MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Minutes of a Special Meeting of the Board of Directors,
December 8, 1975

A Special Meeting of the Board of Directors of
the Municipal Assistance Corporation For the City of New York,
a corporate governmental agency and instrumentality of the
State of New York constituting a public benefit corporation
(the "Corporation"), was held at the State of New York
Executive Office of the Governor, 1350 Avenue of the Americas,
New York, New York, on December 8, 1975, at 9:00 A.M.

Attendance:

The following Directors were present:

Felix G. Rohatyn
Francis J. Barry
Thomas D. Flynn
George D. Gould
Donna Shalala
Robert C. Weaver

constituting a quorum of the Board.

The following Representatives to the Board of
Directors were present:

Zane Klein
Leonard Nadel
Nicholas Pitaro
M. Peter Schweitzer
Robert Seavey

Also present by invitation of the Board were:
Judith R. Thoyer, Allen L. Thomas and Frederick R. Cummings
of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel
to the Corporation; Donald J. Robinson of Hawkins, Delafield
& Wood, Bond Counsel to the Corporation; Herbert Elish,
John Scanlon and James R. Keegan, of the staff of the
Corporation.
Mr. Rohatyn served as Chairman and Mr. Keegan as Secretary of the Meeting.

Legislation:

Mrs. Thoyer informed the Board members and representatives that legislation had been passed which gave the City employees' pension funds the option only to December 19, 1975 of buying bonds of the Corporation in lieu of City bonds. A further bill had been introduced in the Legislature which would extend this option through December 31, 1975. Senator Anderson, Senate Majority Leader, had deferred consideration of an open ended option until the Corporation's Exchange Offer had terminated. He was also requesting that a schedule be included in the Three Year Financial Plan to indicate how payment would be made to the holders of notes covered by the moratorium.

Mr. Robinson and Mrs. Thoyer gave the opinion that technical amendments to Sections 24 and 25(g) of the Local Finance Law were advisable to confirm that segregation of funds by the City was not required for notes covered by the Emergency Moratorium Act. It was indicated that such amendments were presently opposed by Senator Anderson. Chairman Rohatyn asked Mr. Thomas to draft a letter from the Corporation to the Emergency Financial Control Board informing them of this situation and its possible effect on the Financial Plan.

Delivery of Exchanged Bonds:

Mr. Thomas asked whether the Board favored a
delivery of the Corporation's bonds in December, 1975, to persons who accepted the Exchange Offer before a specific date. The effect would be to permit realization during 1975 of capital gains or losses, for income tax purposes, in connection with the exchange. It was the sense of the Board that it was unnecessary to schedule delivery for this calendar year.

Supplement to Official Statement for Exchange Offer:

Mr. Thomas then discussed the need for a supplement to the Official Statement for the pending Exchange Offer to mention the status of the first Flushing National Bank suit, the indemnification legislation, federal action, the extension of the offer to December 29, 1975 and a possible extension of rescission rights. It was the sense of the Board that the amendment should be prepared and circulated for review and that Mr. Thomas should discuss the question of extending the cut off date for rescission rights with Judge Rifkind.

Price, Waterhouse & Co. Proposal:

Mr. Flynn then distributed copies of the proposal submitted by Price, Waterhouse & Co. to the Board members and representatives.

Agreement for Services of Special Deputy Comptroller:

Chairman Rohatyn asked Messrs. Elish and Thomas to work out a final agreement by December 31, 1975 with the State concerning certain functions of the Corporation which will be provided by the Special Deputy Comptroller's Office.
Report on Corporation's Activities:

Mr. Scanlon was directed by the Board to work out a standard report concerning the effect of the Corporation's activities, which is to be reviewed by Messrs. Elish and Thomas.

Omnibus Agreement with Banks and City Pension Systems:

Mr. Thomas presented the Omnibus Agreement among the Clearing House Banks, the various City pension systems and the Corporation, as amended and signed. Following a discussion of the modifications made, and upon motion duly made, seconded and unanimously carried, it was,

RESOLVED, that the Omnibus Agreement before the Meeting, as amended and restated, is ratified and adopted.

Blue Sky Registration:

Mr. Keegan stated that certain actions were required in connection with the Maine Blue Sky registration of the Corporation's bonds covered by the pending Exchange offer. He presented to the Meeting a form of Corporate Surety Bond so required. Following discussion, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that this Corporation hereby appoints the Bank Commissioner of the State of Maine, or his successor in office, to be its true and lawful attorney, in and for said State, upon whom all lawful processes in any action or proceeding against this Corporation in said State based upon or arising in connection with any sale of, attempt to sell, or advertising of securities in said State or any violation of any act or statute regulating the business of dealing in securities, may be served in like manner and with the same effect as if this
Corporation existed therein, and this Corporation hereby stipulates and agrees that any lawful process against it, as aforesaid, which is served on its said Attorney, shall be of the same legal force and validity, as if served on this Corporation, and

FURTHER RESOLVED, that this Corporation does hereby authorize and direct the Executive Director, Treasurer or Secretary to execute in its behalf a Corporate Surety Bond in the form as presented to this meeting and made a part of these minutes and file said Bond after it has been duly executed and countersigned by the Surety Company with the Securities Division of the Department of Business Regulation of the State of Maine.

Exchange of Bond Denominations:

Mr. Keegan then stated that counsel for Merrill, Lynch, Pierce, Fenner & Smith, Inc., had requested that the Series B Resolution be amended to provide for fraction- alizing $5,000 denomination bonds into five $1,000 bonds.

It was the sense of the Board that this be permitted in all Series where relevant, provided the cost is borne by the bondholder and Bond Counsel gives an opinion stating that such is permissible.

James Keegan,  
Assistant Secretary