MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES W BONDS

$81,000,000

Date of Delivery: November 10, 1975
Date of Bonds: November 10, 1975
MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

1975 Series W Bonds

TABLE OF CONTENTS

BASIC DOCUMENTS, APPROVALS AND CERTIFICATES

1. General Certificate of the Municipal Assistance Corporation For The City of New York (the "Corporation") as to Members, Officers, Terms of Office and other details of the Corporation including by-laws; minutes; certain resolutions; approval of the State Comptroller as to the terms of sale and system of accounts; requirements of the Bond Purchase Agreement; and specimen bonds.

2. Extract of the Minutes of a Meeting of the Corporation held on October 27, 1975 showing adoption of the 1975 Series W Resolution (the "Series Resolution") of the Corporation authorizing: (i) the issuance of the 1975 Series W Bonds (the "Bonds"); and (ii) the execution of a Bond Purchase Agreement (the "Purchase Agreement") dated November 7, 1975, between the Corporation and the purchasers named therein providing for the sale of the Bonds.


4. Copy of an executed counterpart of the Purchase Agreement.

5. The certificate of approval of the Comptroller of the State required pursuant to Section 3012 and 3013 of the Act.


OPINIONS

7. The opinion, dated the date of Closing, of Messrs. Paul Weiss, Rifkind, Wharton & Garrison, General Counsel to
the Corporation, required pursuant to the Purchase Agreement together with opinion as to litigation and reliance opinion to Trustee.

8. The approving opinion and supplemental opinion, dated the date of Closing, of Messrs. Hawkins, Delafield & Wood, Bond Counsel to the Corporation required pursuant to the Purchase Agreement together with opinion as to litigation and reliance opinion to Trustee.

9. The opinion, dated the date of Closing, of the Corporation Counsel to the City of New York ("The City"), required pursuant to the Purchase Agreement.

CORPORATION CLOSING DOCUMENTS


11. Written order of the Corporation as to the delivery and authentication of the Bonds.


TRUSTEE AND PAYING AGENT DOCUMENTS

13. Trustee's Certificate with attached copy of an excerpt of the By-Laws showing authority for officers to authenticate the Bonds.


15. Opinion of Counsel for Trustee with Respect to the Trustee’s authority to act as Trustee.


MISCELLANEOUS

17. Receipt for Bonds and Documents Required by Purchase Agreement.

18. Copy of final Official Statement with respect to Series B Bonds and supplements thereto.

19. Certificate of the Mayor of the City of New York

20. Certificate of the Comptroller of the City of New York pursuant to Section 4(e) of the Bond Purchase Agreement.
GENERAL CERTIFICATE OF SECRETARY OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

I, DANIEL B. GOLDBERG, Secretary of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State"), constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the City of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended (the "Act"), HEREBY CERTIFY as follows:

1. That I am the duly appointed and qualified Secretary of the Corporation, acting as such, and in such capacity I am familiar with its organization, membership and activities.

2. The members of the Board of Directors of the Corporation (the "Board"), the date of their terms' expiration, and their Corporation offices are as follows:

<table>
<thead>
<tr>
<th>Names</th>
<th>Date of Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna E. Shalala, Treasurer</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>John A. Coleman</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>George D. Gould</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Felix G. Rohatyn, Chairman</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>(one vacancy)</td>
<td></td>
</tr>
</tbody>
</table>
3. Each of the said persons named in paragraph 2 is the duly
elected or appointed, designated, qualified and acting Director or
officer of the Corporation holding the position indicated above.

4. The firm of Paul, Weiss, Rifkind, Wharton & Garrison,
New York, New York, was appointed General Counsel to the Corporation
on June 10, 1975.

5. The seal of the Corporation, an impression of which appears
below, was duly adopted by the Corporation as its official seal, and
is the legally adopted, proper and only official seal of the Corpo-
ration.

6. The By-Laws of the Corporation adopted June 10, 1975 are in
full force and effect on the date hereof and have not been repealed,
modified or amended.

7. All litigation of any nature now pending or threatened re-
straining or enjoining the issuance, sale, execution or delivery of
the 1975 Series W Bonds (the "Bonds") or in any way contesting or
affecting the validity of the Bonds, any proceedings of the Corpora-
tion taken with respect to the issuance or sale thereof, the pledge
or application of any revenues, moneys or securities provided for the
payment of the Bonds, the existence or powers of the Corporation, or
the application of the proceeds of the sale of such Bonds as contem-
plated by the Resolution, is set forth in the Official Statement of
the Corporation, dated August 15, 1975, with respect to the 1975 Series
B Bonds of the Corporation, as supplemented by a Supplement dated
September 24, 1975, and as further set forth in a Supplement dated
November 10, 1975, copies of which are being delivered contempora-
aneously herewith.
8. The General Bond Resolution of the Corporation adopted July 2, 1975 and the 1975 Series W Resolution of the Corporation adopted October 27, 1975, (the "Resolutions"), attached to this Record of Proceedings as document No. 3, copies of each of which are being delivered contemporaneously herewith to the Trustee named in such Resolutions, which I hereby certify pursuant to Section 202 of the General Bond Resolution are true and correct copies of the duly adopted originals thereof in their entireties on file and of record in the office of the Corporation and that the same are in full force and effect on the date hereof and have not been repealed, modified or amended.

9. The Extracts of Minutes of a Meeting of the Corporation held October 27, 1975 and a Meeting of the Finance Committee of the Corporation held November 6, 1975, attached to this Record of Proceedings as document No. 2, are true and correct copies of the duly adopted originals thereof on file and of record in the office of the Corporation and that the same are in full force on the date hereof and have not been repealed, modified or amended.

10. The certificate of approval of the Comptroller of the State as to the terms of sale required pursuant to Section 3012 and as to the system of accounts required pursuant to Section 3013 of the Act attached to this Record of Proceedings as document No. 5, is a true and correct copy of the original thereof in its entirety on file and of record in the office of the Corporation and that the same is in full force on the date hereof and has not been repealed, modified or amended.
11. The Bond Purchase Agreement among the Corporation and certain purchaser(s) named therein (the "Agreement") attached to this Record of Proceedings as document No. 4 is a true and correct copy of an executed counterpart of the original thereof in its entirety duly approved by the Corporation and on file and of record in the office of the Corporation and that the same is in full force on the date hereof and has not been repealed, modified or amended.

12. A specimen of the 1975 Series W Bonds of the Corporation, attached hereto as Exhibit A, is identical in all respects, except as to number, maturity and authentication signature with the 1975 Series W Bonds of the Corporation this day delivered to the purchaser(s) designated under the Bond Purchase Agreement with the Corporation and said specimen is substantially in the form required by the Resolution.

13. That each of the representations of the Corporation set forth in Section 1 of the Agreement is true, accurate and complete in all material respects as though made with respect to and as of the date hereof except the representation contained in Section 1(c) of the Agreement, which is true, accurate and complete in all material respects with regard to the Official Statement (as therein defined) as of August 15, 1975, with regard to Supplement No. 1 (as therein defined) as of September 24, 1975, and with regard to Supplement No. 2 (as therein defined) as of November 10, 1975.

14. That each of the agreements of the Corporation set forth in Section 1 of the Agreement to be complied with at or prior to the
date hereof has been complied with as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Corporation this 10th day of November, 1975.

Secretary

(SEAL)
Adoption of Various Bond Resolutions

The Chairman stated that it was necessary for the Board to adopt the 1975 Series W Resolution and the 1975 Series X Resolution in connection with the Corporation's sale and issuance of an aggregate of approximately $81,000,000 of its 1975 Series W Bonds and $35,000,000 of its 1975 Series X Bonds. (The 1975 Series W Resolution and the 1975 Series X Resolution are hereinafter collectively referred to as the "Series Resolutions" and the 1975 Series W Bonds and the 1975 Series X Bonds are hereinafter referred to as the "Bonds.")

Mrs. Thoyer stated that the forms of the Series Resolutions with respect to the issuance of the Bonds would be substantially similar to those of earlier resolutions. Mrs. Thoyer stated that the terms of the Bonds would be substantially as set forth below.

1975 Series W Bonds

The 1975 Series W Bonds are to be sold to certain New York City pension funds in the aggregate principal amount of $81,000,000 and will bear an interest rate no greater than 11%.
1975 Series X Bonds

The 1975 Series X Bonds are to be sold to the State Insurance Fund in the aggregate principal amount of $35,000,000 and will bear an interest rate no greater than 11%.

After discussion of each of the Series Resolutions and the terms of the Bonds, it was, on motion made and seconded, unanimously resolved that each of the Series Resolutions, with the respective terms of the Bonds to be included and specified therein, such terms to be finally approved by the Finance Committee of the Corporation and to be substantially the same as those presented to the meeting, are hereby adopted and ordered filed with the minutes of the Corporation, and that the Finance Committee is hereby authorized and directed to cause such terms to be inserted in the Series Resolutions.

It was further unanimously resolved, on motion, duly made and seconded, that the Chairman of the Board, the Treasurer, the Secretary and any Assistant Secretary of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation such documents and other instruments as may be necessary or appropriate to complete the transactions contemplated by this resolution and the Series Resolutions, including the execution and delivery of bond purchase agreements relating to the sale of the Bonds, as described to the meeting, the execution and delivery of such documents to constitute the approval of the Board of Directors of the Corporation of the terms contained therein.
Approval of City Borrowing

The Chairman stated that, pursuant to Section 3038(9)(d) of the Financial Emergency Legislation, it was necessary for the Board to approve the issue and sale by the City on November 10, 1975, of certain Revenue Anticipation Notes (the "RAN's"), due as set forth below in the aggregate principal amount of $6,750,000. The RAN's are being issued to provide funds with which the City will meet operating expenditures during November, 1975. The terms of the RAN's will be as set forth below:

<table>
<thead>
<tr>
<th>RAN's</th>
</tr>
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<tbody>
<tr>
<td>Purchaser</td>
</tr>
<tr>
<td>Amount to be issued</td>
</tr>
<tr>
<td>Type of Issue</td>
</tr>
<tr>
<td>Date of Issue</td>
</tr>
<tr>
<td>Maturity Date</td>
</tr>
<tr>
<td>Rate of Interest</td>
</tr>
<tr>
<td>Price</td>
</tr>
</tbody>
</table>

After discussion of the terms of the RAN's, it was, on motion duly made and seconded, unanimously resolved that the issue and sale of the RAN's on substantially the terms submitted is hereby approved and such approval ordered filed with the minutes of the Corporation.
Approval of Final Terms of the Various Bond Resolutions

The Chairman stated that it was necessary, under the terms of the Resolutions adopted by the Board of Directors of the Corporation on October 27, 1975, for the Committee to approve the final terms for the 1975 Series W Resolution and the 1975 Series X Resolution in connection with the Corporation's sale and issuance of an aggregate of approximately $81,000,000 of its 1975 Series W Bonds and $35,000,000 of its 1975 Series X Bonds. (The 1975 Series W Resolution and the 1975 Series X Resolution are hereinafter collectively referred to as the "Series Resolutions" and the 1975 Series W Bonds and the 1975 Series X Bonds are hereinafter referred to as the "Bonds.") Copies of forms of the Series Resolutions with respect to the issuance of the Bonds were made available to the members of the Committee and ordered annexed to the minutes of the meeting. The Chairman then stated that the terms of the Bonds would be substantially as set forth below:

1975 Series W Bonds

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1990</td>
<td>$81,000,000</td>
<td>11%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The 1975 Series W Bonds are to be sold to the New York City Employees' Retirement System, Board of Education Retirement System of the City of New York and Teachers' Retirement System of the City of New York, are callable on or after February 1, 1985 at 102% and are subject to Mandatory Sinking Fund payments commencing in 1984.

1975 Series X Bonds

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1991</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1992</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1993</td>
<td>$5,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$35,000,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The 1975 Series X Bonds are to be sold to the State Insurance Fund, and are callable on or after February 1, 1975 at 102%.

