows:

1. (a) Each of the Banks and Pension Funds hereby
represents, severally and not jointly, that on the date hereof
it holds the short-term notes of The City of New York (the
"City") which are listed on the schedule furnished by it to
the Corporation prior to its execution of this Amendment and
identified as its schedule referred to in this Paragraph
("City Notes"). Each of the Banks and Pension Funds hereby
agrees to exchange at the Closing Time (as such term is herein-
below defined) all such City Notes held by it for an equal
principal amount of newly issued bonds of the Corporation (the
"1977 Series 9 Bonds") issued pursuant to the Second General Bond Resolution of the Corporation, adopted November 25, 1975, as supplemented (the "Second General Bond Resolution"), and having the terms and provisions set forth in the form of series resolution heretofore delivered to the Banks and the Pension Funds and identified as the form of series resolution referred to in this Paragraph, with such changes as may be approved by counsel for the Banks and Pension Funds (the "1977 Series 9 Resolution"); provided, however, that in the event the first reoffering price to the public advertised by the successful bidder for the 1977 Series 8 Bonds, as defined below, (the "Initial Reoffering Price") is less than or greater than the par value of the 1977 Series 8 Bonds, the aggregate principal amount of the 1977 Series 9 Bonds delivered to each Bank or Pension Fund shall be an amount which equals the product of (i) the principal amount of the City Notes exchanged by such Bank or Pension Fund times (ii) a fraction, the numerator of which is the par value of a 1977 Series 8 Bond and the denominator of which is the Initial Reoffering Price of such 1977 Series 8 Bond. Notwithstanding the foregoing, the 1977 Series 9 Bonds shall be issued only in denominations of $5,000 or integral multiples thereof and no fraction of a 1977 Series 9 Bond shall be issued nor shall any payment be made by the Corporation in respect of such fractional interest; all frac-
tional interests shall be rounded down to the nearest denomination of $5,000 or integral multiple thereof.

(b) The obligation of each of the Banks and Pension Funds to make such exchange shall be subject to the performance or fulfillment of the following conditions at or prior to the Closing Time: (A) the Corporation shall adopt the 1977 Series 9 Resolution and shall take such other actions as may be required to permit the exchange provided for in this Paragraph; (B) the City and the Corporation shall have timely paid when due principal and interest on their respective bonds outstanding at such time and the City shall not be in default in the payment of any judgment regarding any short-term notes of the City; (C) the City and the Corporation shall not be under the jurisdiction of any court pursuant to any proceeding under the federal bankruptcy laws (or any statute analogous in purpose or effect to any such laws) and the City shall not be under the jurisdiction of any court pursuant to any proceedings under Title 6-A of the Local Finance Law (or any statute analogous in purpose or effect to any such Law); (D) there shall be delivered to and for the benefit of each Bank and Pension Fund (i) an unqualified approving opinion with respect to the 1977 Series 9 Bonds in the form of Schedule I annexed hereto, with such changes as may be agreed to by counsel providing such opinion and counsel for the Banks and Pension Funds and (ii) such other documents as counsel for the Banks and Pension
Funds shall reasonably request in form and substance satisfactory to such counsel; (E) no other party to this Amendment shall be in breach of any provision hereof and each Bank and Pension Fund shall have made such exchange; (F) there shall have been issued and not withdrawn, for bonds of the Corporation issued pursuant to the First General Bond Resolution of the Corporation adopted July 2, 1975, as amended and supplemented (the "First General Bond Resolution"), a rating of Baa or better by Moody's Investor Service Inc. and a rating of A+ or better by Standard & Poors Corporation, and, for bonds of the Corporation issued pursuant to the Second General Bond Resolution, a rating of Baa or better by Moody's Investor Service Inc. and a rating of BBB or better by Standard & Poors Corporation; (G) there shall have been an underwritten public sale after competitive bidding of not less than $50,000,000 principal amount of bonds of the Corporation (the "1977 Series 8 Bonds") issued pursuant to the Second General Bond Resolution, having the terms and provisions set forth in the form of series resolution heretofore delivered to the Banks and the Pension Funds and identified as the form of series resolution referred to in this Paragraph, with such changes as may be approved by counsel for the Banks and the Pension Funds (the "1977 Series 8 Resolution") and such Bonds shall have been paid for; (H) at the time of acceptance of bids with respect to the 1977 Series 8 Bonds, there shall be delivered to and for the benefit of
the Banks and the Pension Funds an official statement of the Corporation with respect to the 1977 Series 9 Bonds that is substantially similar in form and content to the official statement of the Corporation prepared for the 1977 Series 8 Bonds and the official statement prepared for the 1977 Series 9 Bonds shall not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make such official statement not misleading; and at the Closing Time such official statement, as the same may have been supplemented or amended with the consent of the Banks and the Pension Funds, shall continue not to contain any untrue statement of a material fact or omit any statement of a material fact necessary to make such official statement not misleading (in each case such official statement need not contain any additional material because the 1977 Series 9 Bonds are being issued in exchange for City Notes rather than pursuant to an initial sale for cash); and at the Closing Time there shall be delivered to and for the benefit of each Bank and Pension Fund an opinion of the same counsel for the Corporation who rendered an opinion to the underwriters on the 1977 Series 8 Bonds, such opinion to be in the form of Schedule II annexed hereto, with such changes as may be agreed to by such counsel and counsel for the Banks and Pension Funds; (I) the City shall have made to the Pension Funds all contributions and other payments required by law to have been made; (J) Chapter 890 of the Laws of 1975 of the State of New York shall
be effective (or shall be replaced by a statute having the same purpose or effect as such Law); (K) the New York City Seasonal Financing Act of 1975 shall be in force and effect, the Credit Agreement among the City, the State of New York, the New York State Emergency Financial Control Board established pursuant to Chapter 868 of the Laws of 1975 of the State of New York (the "Emergency Financial Control Board") and the United States of America, dated December 30, 1975 (the "Credit Agreement"), shall be in force and effect and the City shall not be in default in the payment of principal and interest on any notes of the City issued pursuant to such Credit Agreement; (L) Public Law 94-236 shall be in force and effect and the Secretary of the Treasury of the United States of America shall have approved this Amendment in writing pursuant to such Law; and (M) the City shall pay accrued interest on the City Notes exchanged to the date preceding the Closing Time.