After discussion of each of the Series Resolutions and the terms of each of the Bonds, it was, on motion made and seconded, unanimously resolved that the terms of the respective Bonds, as presented to the meeting, are hereby approved.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

GENERAL BOND RESOLUTION

Adopted July 2, 1975
# MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

## GENERAL BOND RESOLUTION

### TABLE OF CONTENTS*

<table>
<thead>
<tr>
<th>ARTICLE I</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions and Statutory Authority</td>
<td></td>
</tr>
<tr>
<td>Section 101. Definitions</td>
<td>1</td>
</tr>
<tr>
<td>Section 102. Authority for this Resolution</td>
<td>5</td>
</tr>
<tr>
<td>Section 103. Resolution to Constitute Contract</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE II</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization and Issuance of Bonds and Limitations on Issuance of Notes and Other Obligations</td>
<td></td>
</tr>
<tr>
<td>Section 201. Authorization of Bonds</td>
<td>6</td>
</tr>
<tr>
<td>Section 202. Provisions for Issuance of Bonds and Limitations on Issuance of Notes and Other Obligations</td>
<td>6</td>
</tr>
<tr>
<td>Section 203. Provisions for Refunding Bonds</td>
<td>11</td>
</tr>
<tr>
<td>Section 204. Additional Obligations</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Terms and Provisions of Bonds</td>
<td></td>
</tr>
<tr>
<td>Section 301. Medium of Payment; Form and Date</td>
<td>12</td>
</tr>
<tr>
<td>Section 302. Legends</td>
<td>13</td>
</tr>
<tr>
<td>Section 303. Execution and Authentication</td>
<td>13</td>
</tr>
<tr>
<td>Section 304. Interchangeability of Bonds</td>
<td>15</td>
</tr>
<tr>
<td>Section 305. Negotiability, Transfer and Registry</td>
<td>15</td>
</tr>
<tr>
<td>Section 306. Transfer and Registration of Coupon Bonds</td>
<td>15</td>
</tr>
<tr>
<td>Section 307. Transfer of Registered Bonds</td>
<td>17</td>
</tr>
<tr>
<td>Section 308. Regulations with Respect to Exchanges and Transfers</td>
<td>17</td>
</tr>
<tr>
<td>Section 309. Bonds Mutilated, Destroyed, Stolen or Lost</td>
<td>18</td>
</tr>
<tr>
<td>Section 310. Preparation of Definitive Bonds; Temporary Bonds</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of Bonds</td>
<td></td>
</tr>
<tr>
<td>Section 401. Privilege of Redemption and Redemption Price</td>
<td>19</td>
</tr>
<tr>
<td>Section 402. Redemption at the Election or Direction of the Corporation</td>
<td>20</td>
</tr>
<tr>
<td>Section 403. Redemption Other Than at Corporation's Election or Direction</td>
<td>20</td>
</tr>
<tr>
<td>Section 404. Selection of Bonds to Be Redeemed by Lot</td>
<td>20</td>
</tr>
<tr>
<td>Section 405. Notice of Redemption</td>
<td>21</td>
</tr>
<tr>
<td>Section 406. Payment of Redeemed Bonds</td>
<td>22</td>
</tr>
</tbody>
</table>

---

*This Table of Contents was not part of the Resolution as adopted.*
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>501.</td>
<td>Application of Certain Proceeds</td>
<td>23</td>
</tr>
<tr>
<td>601.</td>
<td>The Pledge Effected by the Resolution</td>
<td>23</td>
</tr>
<tr>
<td>602.</td>
<td>Establishment of Funds</td>
<td>24</td>
</tr>
<tr>
<td>603.</td>
<td>Application of Payments</td>
<td>24</td>
</tr>
<tr>
<td>604.</td>
<td>Operating Fund</td>
<td>24</td>
</tr>
<tr>
<td>605.</td>
<td>Debt Service Fund</td>
<td>24</td>
</tr>
<tr>
<td>606.</td>
<td>Capital Reserve Fund</td>
<td>26</td>
</tr>
<tr>
<td>607.</td>
<td>Certificate to the State Comptroller and to the Mayor of the City of New York</td>
<td>27</td>
</tr>
<tr>
<td>701.</td>
<td>Security for Deposits</td>
<td>28</td>
</tr>
<tr>
<td>702.</td>
<td>Investment of Funds and Accounts Held by the Trustee</td>
<td>28</td>
</tr>
<tr>
<td>703.</td>
<td>Liability of Trustee for Investments</td>
<td>31</td>
</tr>
<tr>
<td>801.</td>
<td>Appointment and Acceptance of Duties of Trustee</td>
<td>31</td>
</tr>
<tr>
<td>802.</td>
<td>Appointment and Acceptance of Duties of Paying Agents</td>
<td>31</td>
</tr>
<tr>
<td>803.</td>
<td>Responsibilities of Trustee and Paying Agents</td>
<td>32</td>
</tr>
<tr>
<td>804.</td>
<td>Evidence on Which Fiduciaries May Act</td>
<td>33</td>
</tr>
<tr>
<td>805.</td>
<td>Compensation</td>
<td>33</td>
</tr>
<tr>
<td>806.</td>
<td>Permitted Acts and Functions</td>
<td>34</td>
</tr>
<tr>
<td>807.</td>
<td>Resignation of Trustee</td>
<td>34</td>
</tr>
<tr>
<td>808.</td>
<td>Removal of Trustee</td>
<td>34</td>
</tr>
<tr>
<td>809.</td>
<td>Appointment of Successor Trustee</td>
<td>34</td>
</tr>
<tr>
<td>810.</td>
<td>Transfer of Rights and Property to Successor Trustee</td>
<td>35</td>
</tr>
<tr>
<td>811.</td>
<td>Merger, Conversion or Consolidation</td>
<td>36</td>
</tr>
<tr>
<td>812.</td>
<td>Resignation or Removal of the Paying Agents and Appointment of Successors</td>
<td>36</td>
</tr>
</tbody>
</table>
ARTICLE IX
Covenants of the Corporation

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>901</td>
<td>Payment of Bonds</td>
<td>36</td>
</tr>
<tr>
<td>902</td>
<td>Extension of Payment of Bonds and Coupons</td>
<td>37</td>
</tr>
<tr>
<td>903</td>
<td>Offices for Payment and Registration of</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Bonds and Coupons</td>
<td></td>
</tr>
<tr>
<td>904</td>
<td>Further Assurances</td>
<td>38</td>
</tr>
<tr>
<td>905</td>
<td>Power to Issue Bonds and Make Pledges</td>
<td>38</td>
</tr>
<tr>
<td>906</td>
<td>Agreement of the State</td>
<td>38</td>
</tr>
<tr>
<td>907</td>
<td>Creation of Liens</td>
<td>39</td>
</tr>
<tr>
<td>908</td>
<td>Accounts and Reports</td>
<td>39</td>
</tr>
<tr>
<td>909</td>
<td>General</td>
<td>39</td>
</tr>
</tbody>
</table>

ARTICLE X
Series Resolutions and Supplemental Resolutions

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>Modification and Amendment Without Consent</td>
<td>40</td>
</tr>
<tr>
<td>1002</td>
<td>Supplemental Resolutions Effective With</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Consent of Bondholders</td>
<td></td>
</tr>
<tr>
<td>1003</td>
<td>General Provisions Relating to Series</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Resolutions and Supplemental Resolutions</td>
<td></td>
</tr>
</tbody>
</table>

ARTICLE XI
Amendments of Resolutions

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1101</td>
<td>Powers of Amendment</td>
<td>42</td>
</tr>
<tr>
<td>1102</td>
<td>Consent of Bondholders</td>
<td>43</td>
</tr>
<tr>
<td>1103</td>
<td>Modifications by Unanimous Consent</td>
<td>45</td>
</tr>
<tr>
<td>1104</td>
<td>Mailing and Publication</td>
<td>45</td>
</tr>
<tr>
<td>1105</td>
<td>Exclusion of Bonds</td>
<td>45</td>
</tr>
<tr>
<td>1106</td>
<td>Notation on Bonds</td>
<td>46</td>
</tr>
</tbody>
</table>

ARTICLE XII
Defaults and Remedies

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1201</td>
<td>Trustee to Exercise Powers of Statutory</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Trustee</td>
<td></td>
</tr>
<tr>
<td>1202</td>
<td>Events of Default</td>
<td>46</td>
</tr>
<tr>
<td>1203</td>
<td>Remedies</td>
<td>47</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>1204</td>
<td>Priority of Payments After Default</td>
<td>49</td>
</tr>
<tr>
<td>1205</td>
<td>Termination of Proceedings</td>
<td>50</td>
</tr>
<tr>
<td>1206</td>
<td>Bondholders' Direction of Proceedings</td>
<td>51</td>
</tr>
<tr>
<td>1207</td>
<td>Limitation on Rights of Bondholders</td>
<td>51</td>
</tr>
<tr>
<td>1208</td>
<td>Possession of Bonds by Trustee Not Required</td>
<td>52</td>
</tr>
<tr>
<td>1209</td>
<td>Remedies Not Exclusive</td>
<td>52</td>
</tr>
<tr>
<td>1210</td>
<td>No Waiver of Default</td>
<td>53</td>
</tr>
<tr>
<td>1211</td>
<td>Notice of Event of Default</td>
<td>53</td>
</tr>
</tbody>
</table>

**ARTICLE XIII**

**Execution of Instruments By Bondholders and Proofs of Ownership of Bonds**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1301</td>
<td>Evidence of Signatures of Bondholders and Ownership of Bonds</td>
<td>53</td>
</tr>
</tbody>
</table>

**ARTICLE XIV**

**Defeasance**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1401</td>
<td>Defeasance</td>
<td>55</td>
</tr>
</tbody>
</table>

**ARTICLE XV**

**Miscellaneous**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1501</td>
<td>Preservation and Inspection of Documents</td>
<td>57</td>
</tr>
<tr>
<td>1502</td>
<td>Parties of Interest</td>
<td>57</td>
</tr>
<tr>
<td>1503</td>
<td>No Recourse Under Resolution or on Bonds</td>
<td>57</td>
</tr>
<tr>
<td>1504</td>
<td>Severability</td>
<td>58</td>
</tr>
<tr>
<td>1505</td>
<td>Headings</td>
<td>58</td>
</tr>
<tr>
<td>1506</td>
<td>Conflict</td>
<td>58</td>
</tr>
<tr>
<td>1507</td>
<td>Effective Date</td>
<td>58</td>
</tr>
</tbody>
</table>
GENERAL BOND RESOLUTION

BE IT RESOLVED by the Board of Directors of the Municipal Assistance Corporation For The City of New York as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. Definitions. The following terms shall, for all purposes of this Resolution, except as otherwise defined, have the following meanings:

"Act" shall mean the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, said Acts being Titles I, II and III of Article 10 of the Public Authorities Law, both as amended to the date of adoption of this General Bond Resolution.

"Authorized Newspaper" shall mean a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Officer" shall mean any member of the Corporation, its Treasurer, Secretary, any Assistant Secretary, its Executive Director, and any other person authorized by resolution of the Corporation to perform the act or sign the document in question.

"Board" shall mean the Board of Directors of the Corporation, the members of which are appointed and qualified pursuant to the Act.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

"Bondholders" or "Holder of Bonds" or "Holder" (when used with reference to Bonds) or any similar term, shall mean any person or party who shall be the bearer of any Outstanding Bond or Bonds registered to bearer or not registered or the registered owner of any Outstanding Bond or Bonds which shall at the time be registered other than to bearer and "Holder" (when used with reference to coupons) shall mean any person who shall be the bearer of such coupons.
"Capital Reserve Fund" means the fund by that name established by Section 602.

"Capital Reserve Fund Requirement" shall mean, as of any date of calculation, the amount referred to as the capital reserve fund requirement in subdivision 5 of Section 3036 of the Act, including, as provided in Section 901 hereof, for such purposes any unpaid and matured amounts of principal and interest on the Bonds, or such larger amount as may hereafter be authorized pursuant to the Act as amended from time to time.

"Chairman" shall mean the Chairman of the Board of the Corporation.

"City" shall mean The City of New York.

"Corporation" shall mean 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 created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Corporation.

"Counsel’s Opinion" shall mean an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Corporation (who may be counsel to the Corporation); provided, however, that for the purposes of Article II of this Resolution such term shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds (who may be counsel to the Corporation) selected by the Corporation.