(c) The Closing Time shall be 8:30 A.M., New York City Time, on , 1977, or such later time as the parties may agree.

(d) Each of the Banks and Pension Funds hereby represents, severally and not jointly, that it did not tender, or otherwise accept any offer to exchange, any short-term notes of the City held by it for bonds of the Corporation pursuant to the Corporation's various exchange offers to holders of certain short-term notes of the City.
2. The Sinking Funds hereby represent that the only short-term notes of the City which were held by them as of the date of the Amended and Restated Agreement were bond anticipation notes dated January 13, 1975 and which matured on January 13, 1976, in the aggregate principal amount of $200,000,000 (the "Sinking Fund BANs"). The Sinking Funds hereby acknowledge, severally and not jointly, that pursuant to Paragraph 4 of the Amended and Restated Agreement the Sinking Funds have purchased serial bonds of the City, bearing interest at the rate of 6% a year, in the aggregate principal amount of $200,000,000, upon or in payment of the Sinking Fund BANs and the Sinking Funds represent that the bonds of the City so purchased mature and are subject to payment of such annual installments of principal as are necessary, after having taken into account the other holdings of the Sinking Funds, to meet the legal obligations of the Sinking Funds.

3. (a) Each of the Banks and Pension Funds hereby acknowledges, severally and not jointly, that it holds the bonds of the Corporation which are listed on the schedule furnished by it to the Corporation prior to its execution of this Amendment and identified as its schedule referred to in this Paragraph (the "Bonds").

(b) Each of the Banks hereby agrees, with respect to the Bonds held by such Bank, to exchange, at the Closing Time, such Bonds for newly issued 1977 Series GG
Bonds of the Corporation (the "1977 Series GG Bonds") and 1977 Series HH Bonds of the Corporation (the "1977 Series HH Bonds"), issued pursuant to the First General Bond Resolution, each such series having the terms and provisions set forth in Schedule III annexed hereto; the amount of the 1977 Series GG Bonds issued in exchange for such Bonds shall be equal to the February 1, 1978 principal payment due with respect to such Bonds and the amount of the 1977 Series HH Bonds issued in exchange for such Bonds shall be equal to the remaining unpaid principal amount of such Bonds.