"Debt Service Fund" means the fund by that name established by Section 602.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Governor" shall mean the Governor of the State.

"Mayor" shall mean the Mayor of the City.

"Notes" shall mean any obligations issued by the Corporation, other than Bonds or Other Obligations, within the limitations set forth
under Section 202 hereof, the principal of and interest on which is payable from the Debt Service Fund.

"Operating Expenses" shall mean the Corporation's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, as then in effect, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Corporation under the provisions of the Act, as then in effect, or this Resolution or otherwise.

"Operating Fund" shall mean the fund by that name established by Section 602.

"Other Obligations" shall mean any obligations, other than Bonds or Notes, issued by the Corporation, in contemplation of the issuance of Bonds or Notes, with the limitations set forth under Section 202 hereof, the interest on which is payable from the Debt Service Fund.

"Outstanding," when used with reference to Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) any Bonds for the payment or redemption of which monies equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106, and (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401.

"Paying Agent" for the Bonds of any Series shall mean the bank or trust company and its successor or successors, appointed pursuant to the provisions of this Resolution and a Series Resolution or any other resolution of the Corporation adopted prior to authentication and
delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

“Refunding Bonds” shall mean all Bonds constituting the whole or a part of a Series of Bonds delivered on original issuance pursuant to Section 203.

“Resolution” shall mean this General Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

“Revenues” shall mean all payments to the Corporation pursuant to Section 3036 of the Act except payments to the Corporation for credit to the Operating Fund.

“Sales Tax” shall mean the sales and compensating use taxes imposed by Section 1107 of Article 28 of the Tax Law of the State.

“Serial Bonds” shall mean the bonds so designated in a Series Resolution.

“Series of Bonds” or “Bonds of a Series” or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

“Series Resolution” shall mean a resolution of the Corporation authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof adopted by the Corporation in accordance with Article X.

“Sinking Fund Installment” shall mean as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution, pursuant to which such Bonds were issued, to be paid at all events by the Corporation on a single future February 1 for the retirement of any Outstanding Bonds of said Series which mature after said future February 1, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future February 1 is deemed to be the date when a Sinking Fund Install-
ment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment.

"State" shall mean the State of New York.

"Stock Transfer Tax" shall mean the tax on the sale or transfer of stock or other certificates imposed by Sections 270 and 270-a of Article 12 of the Tax Law of the State.

"Supplemental Resolution" shall mean a resolution supplemental to or amendatory of this Resolution, adopted by the Corporation in accordance with Article X.

"Term Bonds" shall mean the bonds so designated in a Series Resolution and payable from Sinking Fund Installments.

"Trustee" shall mean the bank or trust company appointed pursuant to Section 801 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Resolution, refer to this Resolution.

102. Authority for this Resolution. This General Bond Resolution is adopted pursuant to the provisions of the Act.

103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Corporation and the Holders from time to time of the Bonds and coupons; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Corporation shall be for the equal benefit, protection and security of the
Holders of any and all of the Bonds and coupons, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof except as expressly provided in or permitted by this Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS AND LIMITATIONS ON ISSUANCE OF NOTES AND OTHER OBLIGATIONS

201. Authorization of Bonds. There is hereby established and created an issue of Bonds of the Corporation to be known and designated as "Bonds," which Bonds may be issued as hereinafter provided without limitation as to amount except as provided in this Resolution or as may be limited by law. There is hereby created by this Resolution, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on all of the Bonds issued pursuant to this Resolution. The Bonds shall be general obligations of the Corporation payable out of any revenues of the Corporation and are additionally secured by the pledge effected pursuant to Section 601 hereof.

The Notes, Bonds or Other Obligations of the Corporation shall not be a debt of either the State or The City, and neither the State nor The City shall be liable thereon, nor shall they be payable out of any funds other than those of the Corporation; and such Notes, and Bonds or Other Obligations shall contain on the face thereof a statement to such effect.

Any provision hereof relating to taxes imposed under Article 12 or Section 1107 of the Tax Law of the State (such taxes herein defined as the Stock Transfer Tax and Sales Tax, respectively), or the funds created by Sections 92-b and 92-d of the State Finance Law (such funds being the funds into which the Stock Transfer Tax and Sales Tax are paid) shall be deemed executory only to the extent of the moneys available to the State in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

202. Provisions for Issuance of Bonds and Limitations on Issuance of Notes and Other Obligations. 1. The issuance of the Bonds shall be
authorized by a Series Resolution or Series Resolutions of the Corporation adopted subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall, in addition to the title "Bonds," contain an appropriate Series designation.

Each Series Resolution authorizing the issuance of a Series of Bonds shall also specify:

1. The authorized principal amount of said Series of Bonds;

2. The purposes for which such Series of Bonds are being issued, which shall be purposes authorized by the Act, as then in effect;

3. The date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of said Series;

4. The interest rate or rates, or the manner of determining such rate or rates of the Bonds of said Series, and the interest payment dates therefor;

5. The denomination or denominations of, and the manner of numbering and lettering, the Bonds of such Series, provided that each Bond shall be of the denomination of $5,000 (or such lesser amount as shall be specified in the Series Resolution) or a multiple thereof not exceeding the aggregate principal amount of the Bonds of such Series maturing in the year of maturity of the Bond for which the denomination is to be specified;

6. The Paying Agent or Paying Agents and, subject to the provisions of Section 802, the place or places of payment of the principal, Sinking Fund Installments, if any, and Redemption Price, if any, of and interest on the Bonds of such Series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution of the Corporation adopted prior to authentication and delivery of such Series of Bonds in accordance with the provision of Section 802;

7. The Redemption Price or Redemption Prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of such Series;

8. If so determined by the Corporation, provisions for the sale of the Bonds of such Series;
(9) The form or forms of the Bonds of such Series and the coupons to be attached to the coupon Bonds, if any, of such Series and of the Trustee’s certificate of authentication;

(10) The officer or employee of the Corporation directed to attest by manual or facsimile signature, the seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced on the Bonds of such Series; and

(11) Any other provisions deemed advisable by the Corporation, not in conflict with the provisions of this Resolution.

2. All (but not less than all) of the Bonds of such Series shall be executed by the Corporation for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Corporation or upon its order, but only upon the receipt by the Trustee of:

(1) A Counsel’s Opinion dated as of the date of such delivery by the Trustee to the effect that (i) the Corporation has the right and power under the Act as amended to the date of such Opinion to adopt the Resolution (with such approvals as may be required by the Act as so amended), and the Resolution has been duly and lawfully adopted by the Corporation and such approvals given, is in full force and effect and is valid and binding upon the Corporation and enforceable in accordance with its terms, and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution; and (iii) the Bonds of such Series are valid and binding obligations of the Corporation as provided in the Resolution, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Opinion, and in accordance with the Resolution;

(2) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation;
(3) A copy of the Series Resolution authorizing such Bonds, certified by an Authorized Officer of the Corporation;

(4) Except in the case of Refunding Bonds, a certificate of an Authorized Officer of the Corporation stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution; and

(5) Such further documents, moneys and securities as are required by the provisions of this Section 202, and Section 203, or Article X or any Supplemental Resolution adopted pursuant to Article X.

3. No Series of Bonds other than the first Series of Bonds issued under the Resolution shall be authenticated and delivered by the Trustee and no Notes or Other Obligations will be issued by the Corporation except upon receipt by the Trustee of:

(1) A certificate by the New York State Commissioner of Taxation and Finance setting forth the most recent collections for the 12 consecutive calendar months ended not more than two months prior to the date of such certificate, of the Sales Tax and Stock Transfer Tax, and such other taxes, which as of the date of issuance of any such Series of Bonds, Notes or Other Obligations, are levied and collected by New York State and are payable into the special account in the Municipal Assistance Tax Fund established for the Corporation.

Where the amount for such 12 consecutive calendar months is greater than the revenue expected by said Commissioner for the next succeeding 12 months from such Sales Tax, Stock Transfer Tax and such other taxes, the certificate shall set forth the estimated amount which is expected to be levied and collected in such next succeeding 12 months and paid into such special account. Any distortion for any such prior 12 consecutive month period occasioned by a change in payment dates, prepayments, and late payments of such Sales Tax, Stock Transfer Tax or such other taxes shall be taken into account in such certification by increasing or decreasing the estimated amount of Sales Tax, Stock Transfer Tax or such other taxes to be levied and collected. In the event the Sales Tax or such other taxes have not been in effect for 12 calendar months
said Commissioner shall use, respectively, collections of the sales and compensating use taxes previously imposed by the City or collections of the tax similarly based to the other taxes referred to above if such tax was previously imposed by the City, as the amount to be certified in lieu of actual collections of the Sales Tax or other taxes, for those months the Sales Tax or other taxes were not in effect;

(2) A certificate by an Authorized Officer setting forth (a) the aggregate amount of the principal on Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds not required to be paid from Sinking Fund Installments and interest on all Outstanding Bonds, including such Series, and the principal of and interest on Notes, and the interest on Other Obligations for each Fiscal Year and (b) the aggregate amount of Operating Expenses as estimated by an Authorized Officer for the current Fiscal Year;

(3) A certificate by an Authorized Officer stating that the amounts set forth pursuant to paragraph (1) above after deducting the Operating Expenses set forth pursuant to paragraph (2)(b) above, will be at least 2 times such aggregate amount set forth in 2(a) above for each Fiscal Year set forth pursuant to paragraph (2)(a) above; and

(4) A certificate by an Authorized Officer stating that the amount of Sales Tax collections or the amount to be certified in lieu of such collections set forth pursuant to paragraph (1) above after deducting the Operating Expenses set forth pursuant to paragraph (2)(b) above, will be at least 1.50 times the aggregate amount set forth in (2)(a) above for each Fiscal Year set forth pursuant to paragraph (2)(a) above.

Provided further that prior to the issuance of any Notes or Other Obligations, the Trustee shall receive, in conjunction with the certificate hereinbefore referred to, a certificate of an Authorized Officer identifying such securities as either Notes or Other Obligations and setting forth the terms and provisions thereof, including the date or dates of payment of principal and interest on the Notes and the date or dates of payment of the interest on the Other Obligations and stating that such date or dates and amounts of payments due for principal and interest on the Notes to be issued or interest on the Other Obligations to be issued have not been so scheduled as to mate-
rially adversely affect the ability of the Corporation to pay the prin-
cipal of or interest on its Outstanding Bonds when due or the coverages
set forth hereinbefore as affected by the quarterly payments provided
for in Section 607 hereof.

203. Provisions for Refunding Bonds. (1) All or any part of one
or more Series of Refunding Bonds may be authenticated and delivered
upon original issuance to refund all Outstanding Bonds or any part
of one or more Series of Outstanding Bonds. No part of a Series of
Bonds may be refunded if the Bonds being refunded bear interest at
a rate lower than the Bonds of such Series not being refunded. Re-
funding Bonds shall be issued in a principal amount sufficient, together
with other moneys available therefor, to accomplish such refunding
and to make such deposits required by the provisions of the Act, this
Section and of the Series Resolution authorizing said Series of Re-
unding Bonds.

(2) A Series of Refunding Bonds may be authenticated and
delivered only upon receipt by the Trustee (in addition to the receipt
by it of the documents required by Section 202) of:

(a) Irrevocable instructions to the Trustee, satisfactory to it,
to give due notice of redemption of all the Bonds to be refunded
on the redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it,
to make due publication of the notice provided for in Section 1401
to the Holders of the Bonds and coupons being refunded;

(c) Either (i) moneys in an amount sufficient to effect pay-
ment at the applicable Redemption Price of the Bonds to be re-
funded, together with accrued interest on such Bonds to the
redemption date, which moneys shall be held by the Trustee or
any one or more of the Paying Agents in a separate account
irrevocably in trust for and assigned to the respective Holders
of the Bonds to be refunded, or (ii) direct obligations of the
United States of America in such principal amounts, of such
maturities, bearing such interest, and otherwise having such terms
and qualifications, as shall be necessary to comply with the pro-
visions of subsection 2 of Section 1401 and any moneys required
pursuant to said subsection 2, which direct obligations of the
United States of America and moneys shall be held in trust and used only as provided in said subsection 2; and

(d) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of subsection 1 and this subsection 2 of this Section 203.

204. Additional Obligations. The Corporation reserves the right to issue bonds, notes or any other obligations, other than Bonds, Notes or Other Obligations, under another and separate resolution so long as the same are not entitled to a charge or lien or right prior or equal to the charge or lien created by, or prior or equal to the rights of the Corporation and Holders of the Bonds provided by, this Resolution and the Act, or with respect to the monies pledged under the Resolution or with respect to proceeds from the Sales Tax or the Stock Transfer Tax or the sources set forth in the Act.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

301. Medium of Payment; Form and Date. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bonds of each Series shall be issued in the form of coupon Bonds, registrable as to principal only, or in the form of fully registered Bonds without coupons, or in both such forms.

Coupon Bonds of each Series shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof. Coupon Bonds of each Series shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. Registered Bonds of each Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof. Registered Bonds issued on or subsequent to the first interest payment date thereof shall be dated as of the date six months preceding the interest payment date next following the date of delivery thereof,
unless such date of delivery shall be an interest payment date, in which case they shall be dated as of such date of delivery; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the registered Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Registered Bonds of each Series shall bear interest from their date.

For all purposes of the Act relating to or dealing with the date of the Bonds, registered Bonds of any Series shall be deemed to be dated as of the date specified for the Bonds of such Series in the Series Resolution authorizing the issuance thereof.

All Bonds of each Series shall mature on February 1 of each year in which a maturity is fixed by a Series Resolution. Interest on all Bonds of each Series, except the first installment of interest due on the Bonds of a Series, shall be payable semi-annually on February 1 and August 1 of each year in which an installment of interest becomes due as fixed by a Series Resolution. The first installment of interest due on the Bonds of a Series may be for such period as the Corporation shall fix by Series Resolution provided that the due date thereof shall be February 1 or August 1.

302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Corporation prior to the delivery thereof.

303. Execution and Authentication. (1) The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Chairman or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or a facsimile signature of such officer or employee of the Corporation as shall be authorized and directed pursuant to the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds
may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond of a Series may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

(2) The coupons to be attached to the coupon Bonds of each Series shall be signed by the facsimile signature of the present or any future Chairman of the Corporation, or in such other manner as may be required by law, and the Corporation may adopt and use for that purpose the facsimile signature of any person or persons who shall have been Chairman of the Corporation at any time on or after the date of the Bonds of such Series, notwithstanding that he may not have been such Chairman at the date of any such Bond or may have ceased to be such Chairman at the time when any such Bond shall be actually authenticated and delivered.

(3) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Series Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Corporation shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

(4) Except as otherwise provided in Section 309, the Trustee, before authenticating and delivering any coupon Bonds, shall cut off, cancel and destroy all matured coupons thereto attached, except matured coupons for which payment in full has not been provided; provided, however, that when coupon Bonds are issued in exchange for registered Bonds of any Series upon which interest is in default, as shown by the records of the Trustee, such coupon Bonds shall have attached thereto
all coupons maturing after the date to which interest has been paid in full, as shown by the records of the Trustee, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

304. *Interchangeability of Bonds.* Coupon Bonds, upon surrender thereof at the corporate trust office of the Trustee with all unmatured coupons attached, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any of the authorized denominations.

Registered Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of coupon Bonds of the same Series and maturity with appropriate coupons attached, or of registered Bonds of the same Series and maturity of any other authorized denominations.

305. *Negotiability, Transfer and Registry.* All the Bonds issued under this Resolution shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Corporation shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

306. *Transfer and Registration of Coupon Bonds.* All coupon Bonds shall pass by delivery, unless registered as to principal other than to bearer in the manner provided in this Section 306. Any coupon Bond may be registered as to principal on the books of the Corporation at the corporate trust office of the Trustee, upon presentation
thereof at said office and the payment of a charge sufficient to reimburse the Corporation or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such registration, and such registration shall be noted on such Bond. After said registration no transfer thereof shall be valid unless made on said books by the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Bond; but such Bond may be discharged from registration by being in like manner transferred to bearer, after which it shall again become transferable by delivery. Thereafter such Bond may again, from time to time, be registered or discharged from registration in the same manner. Registration of any coupon Bond as to principal, however, shall not affect the negotiability by delivery of the coupons appertaining to such Bond, but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

As to any coupon Bond registered as to principal other than to bearer the person in whose name the same shall be registered upon the books of the Corporation may be deemed and treated as the absolute owner thereof, whether such Bond shall be overdue or not, for all purposes, except for the purpose of receiving payment of coupons; and payment of, or on account of, the principal or Redemption Price, if any, of such Bond shall be made only to, or upon the order of, such registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Corporation, the Trustee and any Paying Agent may deem and treat the bearer of any coupon as the absolute owner thereof, whether such coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal other than to bearer, or the person in whose name any coupon Bond for the time being shall be registered upon the books of the Corporation, as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or Redemption Price thereof and for all other purposes whatsoever except for the purpose of receiving payment of coupons, and neither the Corporation, nor the Trustee nor any Paying Agent shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee and each Paying Agent harmless from
and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such bearer or registered owner.

307. Transfer of Registered Bonds. Each registered Bond shall be transferable only upon the books of the Corporation, which shall be kept for the purpose at the corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond, the Corporation shall issue in the name of the transferee a new registered Bond or Bonds or, at the option of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount and Series and maturity as the surrendered Bond.

The Corporation and the Trustee may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

308. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to re-
imburse it for any tax, fee or other governmental charge required to be
paid with respect to such exchange or transfer, which sum or sums shall
be paid by the person requesting such exchange or transfer as a condition
precedent to the exercise of the privilege of making such exchange or
transfer. Notwithstanding any other provision of this Resolution, the
cost of preparing each new coupon Bond or registered Bond upon each
exchange or transfer, and any other expenses of the Corporation or the
Trustee incurred in connection therewith (except any applicable tax, fee
or other governmental charge) shall be paid by the Corporation as an
Operating Expense. The Corporation shall not be obliged to make
any such exchange or transfer of Bonds of any Series during the ten (10)
days next preceding an interest payment date on the Bonds of such
Series or, in the case of any proposed redemption of Bonds of such
Series, next preceding the date of the selection of Bonds to be redeemed.

309. **Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond
shall become mutilated or be destroyed, stolen or lost, the Corporation
shall execute and the Trustee shall authenticate and deliver a new Bond
(with appropriate coupons attached in the case of coupon Bonds) of
like Series, maturity and principal amount as the Bond and attached
coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and
substitution for such mutilated Bond, upon surrender and cancellation
of such mutilated Bond and attached coupons, if any, or in lieu of and
substitution for the Bond and coupons, if any, destroyed, stolen or lost,
upon filing with Corporation evidence satisfactory to the Corporation
and the Trustee that such Bond and attached coupons, if any, have been
destroyed, stolen or lost and proof of ownership thereof, and upon furnis-
hing the Corporation and the Trustee with indemnity satisfactory to
them and complying with such other reasonable regulations as the Cor-
poration and the Trustee may prescribe and paying such expenses as
the Corporation and the Trustee may incur in connection therewith.
All Bonds and coupons so surrendered to the Trustee shall be cancelled
by it and evidence of such cancellation shall be given to the Corporation.

310. **Preparation of Definitive Bonds; Temporary Bonds.** The
definitive Bonds of each Series shall be lithographed or printed on steel
engraved borders. Until the definitive Bonds of any Series are prepared,
the Corporation may execute, in the same manner as is provided in
Section 303, and upon the request of the Corporation, the Trustee shall
authenticate and deliver, in lieu of definitive Bonds, but subject to the
same provisions, limitations and conditions as the definitive coupon Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds (which may be registrable as to principal and interest), substantially of the tenor of the definitive coupon Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in authorized denominations or any whole multiples thereof authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto or, if no coupons for such interest are attached thereto, then only upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The Corporation at its own expense shall prepare and execute and, upon the surrender at the corporate trust office of the Trustee of such temporary Bonds, with all unmatured coupons, if any, and all matured coupons, if any, for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrender temporary Bonds and coupons, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the corporate trust office of the Trustee, definitive coupon Bonds, with appropriate coupons attached, or, at the option of the Holder, definitive registered Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

ARTICLE IV
Redemption of Bonds:

401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon published notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.
402. Redemption at the Election or Direction of the Corporation. In the case of any redemption of Bonds other than as provided in Section 403, the Corporation shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Act or this Resolution and any Series Resolution) and of the monies to be applied to the payment of the Redemption Price. Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, the Trustee, if it holds the monies to be applied to the payment of the Redemption Price, or otherwise the Corporation, shall, prior to the redemption date, pay to the Trustee and the appropriate Paying Agent or Paying Agents an amount in cash which, in addition to other monies, if any, available therefor held by the Trustee and such Paying Agent or Paying Agents, will be sufficient to redeem, on the redemption date at the Redemption Price thereof, together with interest accrued to the redemption date, all of the Bonds to be redeemed. The Corporation shall promptly notify the Trustee in writing of all such payments made by the Corporation to a Paying Agent.

403. Redemption Other Than at Corporation's Election or Direction. Whenever by the terms of this Resolution the Trustee is required to redeem Bonds other than at the election or direction of the Corporation, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, together with interest accrued to the redemption date, to itself and the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, the provisions of Section 603.

404. Selection of Bonds to Be Redeemed by Lot. In the event of redemption of less than all of the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such Outstanding registered Bond of the Series and maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest
denomination of the coupon Bonds of such Series and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers of all such coupon Bonds then Outstanding and the numbers assigned to such registered Bonds as many numbers as, at such unit amount equal to the lowest denomination of coupon Bonds of such Series for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (a) individually or (b) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination of the coupon Bonds of such Series, by the numbers assigned thereto as in this Section 404 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the coupon Bonds bearing the numbers so selected and the registered Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such registered Bond of a denomination of more than the lowest denomination of the coupon Bonds of such Series shall be redeemed as shall equal the lowest denomination of the coupon Bonds of such Series for each number assigned to it and so selected.

405. Notice of Redemption. When the Trustee shall receive notice from the Corporation of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is required by this Resolution pursuant to Section 403, the Trustee shall give notice, in the name of the Corporation, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of registered Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state
that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by publication once a week for at least two (2) successive weeks in an Authorized Newspaper, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. In case, by reason of the temporary or permanent suspension of publication of any newspaper, or by reason of any other cause, it shall be impossible to make publication of any required notice as herein provided, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice, provided that such publication or other notice shall, so far as may be possible, approximate the terms and conditions of the publication in lieu of which it is given. The Trustee shall also mail a copy of such notice, postage prepaid, not less than thirty (30) days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

406. Payment of Redeemed Bonds. Notice having been given by publication in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds registered other than to bearer presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, and, in the case of coupon Bonds, all appurtenant coupons maturing subsequent to the redemption date, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there
shall be drawn for redemption less than all of a registered Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, at the option of the owner thereof, either coupon Bonds or registered Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, monies for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been published as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue, and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void. If said monies shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

CUSTODY AND APPLICATION OF CERTAIN PROCEEDS OF BONDS

501. Application of Certain Proceeds. (1) The Corporation shall apply the amount of the proceeds derived from the sale of each Series of Bonds as shall be specified in the Series Resolution authorizing such Series.

(2) Accrued interest, if any, received upon the delivery of such Series of Bonds shall be deposited in the Debt Service Fund. The amount received as a premium over the principal amount of such Series of Bonds, if any, upon the delivery of such Series shall be applied as provided in the Series Resolution authorizing such Series.

ARTICLE VI

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

601. The Pledge Effectuated by the Resolution. The proceeds of sale of the Bonds, the Revenues, and all funds (other than the Operating Fund) established by the Resolution, and other monies and securities referred to herein (other than monies and securities in the Operating
Fund) are hereby pledged for the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Resolution, 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, provided, however, nothing aforesaid shall be construed to preclude, subject to the provisions of Section 605 and Section 607, the right of the Corporation to grant an equal lien on all revenues, moneys and securities in the Debt Service Fund to secure the payment of principal of and interest on Notes and interest on Other Obligations. This pledge shall be valid and binding from and after the time of adoption of this Resolution, and the proceeds of sale of the Bonds, the Revenues as received by the Corporation, all funds and other monies and securities herein pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof.