(c) Each of the Pension Funds hereby agrees, with respect to the Bonds held by such Pension Fund, to exchange, at the Closing Time, such Bonds for newly issued 1977 Series FF Bonds of the Corporation (the "1977 Series FF Bonds") and 1977 Series HH Bonds, issued pursuant to the First General Bond Resolution, each such series having the terms and provisions set forth in Schedule IV annexed hereto; the amount of the 1977 Series FF Bonds issued in exchange for such Bonds shall be equal to the February 1, 1978 principal payment due with respect to such Bonds and the amount of the 1977 Series HH Bonds issued in exchange for such Bonds shall be equal to the remaining unpaid principal amount of such Bonds.

(d) Each of the Banks and Pension Funds, severally and not jointly, agrees, with respect to the Bonds held by it, that, until the earlier of the Closing Time or the termina-
tion of this Amendment pursuant to Paragraph 9 hereof, no such Bond will be sold, assigned, delivered or otherwise transferred by such holder.

(e) The Corporation hereby agrees that until the Closing Time it shall not issue any new bonds or notes based upon debt service savings to the Corporation for any fiscal year or years resulting from the operation of Paragraph 5 of the Amended and Restated Agreement. Subsequent to the Closing Time the Corporation may issue new bonds or notes without regard to this subparagraph.

(f) Notwithstanding anything to the contrary in this Paragraph 3, the undertaking under this Paragraph 3 of each such holder under this Paragraph shall be subject to the following: (A) the Corporation shall adopt series resolutions and take such other actions prior to the Closing Time as may be required to permit the transactions provided for in subparagraphs 3(b), (c) and (d) above; (B) the 1977 Series 8 Bonds and the 1977 Series 9 Bonds shall have been closed or shall be closed simultaneously therewith, as contemplated by this Amendment; (C) at the time of acceptance of bids with respect to the 1977 Series 8 Bonds, there shall be delivered to and for the benefit of the Banks and Pension Funds an official statement of the Corporation with respect to the 1977 Series FF Bonds, 1977 Series GG Bonds and 1977 Series HH Bonds that shall not contain any untrue statement of a material fact or omit any statement
of a material fact necessary to make such official statement not misleading; and at the Closing Time such official statement, as the same may have been supplemented or amended with the consent of the Banks and Pension Funds, shall continue not to contain any untrue statement of a material fact or omit any statement of a material fact necessary to make such official statement not misleading (in each case such official statement need not contain any additional material because the 1977 Series FF Bonds, 1977 Series GG Bonds and 1977 Series HH Bonds are being issued in exchange for the Bonds rather than pursuant to an initial sale for cash); at the Closing Time there shall be delivered to and for the benefit of each Bank and Pension Fund an opinion of the same counsel for the Corporation who rendered an opinion to the underwriters on the 1977 Series 8 Bonds, such opinion to be in the form of Schedule V annexed hereto, with such changes as may be agreed to by such counsel and counsel for the Banks and Pension Funds; (D) there shall be delivered to and for the benefit of each Bank and Pension Fund (i) an unqualified approving opinion with respect to the 1977 Series FF Bonds, 1977 Series GG Bonds and 1977 Series HH Bonds in the form of Schedule VI annexed hereto, with such changes as may be agreed to by counsel providing such opinion and counsel for the Banks and Pension Funds and (ii) such other documents as counsel for such holders shall reasonably request in form and substance satis-
factory to such counsel; and (E) at the Closing Time, each Bank and Pension Fund shall have made the exchanges referred to in this Paragraph.

4. (a) The Pension Funds hereby agree, severally and not jointly, to purchase during the 1977-78 fiscal year of the City (i) up to $500,000,000 principal amount of serial bonds of the City, substantially in the proportions set forth in Schedule VII annexed hereto and (ii) $236,060,000 principal amount of serial bonds of the City, substantially in the proportions set forth in Schedule VIII annexed hereto, representing the principal amount of the bonds of the City purchased by the Pension Funds pursuant to Paragraph 7 of the Amended and Restated Agreement which the City is required by law to amortize prior to June 30, 1978; all such bonds shall bear interest at the rate of 9% a year and shall mature on such date or dates as shall be mutually agreed upon.