602. Establishment of Funds. The following funds are hereby established:

(1) Operating Fund, to be held by the Corporation,
(2) Debt Service Fund, to be held by the Trustee,
(3) Capital Reserve Fund, to be held by the Trustee.

603. Application of Payments. The payments received in accordance with subdivision 1 of Section 3036 of the Act shall be applied to the Operating Fund, the Debt Service Fund and to the Capital Reserve Fund in accordance with certificates of the Chairman pursuant to which the payment is made, provided, however, that if the amount of the payment is less than the amount certified, the payment shall be applied pro rata to the respective Funds on the basis of the respective amounts certified. No Revenues received as such payments shall be deposited in the Operating Fund.

604. Operating Fund. The Corporation shall pay out of the Operating Fund the amounts required for the payment of Operating Expenses.

605. Debt Service Fund.

1. The Trustee shall on or before the business day preceding each interest payment date for any of the Bonds or any of the outstanding Notes pay, out of the amounts then held in the Debt Service Fund, to
itself and the Paying Agents, the amounts respectively required for the payment of principal, Sinking Fund Installments, if any, and Redemption Price of, if any, and interest on any Bonds or Notes due and payable on such date, and shall at the direction of an Authorized Officer pay to itself or the Paying Agents or paying agents for payment of interest on Other Obligations such amount as shall be necessary, in the opinion of the Corporation, to pay such interest on Other Obligations becoming due and payable and such amounts so paid out shall be irrevocably pledged to and applied to such payments; provided, however, in the event that amounts are withdrawn from the Capital Reserve Fund pursuant to paragraph 2 of this Section and deposited in the Debt Service Fund, such amounts shall be used only for the purpose of paying principal of and interest on the Bonds.

2. In the event that on the business day preceding any interest payment date, the amount in the Debt Service Fund shall be less than the amounts respectively required for payment of interest on the Outstanding Bonds and for the payment of the principal and Sinking Fund Installments of the Outstanding Bonds of any Series due and payable on such interest payment date, the Trustee shall withdraw from the Capital Reserve Fund and deposit into the Debt Service Fund such amounts as will increase the amount in the Debt Service Fund to an amount sufficient to make such payment or payments.

3. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to Section 403 hereof on such due date, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of the Term Bonds of such Series and maturity. The Trustee shall so call such Term Bonds for redemption whether or not it then has moneys in the Debt Service Fund sufficient to pay the applicable principal amount thereof, together with interest thereon to the redemption date. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agents, on the day preceding each such redemption date, the amount required for the redemption of the Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

4. The Corporation may, at any time subsequent to the second day of February of any year but in no event less than forty-five (45) days prior to the succeeding first day of February on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with
monies in the Debt Service Fund, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, Term Bonds payable from such Sinking Fund Installment and any Term Bonds so purchased prior to the first day of February shall be cancelled by the Trustee and the aggregate principal amount of the Term Bonds so purchased shall be credited against the Sinking Fund Installment due on such first day of February.

606. Capital Reserve Fund.

1. The Corporation shall deposit into the Capital Reserve Fund (i) all monies paid to the Corporation pursuant to subdivisions 1 and 4 of Section 3036 of the Act for the purpose of maintaining or restoring the amount in the Capital Reserve Fund to the amount of the Capital Reserve Fund Requirement; (ii) such portion of the proceeds of sale of Bonds, if any, as shall be prescribed by Series Resolution; and (iii) any other monies which may be made available to the Corporation for the purposes of the Capital Reserve Fund from any other source or sources.

2. Monies and securities held for the credit of the Capital Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of paragraph 2 of Section 605. At any time after December 31, 1980, monies and securities in the Capital Reserve Fund in excess of the Capital Reserve Fund Requirement, upon direction of the Corporation, may be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund.

3. In order further to assure the maintenance of the Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement and in compliance with the requirements of subdivision 4 of Section 3036 of the Act, the Chairman shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State (with a copy to the Trustee) his certificate stating the sum, if any, required to restore the Capital Reserve Fund to an amount equal to the Capital Reserve Fund Requirement. All monies received by the Corporation from the State pursuant to any such certification, in accordance with the provisions of subdivision 4 of Section 3036 of the Act, as amended, shall be deposited in the Capital Reserve Fund, as required by paragraph 1 of this Section 606.
607. Certificate to the State Comptroller and to the Mayor of The City of New York. In order to assure the maintenance of the Operating Fund, the Debt Service Fund and the Capital Reserve Fund, not less than one hundred and twenty days before the beginning of each Fiscal Year (but prior to February 12 in each calendar year) (but not later than July 1, 1975 for the Fiscal Year ending June 30, 1976), the Chairman shall certify to the State Comptroller and to the Mayor (with a copy to the Trustee) a schedule setting forth the cash requirements of the Corporation for such Fiscal Year and the time or times when such cash is required, which certification shall be revised from time to time as required. The total amount so certified by such Chairman for such Fiscal Year shall be equal to: (i) the amounts which are required to be deposited in the Capital Reserve Fund during such Fiscal Year in order to maintain the Capital Reserve Fund at the Capital Reserve Fund Requirement; (ii) the amounts required to be deposited in the Debt Service Fund to pay all interest on and all payments of principal, Sinking Fund Installments, if any, and Redemption Price, if any, of Bonds or Notes maturing or otherwise becoming due during such Fiscal Year and the interest on Other Obligations maturing or otherwise becoming due during such Fiscal Year; and (iii) the amounts required to be deposited in the Operating Fund as determined by the Corporation, to meet the Operating Expenses of the Corporation during such Fiscal Year. In order further to secure the obligations of the Corporation, including the Bonds, each quarterly payment (to be made on or before April 12, June 30, October 12 and January 12) by the State Comptroller to the Corporation in accordance with such certification, shall be an amount, after taking into account monies then in the Debt Service Fund and available for the purposes of such Fund during such Fiscal Year, not less than the sum of (A) 50% of the interest on all outstanding Bonds, Notes or Other Obligations the interest on which is payable from the Debt Service Fund of the Corporation payable within six months after the end of the quarterly period for which such payment is made plus (B) 25% of the principal and premium, if any, on all Bonds, Notes and Sinking Fund Installments of the Corporation payable within one year after the end of the quarterly period for which such payment is made and of such amount, if any, as may be required to be paid into the Capital Reserve Fund during the Fiscal Year of which such quarterly period is a part. If any increase shall occur in the cash requirements specified above, or if payments are
required at a time or times earlier than previously certified or if
the City shall for any reason fail to make timely payment of the prin-
cipal and accrued interest due on any obligation issued by the City to
the Corporation and maturing within the same Fiscal Year, the Chair-
man shall certify a revised schedule of cash requirements for such
Fiscal Year to the State Comptroller and to the Mayor (with a copy
to the Trustee). The schedule accompanying each certification (or
revision thereof) shall provide for such payment dates as the Cor-
poration deems appropriate to assure that sufficient funds will be
available to meet the obligations of the Corporation as they become
due. The Chairman shall exclude from consideration in making any
such certification with respect to the funds required by the Corpora-
tion for payment of principal of or interest on the Bonds or Notes, or
interest on Other Obligations, any amounts due to be received as pay-
ment of principal of or interest on obligations of the City held by the
Corporation.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

701. Security for Deposits. All monies held hereunder by the
Trustee shall be continuously and fully secured, for the benefit of the
Corporation and the Holders of the Bonds by direct obligations of the
State or of the United States of America or obligations the principal
and interest of which are guaranteed by the State or the United States
of America of a market value equal at all times to the amount of the
deposit so held by the Trustee; provided, however, (a) that if the
securing of such monies is not permitted by applicable law, then in
such other manner as may then be required or permitted by applicable
state or federal laws and regulations regarding the security for, or
granting a preference in the case of, the deposit of trust funds, and
(b) that it shall not be necessary for the Trustee or any Paying Agent
to give security for the deposit of any monies with them held in trust
for the payment of the principal or Redemption Price of or interest
on any Bonds, or for the Trustee to give security for any monies which
shall be represented by obligations purchased under the provisions of
this Resolution as an investment of such monies.

702. Investment of Funds and Accounts Held by the Trustee.

(1) Monies in the Debt Service Fund and the Capital Reserve
Fund shall, as nearly as may be practicable, be invested by the Trustee
upon direction of the Corporation in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when monies in such Fund will be required for the purposes of this Resolution) in (a) direct obligations of the United States of America, direct obligations of the State or obligations the principal and interest of which are guaranteed by the United States of America or the State, (b) any bond, debenture, note, participation or other similar obligation issued by any of the following Federal agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, Farmers’ Home Administration and Export-Import Bank, (c) if permitted by law, any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association, and (d) any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State of New York or held in the State treasury. The maturity or redemption date at the option of the holder of any such investment shall coincide as nearly as practicable with but in no event later than the times at which monies in the Debt Service Fund and Capital Reserve Fund will be required for the purposes in this Resolution provided.

(2) Obligations purchased as an investment of monies in any fund or account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(3) In computing the amount in any fund or account held by the Trustee under the provisions of this Resolution, excepting the Capital Reserve Fund, obligations purchased as an investment of monies therein shall be valued at the cost or market price thereof, whichever is lower, inclusive of accrued interest. In computing the amount of the Capital Reserve Fund, obligations purchased as an investment of monies therein shall be valued at par if purchased at par or at Amortized Value if purchased at other than par. Amortized Value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by
dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium and adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any monies or investments in the Capital Reserve Fund.

(4) Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Resolution whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the Corporation in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

(5) In lieu of the investments of monies in obligations authorized in paragraph (1) above, the Trustee shall, to the extent permitted by the Act then in effect, upon direction of the Corporation in writing, signed by an Authorized Officer, deposit monies from any fund or account held by the Trustee under the terms of this Resolution, in interest-bearing time deposits, or shall make other similar banking arrangements, with itself or a member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation; provided, that no monies in such funds or accounts shall be so deposited unless the recipient of such deposit shall certify in writing to the Corporation and the Trustee, upon the making of each such deposit or arrangement, that the interest to be earned thereon will be in excess of the interest, income or increment that would be earned by the investment of such monies in accordance with the requirements of paragraph (1) above in direct obligations of the United States of America or of the State or obligations the principal and interest of which are guaranteed by the United States of America or by the State at the then current mar-
ket prices; provided further, that each such interest-bearing time deposit or other similar banking arrangement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies; and provided further, that all monies in each such interest-bearing time deposit or other similar banking arrangement shall be continuously and fully secured by direct obligations of the United States of America or of the State or obligations the principal and interest of which are guaranteed by the United States of America or by the State, of a market value equal at all times to the amount of the deposit or of the other similar banking arrangement.

(6) No part of the proceeds of any Series of Bonds or any other funds of the Corporation shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in subsection (d)(2) of section 103 of the Internal Revenue Code of 1954 [Title 26 of the United States Code] as then in effect and to be subject to treatment under subsection (d)(1) of said section as an obligation not described in subsection (a) of said section.

703. Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Article, or for any loss resulting from any such investment so made.

ARTICLE VIII
THE TRUSTEE AND THE PAYING AGENTS

801. Appointment and Acceptance of Duties of Trustee. United States Trust Company of New York, in the City, County and State of New York, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance deposited with the Corporation.

802. Appointment and Acceptance of Duties of Paying Agents. The Corporation shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds or shall appoint such Paying Agent or Paying Agents by resolution of
the Corporation adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 812 for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of Trustee.

Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance deposited with the Corporation and the Trustee.

The corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the Corporation for the payment of the interest on and principal or Redemption Price of the Bonds, except that interest on all registered Bonds and the principal and Redemption Price of all registered Bonds and of all coupon Bonds registered as to principal shall be payable at the corporate trust office of the Trustee.

803. Responsibilities of Trustee and Paying Agents. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Corporation and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds or coupons issued hereunder or in respect of the security afforded by this Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any monies paid to the Corporation. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own monies, unless properly indemnified. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence or default. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any monies paid to any one of the others.
804. Evidence on Which Fiduciaries May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of counsel to the Corporation, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Corporation to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Corporation by an Authorized Officer.

805. Compensation. The Corporation shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all monies in the Operating Fund. The Corporation further agrees to indemnify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default.
806. *Permitted Acts and Functions.* The Trustee and any Paying Agent may become the owner of any Bonds and coupons, with the same rights it would have if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

807. *Resignation of Trustee.* The Trustee may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days' written notice to the Corporation and publishing notice thereof, specifying the date when such resignation shall take effect, once in an Authorized Newspaper, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 809, in which event such resignation shall take effect immediately on the appointment of such successor.

808. *Removal of Trustee.* The Trustee shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation.

809. *Appointment of Successor Trustee.* In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Trustee. The Corporation shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within twenty (20) days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Corpo-
ration written notice, as provided in Section 807, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 809 in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York, or a national banking association doing business and having its principal office in such State, and having a capital and surplus aggregating at least Fifty Million Dollars ($50,000,000) if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

810. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all monies, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Corporation, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.
811. Merger, Conversion or Consolidation. Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of any states of the United States or the District of Columbia or a national banking association and shall have an office for the transaction of its business in any of such states or the District of Columbia and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

812. Resignation or Removal of the Paying Agents and Appointment of Successors. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days’ written notice to the Corporation and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Corporation. Any successor Paying Agent shall be appointed by the Corporation and (subject to the requirements of Section 903) shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least Three Million Dollars ($3,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed.

ARTICLE IX
Covenants of the Corporation

The Corporation covenants and agrees with the Holders of the Bonds and coupons as follows:

901. Payment of Bonds. The Corporation shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any,
of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds and in the coupons thereto appertain ing, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds. All such payments, to the extent not paid when due and payable, shall continue to be due and payable and, accordingly, shall be deemed to be becoming due until the same shall be paid.

902. Extension of Payment of Bonds and Coupons. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the coupons or claims for interest by the purchase or funding of such Bonds, coupons or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such coupons or claims for interest shall be extended, such Bonds, coupons or claims for interest shall not be entitled in case of any default under this Resolution to the benefit of this Resolution or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds, coupons or claims for interest pursuant to this Resolution) held by the Trustee or any Paying Agent, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Bonds of a Refunding Issue as provided in Section 203 and such issuance shall not be deemed to constitute an extension of maturity of Bonds or the time of payment of any of the coupons or claims for interest.

903. Offices for Payment and Registration of Bonds and Coupons. The Corporation shall at all times maintain an office or agency in the Borough of Manhattan, City and State of New York where Bonds and coupons may be presented for payment. The Corporation may pursuant to a Series Resolution or pursuant to resolution adopted in accordance with Section 802 designate an additional Paying Agent or Paying Agents where Bonds and coupons of the Series authorized thereby or referred to therein may be presented for payment. The Corporation shall at all times maintain an office or agency in the Borough of Manhattan, City and State of New York, where Bonds may be
presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

904. *Further Assurances.* At any and all times the Corporation shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and effecting all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Corporation may hereafter become bound to pledge or assign. The Corporation further covenants that it shall cause the Chairman to make and deliver the certificates referred to in sub-section 3 of Section 606 and Section 607 hereof at the times required therein and shall cause the amounts received to be deposited in the appropriate Funds, respectively.

905. *Power to Issue Bonds and Make Pledges.* The Corporation is duly authorized pursuant to law to create and issue the Bonds and to adopt this Resolution and to pledge the Revenues and other monies, securities and funds purported to be pledged by this Resolution in the manner and to the extent provided in this Resolution. The Revenues and other monies, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other monies, securities and funds pledged under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

906. *Agreement of the State.* In accordance with the provisions of Section 3015 of the Act, the Corporation hereby includes in this Resolution the pledge of and agreement with the Holders of the Bonds that the State will not limit or alter the rights vested pursuant to the Act in the Corporation to fulfill the terms of any agreements made with
Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged.

907. Creation of Liens. The Corporation shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the revenues, monies and securities in the Capital Reserve Fund, and shall not create or cause to be created any lien or charge prior to the Bonds on revenues, monies and securities in the Debt Service Fund.

908. Accounts and Reports. The Corporation shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made for its transactions relating to all Funds established by this Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five per cent (5%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

909. General. The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of the Act as then in effect and the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State of New York and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by the laws of said State.

If the Corporation shall exercise its power to limit the implementation of the conditions set forth in Section 3038 of the Act or thereafter to permit such conditions to be further limited, any such action shall be taken by resolution of the Board. When so acting the Board shall make a determination that any such limitation is not so substantial as effectively to constitute a waiver of any of the conditions in Section 3038, or shall make a determination that the conditions shall impose a further condition on the City which determination shall be conclusive and binding upon the holders of the Bonds and the Trustee. A copy
of such resolution shall promptly be delivered to the Trustee and to
the Governor, the State Legislature, the State Comptroller, the Mayor,
the Board of Estimate, the City Council and the City Comptroller and
promptly be published by the Corporation.

ARTICLE X

SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

1001. Modification and Amendment Without Consent. Notwithstanding any other provisions of this Article X, or Article XI, the Corporation may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(1) To provide for the issuance of a Series of Bonds pursuant
to the provisions of this Resolution and to prescribe the terms and
conditions pursuant to which such Bonds may be issued, paid or
redeemed;

(2) To add additional covenants and agreements of the Cor-
poration for the purpose of further securing the payment of the
Bonds, provided such additional covenants and agreements are not
contrary to or inconsistent with the covenants and agreements of
the Corporation contained in this Resolution;

(3) To prescribe further limitations and restrictions upon
the issuance of Bonds and the incurring of indebtedness by the
Corporation which are not contrary to or inconsistent with the
limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to
or conferred upon the Corporation by the terms of this Resolution,
provided that the surrender of such right, power or privilege is not
contrary to or inconsistent with the covenants and agreements of
the Corporation contained in this Resolution;

(5) To confirm as further assurance any pledge under and the
subjection to any lien, claim or pledge created or to be created
by the provisions of this Resolution, of the Revenues or of any
other monies, securities or funds;

(6) To modify any of the provisions of this Resolution or any
previously adopted Series Resolution in any other respects, pro-
vided that such modifications shall not be effective until after all
Bonds of any Series of Bonds Outstanding as of the date of adop-
tion of such Series Resolution or Supplemental Resolution shall
cease to be Outstanding, and all Bonds issued under such resolu-
tions shall contain a specific reference to the modifications con-
tained in such subsequent resolutions; or

(7) With the consent of the Trustee, to cure any ambiguity
or defect or inconsistent provision in this Resolution or to insert
such provisions clarifying matters or questions arising under this
Resolution as are necessary or desirable in the event any such
modifications are not contrary to or inconsistent with this Resolu-
tion as theretofore in effect.

1002. Supplemental Resolutions Effective With Consent of Bond-
holders. The provisions of this Resolution may also be modified or
amended at any time or from time to time by a Supplemental Resolu-
tion, subject to the consent of Bondholders in accordance with and sub-
ject to the provisions of Article XI hereof, such Supplemental Resolution
to become effective upon the filing with the Trustee of a copy
thereof certified by an Authorized Officer.

1003. General Provisions Relating to Series Resolutions and Sup-
plemental Resolutions. This Resolution shall not be modified or
amended in any respect except in accordance with and subject to the
provisions of this Article X and Article XI. Nothing contained in this
Article X or Article XI shall affect or limit the rights or obligations
of the Corporation to adopt, make, do, execute or deliver any resolution,
at or other instrument pursuant to the provisions of Section 904 or the
right or obligation of the Corporation to execute and deliver to the
Trustee or any Paying Agent any instrument elsewhere in this Resolution
provided or permitted to be delivered to the Trustee or any Paying
Agent.

A copy of every Series Resolution and Supplemental Resolution
adopted by the Corporation when filed with the Trustee shall be ac-
companied by a Counsel’s Opinion stating that such Series Resolution
or Supplemental Resolution has been duly and lawfully adopted in
accordance with the provisions of this Resolution, is authorized or
permitted by this Resolution and is valid and binding upon the Corpo-
ration and enforceable in accordance with its terms.

The Trustee is hereby authorized to accept delivery of a certified
copy of any Series Resolution or Supplemental Resolution permitted
or authorized pursuant to the provisions of this Resolution and to make
all further agreements and stipulations which may be contained therein,
and, in taking such action, the Trustee shall be fully protected in relying
on Counsel’s Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent may be adopted by the Corporation without the written consent of the Trustee or Paying Agent affected thereby.

ARTICLE XI
AMENDMENTS OF RESOLUTIONS

1101. Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Corporation and of the Holders of the Bonds and coupons hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (c) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least two-thirds in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected
by a modification or amendment of this Resolution if the same adversely
affects or diminishes the rights of the Holders of Bonds and coupons
of such Series. The Trustee may in its discretion determine whether
or not in accordance with the foregoing provisions Bonds of any par-
ticular Series or maturity would be affected by any modification or
amendment of this Resolution and any such determination shall be
binding and conclusive on the Corporation and all Holders of Bonds.
The Trustee may receive an opinion of counsel, including Counsel’s
Opinion, as conclusive evidence as to whether Bonds of any particular
Series or maturity would be so affected by any such modification or
amendment of this Resolution.

1102. Consent of Bondholders. The Corporation may at any
time adopt a Supplemental Resolution making a modification or amend-
ment permitted by the provisions of Section 1101 to take effect when
and as provided in this Section. A copy of such Supplemental Reso-
lution (or brief summary thereof or reference thereto in form approved
by the Trustee) together with a request to Bondholders for their con-
sent thereto in form satisfactory to the Trustee, shall promptly after
adoption be mailed by the Corporation to Bondholders and be published
at least once a week for two (2) successive weeks (but failure to mail
such copy and request shall not affect the validity of the Supplemental
Resolution when consented to as in this Section provided). Such Sup-
plemental Resolution shall not be effective unless and until (a) there
shall have been filed with the Trustee (i) the written consents of
Holders of the percentages of Outstanding Bonds specified in Section
1101 and (ii) a Counsel’s Opinion stating that such Supplemental
Resolution has been duly and lawfully adopted and filed by the Corpo-
ratin in accordance with the provisions of this Resolution, is autho-
rized or permitted by this Resolution, and is valid and binding upon the
Corporation and enforceable in accordance with its terms, and (b) a
notice shall have been published as hereinafter in this Section 1102
provided. Each such consent shall be effective only if accompanied
by proof of the holding at the date of such consent, of the Bonds with
respect to which such consent is given, which proof shall be such as is
permitted by Section 1301. A certificate or certificates by the Trustee
filed with the Trustee that it has examined such proof and that such
proof is sufficient in accordance with Section 1301 shall be conclu-
sive that the consents have been given by the Holders of the Bonds
described in such certificate or certificates of the Trustee. Any such
consent shall be binding upon the Holder of the Bonds giving such
consent and, anything in Section 1301 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1102 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1301. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Corporation and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the Corporation by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1102 provided) and by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinafore provided for is filed. The Corporation shall file with the Trustee proof of the publication of such notice, and, if the same shall have been mailed to Bondholders, of the mailing thereof. A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent and the Holders of all Bonds and coupons at the expiration of thirty (30) days after the filing with the
Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

1103. Modifications by Unanimous Consent. The terms and provisions of this Resolution and the rights and obligations of the Corporation and of the Holders of the Bonds and coupons thereunder may be modified or amended in any respect upon the adoption and filing with the Trustee by the Corporation of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding; such consent to be given as provided in Section 1102, except that no notice to Bondholders either by mailing or publication shall be required.

1104. Mailing and Publication. (1) Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Corporation, (ii) to each Holder of any Bond payable to bearer who shall have filed with the Trustee within two (2) years preceding such mailing an address for notices, and (iii) to the Trustee.

(2) Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Resolution, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent
or other action taken under this Resolution, the Corporation shall
furnish the Trustee a certificate of an Authorized Officer, upon which
the Trustee may rely, describing all Bonds so to be excluded.