(b) Each Pension Fund hereby acknowledges and represents that, pursuant to Paragraph 7 of the Amended and Restated Agreement, each such Pension Fund has made its proportionate share of the following purchases of serial bonds of the City:

(i) Prior to January 1, 1976, $30,000,000 aggregate principal amount of serial bonds of the City bearing interest at the rate of 6% a year; and
(ii) Prior to June 30, 1976, $500,000,000 aggregate principal amount of serial bonds of the City and during the 1976-77 fiscal year of the City, $1,250,000,000 aggregate principal amount of serial bonds of the City; all such bonds bearing interest at the rate of 9% a year.

(c) The obligations of the Pension Funds to purchase bonds pursuant to this Paragraph 4 shall be subject to agreement to and fulfillment of such agreements referred to in this Paragraph 4 by all parties and shall be conditioned upon each of the following facts being true on the date of each such purchase: (i) the City shall have timely paid when due principal and interest on bonds of the City outstanding at such time; (ii) the City shall not be under the jurisdiction of any court pursuant to any proceedings under the federal bankruptcy laws or pursuant to Title 6-A of the Local Finance Law (or any statute analogous in purpose or effect to any such laws or such Law); (iii) Chapter 890 of the Laws of 1975 of the State of New York shall be effective (or shall be replaced by a statute having the same purpose or effect as such Law); (iv) the City shall have made to the Pension Funds all contributions and other payments required by law to have been made; (v) the City shall, in connection with each purchase of serial bonds of the City, deliver to any Pension Fund so requesting, an official statement with respect to the City in form and substance
satisfactory to the Trustees of such Pension Fund; (vi) Public Law 94-236 shall be in force and effect and the Secretary of the Treasury of the United States of America shall have approved this Amendment in writing pursuant to such Law; (vii) the New York City Seasonal Financing Act of 1975 shall be in force and effect, the Credit Agreement shall be in force and effect and the City shall not be in default in the payment of principal and interest on any notes of the City issued pursuant to such Credit Agreement; (viii) at the time of any such purchase, there shall have been delivered to and for the benefit of each Pension Fund an unqualified approving opinion as to legality from recognized bond counsel and such other documents as counsel for the Pension Funds shall reasonably request in form and substance satisfactory to such counsel; and (ix) no other party to this Amendment shall be in breach of any provision hereof.

5. Any reference herein to "City Notes held" or "short-term notes of the City held" by a Bank shall refer only to City Notes or short-term notes of the City, respectively, owned by such Bank for its own account.

6. Any Bank or Pension Fund which is the holder of a City Note subject to Paragraph 1 hereof may sell, assign, deliver or otherwise transfer any such City Note prior to the Closing Time, provided that the transferee shall be satisfactory to the City and shall have agreed in writing in
form and substance satisfactory to the City to exchange such Note on the same terms and conditions as the Bank or Pension Fund so selling, assigning, delivering or otherwise transferring such City Note has agreed to under Paragraph 1.

7. No waiver by a party hereto of any provision of this Amendment shall operate as a waiver by such waiving party of any other provision hereof, and such waiver shall be effective only in the instance and for the purpose for which it was expressed to be given.

8. Each of the Banks and Pension Funds agree, severally and not jointly, that it will not sell or otherwise dispose of (a) the 1977 Series 9 Bonds received pursuant to Paragraph 1 of this Amendment or (b) the Bonds of the Corporation received pursuant to Paragraph 3 of this Amendment, for 30 days after the Closing Time; or such shorter period applicable to all parties as the Corporation and the successful bidders for the 1977 Series 8 Bonds may agree; provided, however, that this Paragraph shall not prevent a bona fide pledge or deposit of such securities by any holder thereof.

9. This Amendment shall become effective upon its execution by the Corporation and by each of the Banks, Pension Funds and Sinking Funds; provided, however, that if by September 30, 1977 (or such later date as the parties may agree in writing), the exchanges provided for in Paragraphs 1 and 3 hereof shall not have occurred, then any party hereto may,
by notice to all of the other parties hereto, terminate this Amendment. Upon any such termination, the rights and obligations of the parties hereto shall be the same as if the Amendment had not been executed. The notice provided for in this Paragraph shall be sent by registered mail return receipt requested to all of the parties at the addresses set forth in Schedule IX annexed hereto and shall be deemed to have been given on the third day following the mailing of such notice.

10. The Corporation agrees that United States Trust Company of New York, as Depository, under Deposit Agreements made as of July 23, 1976 among the Corporation, the Depository and certain Banks, may, upon the order of any such Bank, deliver any Bonds of such Bank at the Closing Time for exchange in accordance with Paragraph 3(b) of this Amendment.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed by its duly authorized officer as of the date first above written.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By

BANKS

CITIBANK, N.A.

By

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By
BANKERS TRUST COMPANY

By____________________________

UNITED STATES TRUST COMPANY
OF NEW YORK

By____________________________

THE CHASE MANHATTAN BANK, N.A.

By____________________________

MARINE MIDLAND BANK - NEW YORK

By____________________________

NATIONAL BANK OF NORTH AMERICA

By____________________________

IRVING TRUST COMPANY

By____________________________

THE BANK OF NEW YORK

By____________________________

MANUFACTURERS HANOVER TRUST
COMPANY

By____________________________

CHEMICAL BANK

By____________________________

PENSION FUNDS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

By____________________________

TEACHERS RETIREMENT SYSTEM FOR THE CITY OF NEW YORK

By____________________________
BOARD OF EDUCATION RETIREMENT SYSTEM FOR THE CITY OF NEW YORK

By________________________

NEW YORK CITY POLICE PENSION FUND, ARTICLE 2

By________________________

NEW YORK CITY FIRE DEPARTMENT PENSION FUND, ARTICLE 1-B

By________________________

SINKING FUNDS

SINKING FUND OF THE CITY OF NEW YORK

By________________________

WATER SINKING FUND OF THE CITY OF NEW YORK

By________________________

RAPID TRANSIT SYSTEM SINKING FUND OF THE CITY OF NEW YORK

By________________________

TRANSIT UNIFICATION SINKING FUND OF THE CITY OF NEW YORK

By________________________
SCHEDULE I

[Form of Bond Counsel opinion with respect to the 1977 Series 9 Bonds]

To Come
SCHEDULE II

[Form of Opinion of Counsel for the Corporation with respect to the 1977 Series 9 Bonds]

To Come
SCHEDULE III
Series GG Bonds

Dated: Closing Date
Maturing: February 1, 1987
Interest Rate: Initially 8%, decreased to 6% upon happening of specified contingency (details to come).
Interest Payable From August 1, 1977 with adjustment to Closing Date (Note: Details to be agreed upon).
Sinking Fund Redemptions: None
Optional Redemption: None

Series HH Bonds

Dated: Closing Date
Maturing: February 1, 1995
Interest Rate: 7 1/2%
Interest Payable From August 1, 1977 with adjustment to Closing Date (Note: Details to be agreed upon).

Sinking Fund Redemptions By Lot:

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Optional Redemption:

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<td>February 1, 1989 to July 31, 1990</td>
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<td>August 1, 1990 to January 31, 1992</td>
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<tr>
<td>February 1, 1992 to July 31, 1993</td>
<td>100 1/2</td>
</tr>
<tr>
<td>August 1, 1993 and thereafter</td>
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</tr>
</tbody>
</table>
SCHEDULE IV

Series FF Bonds

Dated: Closing Date

Maturing: February 1, 1986

Interest Rate: 7 1/2%

Interest Payable From August 1, 1977 with adjustment to Closing Date (Note: Details to be agreed upon).

Sinking Fund Redemptions: None

Optional Redemption: None

Series HH Bonds

Dated: Closing Date

Maturing: February 1, 1995

Interest Rate: 7 1/2%

Interest Payable From August 1, 1977 with adjustment to Closing Date (Note: Details to be agreed upon).

Sinking Fund Redemptions By Lot:

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<td>August 1, 1993 and thereafter</td>
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SCHEDULE V


To Come
SCHEDULE VI

[Form of Bond Counsel opinion with respect to the 1977 Series PP Bonds, 1977 Series GG Bonds and 1977 Series HH Bonds]

To Come
SCHEDULE VII

[Pension Fund purchases during the 1977-78 fiscal year]

To Come
SCHEDULE VIII

[Pension Fund amortization purchases required prior to June 30, 1978]

To Come