1106. **Notation on Bonds.** Bonds delivered after the effective date
of any action taken as in Article X or this Article XI provided may,
and if the Trustee so determines, shall, bear a notation by endorse-
ment or otherwise in form approved by the Corporation and the Trus-
tee as to such action, and in that case upon demand of the Holder of any
Bond Outstanding at such effective date and upon presentation of his
Bond for such purpose at the corporate trust office of the Trustee suit-
able notation shall be made on such Bond by the Trustee as to any such
action. If the Corporation or the Trustee shall so determine, new
Bonds so modified as in the opinion of the Trustee and the Corporation
to conform to such action shall be prepared and delivered, and upon
demand of the Holder of any Bond then Outstanding shall be exchan-
ged, without cost to such Bondholder, for Bonds of the same Series and
maturity then Outstanding, upon surrender of such Bonds with all
unpaid coupons, if any, appertaining thereto.

**ARTICLE XII**

**Defaults and Remedies**

1201. **Trustee to Exercise Powers of Statutory Trustee.** The
Trustee shall be and hereby is vested with all of the rights, powers and
duties of a trustee appointed by Bondholders pursuant to Section 3017
of the Act and the right of Bondholders to appoint a trustee pursuant
to Section 3017 of the Act is hereby abrogated in accordance with the
provision of subdivision 2(g) of Section 3012 of the Act.

1202. **Events of Default.** Each of the following events is hereby
declared an “event of default,” that is to say; if

(a) the Corporation shall default in the payment of the
principal, Sinking Fund Installments, if any, or Redemption Price
of any Bond when and as the same shall become due, whether at
maturity or upon call for redemption or otherwise; or

(b) the Corporation shall default in the payment of interest
on any of the Bonds and such default shall continue for a period
of thirty (30) days; or

(c) the Corporation shall fail or refuse to comply with the
provisions of subdivision 1 of Section 3036 of the Act, or the
State Comptroller shall fail to pay to the Corporation, as and
when required by such Section, for deposit in the Capital Reserve Fund, the Debt Service Fund or the Operating Fund any amount or amounts as shall be certified by the Chairman pursuant to such provisions of the Act or the Corporation shall fail or refuse to deposit in the Capital Reserve Fund or the Debt Service Fund the amount or amounts received by the Corporation for deposit in such Funds, respectively; or

(d) the Corporation shall fail or refuse to comply with the provisions of subdivisions 3 and 4 of Section 3036 of the Act, or the State shall fail to appropriate and pay to the Corporation, as and when required by such Section, for deposit in the Capital Reserve Fund any amount or amounts as shall be certified by the Chairman pursuant to such provisions of the Act or the Corporation shall fail or refuse to deposit in the Capital Reserve Fund the amount or amounts received by the Corporation for deposit in such Fund; or

(e) the Corporation shall fail or refuse to comply with the provisions of the Act, other than as provided in (c) or (d) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Holders of not less than five per centum (5%) in principal amount of the Outstanding Bonds; or

(f) the State shall for any reason fail or refuse to continue the imposition of either the Sales Tax imposed by Section 1107 of Article 28 of the Tax Law as the same may be from time to time amended or the Stock Transfer Tax imposed by Sections 270 and 270-a of Article 12 of such Law as the same may be from time to time amended or if the rates of such taxes shall be reduced to rates less than those in effect on the date of this Resolution; or

(g) the State shall fail to maintain the existence of either the special account for the Corporation in the municipal assistance tax fund established pursuant to Section 92-d of the State Finance Law or the stock transfer fund established by Section 92-b of said Law.

1203. Remedies. (1) Upon the happening and continuance of any event of default specified in paragraph (a) or (b) of Section 1202, the Trustee shall proceed, or upon the happening and continuance of any
event of default specified in paragraphs (c), (d), (e), (f) or (g) of Section 1202, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the Holders of the Bonds;

(d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds;

(e) in accordance with the provisions of the Act, to declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, to annul such declaration and its consequences.

(2) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Corporation for principal, Redemption Price, interest or otherwise, under any provision of this Resolution or a Series Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.
1204. **Priority of Payments After Default.** In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal, Sinking Fund Installments or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds or coupons which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Resolution, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal
and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and coupons.

The provisions of this Section 1204 are in all respects subject to the provisions of Section 902.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this Section, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such monies with the Paying Agents, or otherwise setting aside such monies in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Bondholder or to any other person for any delay in applying any such monies, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such monies, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any unpaid coupon or any Bond unless such coupon or such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

1205. **Termination of Proceedings.** In case any proceeding taken by the Trustee on account of any event of default shall have been discontinued or abandoned for any reason, then in every such case the Corporation, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.
1206. Bondholders' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of the majority in principal amount of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

1207. Limitation on Rights of Bondholders. No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Resolution or any right under law unless such Holder shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in
the manner herein provided and for the benefit of all Holders of the Outstanding Bonds and coupons. Notwithstanding the foregoing provisions of this Section or any other provisions of this Article XII, the obligation of the Corporation shall be absolute and unconditional to pay the principal and Redemption Price of and interest on the Bonds to the respective Holders thereof and the coupons pertaining thereto at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary notwithstanding contained in this Section 1207, or any other provision of this Resolution, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Resolution or any Series Resolution, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys’ fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

1208. Possession of Bonds by Trustee Not Required. All rights of action under this Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds and coupons, subject to the provisions of this Resolution.

1209. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such
remedy shall be cumulative and shall be in addition to any other remedy
given hereunder or now or hereafter existing at law or in equity or
by statute.

1210. No Waiver of Default. No delay or omission of the Trustee
or of any Holder of the Bonds to exercise any right or power accruing
upon any default shall impair any such right or power or shall be
construed to be a waiver of any such default or an acquiescence therein;
and every power and remedy given by this Resolution to the Trustee
and the Holders of the Bonds, respectively, may be exercised from
time to time and as often as may be deemed expedient.

1211. Notice of Event of Default. The Trustee shall give to the
Bondholders notice of each event of default hereunder known to the
Trustee within ninety (90) days after knowledge of the occurrence
thereof, unless such event of default shall have been remedied or cured
before the giving of such notice; provided that, except in the case of
default in the payment of the principal, Sinking Fund Installment, or
Redemption Price of or interest on any of the Bonds, or in the making
of any payment required to be made into the Operating Fund, the Debt
Service Fund or the Capital Reserve Fund, the Trustee shall be
protected in withholding such notice if and so long as the board of
directors, the executive committee, or a trust committee of directors or
responsible officers of the Trustee in good faith determines that the
withholding of such notice is in the interests of the Bondholders. Each
such notice of event of default shall be given by the Trustee by mailing
written notice thereof: (1) to all registered Holders of Bonds, as the
names and addresses of such Holders appear upon the books for
registration and transfer of Bonds as kept by the Trustee; (2) to such
Bondholders as have filed their names and addresses with the Trustee
for that purpose; and (3) to such other persons as is required by law.

ARTICLE XIII

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND
PROOFS OF OWNERSHIP OF BONDS

1301. Evidence of Signatures of Bondholders and Ownership of
Bonds. Any request, direction, consent, revocation of consent, or other
instrument in writing required or permitted by this Resolution to be
signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or, in the case of coupon Bonds, by any bank, trust company, or other depository of such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Bondholder or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company, or other depository, or of any notary public, or other officer authorized to take acknowledgments. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the holding of coupon Bonds by any Bondholder and the amount and the numbers of such Bonds and the date of his holding the same (unless such Bonds be registered as to principal other than to bearer) may be proved by a certificate executed by an officer of any bank, trust company, or other depository, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with or exhibited to such bank, trust company, or other depository the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice of the contrary is served upon the Trustee. The ownership of registered Bonds shall be proved by the registry books kept by the Trustee under the provisions of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done or suffered to be done by the Corporation, the Trustee or any Paying Agent in pursuance of such request or consent.
ARTICLE XIV

Defeasance

1401. Defeasance. 1. If the Corporation shall pay or cause to be paid to the Holders of all Bonds and coupons then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Corporation, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Corporation to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Corporation all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds or coupons not therefore surrendered for such payment or redemption.

2. Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Corporation of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with effect expressed in subsection 1 of this Section. All Outstanding Bonds of any Series and all coupons appertaining to such Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish as provided in Article IV of the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or direct obligations of the United States of America the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient, to pay, when due, the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not
by their terms subject to redemption within the next succeeding 60
days, the Corporation shall have given the Trustee in form satisfactory
to it irrevocable instructions to publish, as soon as practicable, at least
twice, at an interval of not less than seven days between publications,
in an Authorized Newspaper a notice to the Holders of such Bonds
and coupons that the deposit required by (b) above has been made with
the Trustee and that said Bonds and coupons are deemed to have been
paid in accordance with this Section and stating such maturity or
redemption date upon which monies are to be available for the pay-
ment of the principal or Redemption Price, if applicable, on said
Bonds. Neither direct obligations of the United States of America or
monies deposited with the Trustee pursuant to this Section nor prin-
cipal or interest payments on any such securities shall be withdrawn
or used for any purpose other than, and shall be held in trust for, the
payment of the principal or Redemption Price, if applicable, and in-
terest on said Bonds; provided that any cash received from such prin-
cipal or interest payments on such direct obligations of the United
States of America deposited with the Trustee, if not then needed for
such purpose, shall, to the extent practicable, be reinvested in direct
obligations of the United States of America maturing at times and in
amounts sufficient to pay when due the principal or Redemption Price,
if applicable, and interest to become due on said Bonds on and prior to
such redemption date or maturity date thereof, as the case may be,
and interest earned from such reinvestment shall be paid over to the
Corporation, as received by the Trustee, free and clear of any trust, lien
or pledge.

3. Anything in the Resolution to the contrary notwithstanding,
any monies held by a Fiduciary in trust for the payment and discharge
of any of the Bonds or coupons which remain unclaimed for six years
after the date when such Bonds have become due and payable, either
at their stated maturity dates or by call for earlier redemption, if such
monies were held by the Fiduciary at such date, or for six years after
the date of deposit of such monies if deposited with the Fiduciary
after the said date when such Bonds became due and payable, shall, at
the written request of the Corporation, be repaid by the Fiduciary to the
Corporation, as its absolute property and free from trust, and the
Fiduciary shall thereupon be released and discharged with respect
thereto and the Bondholders shall look only to the Corporation for the
payment of such Bonds and coupons; provided, however, that before being required to make any such payment to the Corporation, the Fiduciary shall, at the expense of the Corporation, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such monies then unclaimed will be returned to the Corporation.

ARTICLE XV
MISCELLANEOUS

1501. Preservation and Inspection of Documents. All documents received by the Trustee or any Paying Agent under the provisions of this Resolution or any Series Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation, the Trustee or any Paying Agent and after written request received by the Trustee at least five business days prior to the date of inspection, by any Holder of Outstanding Bonds and their agents and representatives, any of whom may make copies thereof.

1502. Parties of Interest. Nothing in this Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Corporation, Trustee, Paying Agents and the Holders of the Bonds and coupons pertaining thereto any rights, remedies or claims under or by reason of this Resolution or any Series Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, Trustee and Paying Agents and the Holders from time to time of the Bonds and the coupons pertaining thereto.

1503. No Recourse Under Resolution or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Corporation contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and
not of any member, officer or employee of the Corporation in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Resolution against any member, officer or employee of the Corporation or any natural person executing the Bonds.

1504. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution on the part of the Corporation, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

1505. Headings. Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

1506. Conflict. All resolutions or parts of resolutions or other proceedings of the Corporation in conflict herewith be and the same are repealed insofar as such conflict exists.

1507. Effective Date. This Resolution shall take effect immediately upon its adoption. Any resolutions of the Corporation authorizing the issuance of notes of the Corporation and the establishment of a debt service fund is hereby rescinded effective upon payment in full of such notes.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES W RESOLUTION

Authorizing
$81,000,000
1975 SERIES W BONDS

Adopted October 27, 1975
# Table of Contents

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>1975 Series W Resolution</td>
<td>1</td>
</tr>
<tr>
<td>102</td>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>103</td>
<td>Authority for the 1975 Series W Resolution</td>
<td>2</td>
</tr>
</tbody>
</table>

**ARTICLE II**

**AUTHORIZATION, TERMS AND ISSUANCE OF 1975 SERIES W BONDS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Authorization of 1975 Series W Bonds, Principal Amount, Designation and Series</td>
<td>3</td>
</tr>
<tr>
<td>202</td>
<td>Purposes</td>
<td>3</td>
</tr>
<tr>
<td>203</td>
<td>Issue Date</td>
<td>3</td>
</tr>
<tr>
<td>204</td>
<td>Maturities and Interest Rates</td>
<td>4</td>
</tr>
<tr>
<td>205</td>
<td>Interest Payments</td>
<td>4</td>
</tr>
<tr>
<td>206</td>
<td>Denominations, Numbers, Letters and Exchangeability</td>
<td>4</td>
</tr>
<tr>
<td>207</td>
<td>CUSIP Numbers</td>
<td>5</td>
</tr>
<tr>
<td>208</td>
<td>Places of Payment and Paying Agents</td>
<td>5</td>
</tr>
<tr>
<td>209</td>
<td>Redemption of 1975 Series W Bonds and Terms</td>
<td>6</td>
</tr>
<tr>
<td>210</td>
<td>Sinking Fund Installments</td>
<td>6</td>
</tr>
<tr>
<td>211</td>
<td>Sale of 1975 Series W Bonds</td>
<td>7</td>
</tr>
</tbody>
</table>

**ARTICLE III**

**DISPOSITION OF 1975 SERIES W BONDS PROCEEDS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>Establishment of 1975 Series W Bonds Proceeds Fund</td>
<td>8</td>
</tr>
<tr>
<td>302</td>
<td>Payments from 1975 Series W Bonds Proceeds Fund</td>
<td>8</td>
</tr>
</tbody>
</table>

(i)
ARTICLE IV
FORMS AND EXECUTION OF 1975 SERIES W BONDS AND COUPONS

SECTION 401. Form of Bonds and Coupons of 1975 Series W Bonds

402. No Recourse on 1975 Series W Bonds

403. Execution of 1975 Series W Bonds

ARTICLE V
MISCELLANEOUS

SECTION 501. When Effective

Page 10 34 34 35
1975 SERIES W RESOLUTION AUTHORIZING
$81,000,000 1975 SERIES W BONDS

BE IT RESOLVED by the Board of Directors of the Municipal Assistance Corporation For The City of New York, as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 101. 1975 Series W Resolution. This Resolution is supplemental to, and constitutes a Series Resolution within the meaning of and is adopted in accordance with Article X of the resolution adopted by the Corporation on July 2, 1975, entitled: "General Bond Resolution".

SECTION 102. Definitions. (a) All terms which are defined in Section 101 of the General Bond Resolution shall have the same meanings, respectively, in this 1975 Series W Resolution Authorizing $81,000,000 1975 Series W Bonds, as such terms are given in said Section 101 of the General Bond Resolution.

(b) In addition, as used in this 1975 Series W Resolution Authorizing $81,000,000 1975 Series W Bonds, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"1975 Series W Bonds" shall mean the Bonds authorized by Article II of this 1975 Series W Resolution.

"1975 Series W Bond Proceeds Fund" means the fund by that name established by Section 301 hereof.
"1975 Series W Resolution" shall mean this 1975 Series W Resolution Authorizing $81,000,000 1975 Series W Bonds.

"Short Term Obligations" shall mean tax anticipation notes, revenue anticipation notes, bond anticipation notes, budget notes and urban renewal notes of the City.

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this 1975 Series W Resolution, refer to the 1975 Series W Resolution.

SECTION 103. Authority for the 1975 Series W Resolution. This 1975 Series W Resolution is adopted pursuant to the provisions of the Act, as amended, and the Resolution.
ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF
1975 SERIES W BONDS

SECTION 201. Authorization of 1975 Series W Bonds, Principal Amount, Designation and Series. The 1975 Series W Bonds are hereby authorized to be issued in the aggregate principal amount of $81,000,000 pursuant to and subject to the terms, conditions and limitations established in the Resolution and this 1975 Series W Resolution. In addition to the title "Bonds", such Series of Bonds shall bear the additional designation of "1975 Series W" and each as so designated shall be entitled "1975 Series W Bond". The 1975 Series W Bonds may be issued either in coupon form payable to bearer and registrable as to principal only or in fully registered form.

SECTION 202. Purposes. The 1975 Series W Bonds are being issued for either or both of the following purposes, which purposes are purposes authorized by the Act:

(a) Payment to the City of the amount required by the City to enable it to pay, at maturity, the principal of and interest on any Short Term Obligations, as hereinafter provided; and

(b) Payment to the City of the amount required by the City to enable it to pay operating expenses of the City, as hereinafter provided.

SECTION 203. Issue Date. The 1975 Series W Bonds shall be dated November 10, 1975, except as otherwise provided in Section

SECTION 204. Maturities and Interest Rates. The 1975 Series W Bonds shall mature:

<table>
<thead>
<tr>
<th>February 1</th>
<th>Amount Maturing</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$38,500,000</td>
<td>11%</td>
</tr>
<tr>
<td>1990</td>
<td>40,500,000</td>
<td>11</td>
</tr>
<tr>
<td>1990</td>
<td>2,000,000</td>
<td>11</td>
</tr>
</tbody>
</table>

SECTION 205. Interest Payments. The 1975 Series W Bonds in coupon form shall bear interest from November 10, 1975, payable on February 1, 1976 and on August 1, 1976 and semi-annually thereafter on February 1 and August 1, in each year, until the Corporation's obligation with respect to the payment of the principal sum on said 1975 Series W Bonds is discharged. Registered 1975 Series W Bonds shall bear interest from their date, payable semi-annually on February 1 and August 1 in each year.

SECTION 206. Denominations, Numbers, Letters and Exchangenability. The 1975 Series W Bonds shall be issued in the denomination of $5,000 in the case of 1975 Series W Bonds in coupon form payable to bearer and in the denomination of $5,000 or an integral multiple thereof, not exceeding the aggregate principal amount of 1975 Series W Bonds maturing in the year of maturity of the 1975 Series W Bond for which the denomination is to be specified, with respect to fully
registered 1975 Series W Bonds without coupons. The 1975 Series W Bonds in coupon form payable to bearer shall be lettered W and the 1975 Series W Bonds in fully registered form without coupons shall be lettered WR, in each case followed by two digits, being the last two digits of the year in which such 1975 Series W Bonds mature, and the number of the 1975 Series W Bond. 1975 Series W Bonds in coupon form payable to bearer so lettered and bearing such digits shall be numbered consecutively from one (1) upwards for such year and 1975 Series W Bonds in fully registered form so lettered and bearing such digits shall be numbered consecutively from one (1) upwards in order of issuance for each such year of maturity.

SECTION 207. CUSIP Numbers. The Corporation is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the 1975 Series W Bonds and to have such CUSIP numbers printed thereon.

SECTION 208. Places of Payment and Paying Agents. The principal of, and interest on, the 1975 Series W Bonds in coupon form payable to bearer shall be payable at the corporate trust office of the Trustee, in the Borough of Manhattan, City and State of New York, hereby appointed as a Paying Agent for the 1975 Series W Bonds, unless registered as to principal. The interest on all registered 1975 Series W Bonds and the principal of all registered 1975 Series W Bonds and of all 1975 Series W Bonds issued in coupon form payable to bearer and subsequently registered as to principal, shall be payable at the corporate office of the Trustee.
The 1975 Series W Bonds maturing on February 1, are subject to redemption at the election of the Corporation, at any time on or after February 1, 1985, as a whole or in part on any interest payment date by lot, at a Redemption Price of 102% of the principal amount thereof, plus accrued interest to the date of redemption.

SECTION 210. Sinking Fund Installments. The 1975 Series W Term Bonds shall be subject to redemption, in part, by operation of the Debt Service Fund through application of Sinking Fund Installments as provided in the Resolution. The 1975 Series W Term Bonds shall be subject to such redemption beginning on February 1, 1984, and on each February 1 thereafter until maturity on February 1, 1990, as herein provided, upon published notice, all as prescribed in Article IV of the Resolution, at the Redemption Price of one hundred per centum (100%) of the principal amount of each 1975 Series W Term Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the 1975 Series W Term Bonds shall then be Outstanding and, subject to the provisions of Section 605 of the Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and the Corporation shall be required to pay for the retirement of the 1975 Series W Term Bonds, on February 1 of each of the years set forth in the following table, the amount set opposite such year in said table, and the said amount so to be paid on each such date is hereby established as and shall constitute a Sinking Fund Installment for retirement of the 1975 Series W Term
Bonds, except that the amount set opposite the year 1990, in said table, shall be payable at the respective stated maturity of the 1975 Series W Term Bonds:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>$8,280,000</td>
<td>1988</td>
<td>$12,570,000</td>
</tr>
<tr>
<td>1985</td>
<td>9,190,000</td>
<td>1989</td>
<td>13,950,000</td>
</tr>
<tr>
<td>1986</td>
<td>10,200,000</td>
<td>1990</td>
<td>15,485,000</td>
</tr>
<tr>
<td>1987</td>
<td>11,325,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION 211. Sale of 1975 Series W Bonds. The 1975 Series W Bonds authorized to be issued herein shall be sold to the purchasers (the "Purchasers") listed on Schedule X of the Bond Purchase Agreement, dated November 7, 1975 (the "Bond Purchase Agreement"), at an aggregate price of $81,000,000 and accrued interest, if any, on the 1975 Series W Bonds from November 10, 1975, to the date of delivery thereof and payment therefor and the Chairman or Treasurer of the Corporation is hereby authorized to execute the Bond Purchase Agreement in the name and on behalf of the Corporation and to deliver the same to the Purchasers.
ARTICLE III

DISPOSITION OF 1975 SERIES W BONDS PROCEEDS

SECTION 301. Establishment of 1975 Series W Bonds Proceeds Fund. There is hereby established the 1975 Series W Bonds Proceeds Fund to be held by the Trustee. There shall be deposited into such Fund the balance of the proceeds of sale of the 1975 Series W Bonds after deducting therefrom the amount, if any, of accrued interest received at the time of delivery of the 1975 Series W Bonds, which amount shall be deposited into the Debt Service Fund pursuant to Section 303 hereof.

SECTION 302. Payments from 1975 Series W Bonds Proceeds Fund. The moneys deposited in the 1975 Series W Bonds Proceeds Fund shall be expended by the Trustee only pursuant to the written order of the Corporation signed by an Authorized Officer for the following purposes:

(a) Payment to the City of the amount required by the City to enable it to pay, at maturity, the principal of and interest on any Short Term Obligations, as certified to the Corporation by the Mayor, a copy of which certification shall be attached to said written order; and

(b) Payment to the City of the amount required by the City to enable it to pay operating expenses of the City, as certified to the Corporation by the Mayor, a copy of which certification shall be attached to said written order together with evidence of the receipt by the Corporation of
Short Term Obligations, if required by the Act as then in effect;

provided, however, that pending expenditure of the moneys as herein directed, such moneys may be invested by the Trustee upon direction of the Corporation in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when moneys in such 1975 Series W Bonds Proceeds Fund will be required for the purposes of this 1975 Series W Resolution) in obligations of issuers enumerated as authorized for investments of moneys in the Debt Service Fund and the Capital Reserve Fund pursuant to the provisions of paragraph (1) of Section 702 of the General Bond Resolution, including repurchase agreements covering such obligations entered into with banks described in paragraph (5) of said Section 702 or securities dealers approved by an Authorized Officer of the Corporation, or as provided in paragraph (5) of said Section 702.

The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Section 302, in the manner provided in this Section 302, or for any loss resulting from any such investment.
ARTICLE IV

FORMS AND EXECUTION OF 1975 SERIES W BONDS AND COUPONS

SECTION 401. Form of Bonds and Coupons of 1975 Series W

Bonds. Subject to the provisions of the Resolution, the 1975 Series W Bonds in coupon form and coupons to be attached thereto and the 1975 Series W Bonds in registered form, together with the form of assignment therefor, and the Trustee's Certificate of Authentication, shall be in substantially the following form and tenor with such changes and modifications as are required herein:
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
1975 SERIES W BOND

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (hereinafter sometimes called the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, organized and existing under and pursuant to the laws of the State of New York, acknowledges itself indebted to, and for value received, hereby promises to pay to the bearer or, if this Bond be registered as herein provided, to the registered owner hereof, upon presentation and surrender of this Bond, the principal sum of FIVE THOUSAND DOLLARS ($5,000) on the first day of February, , unless redeemed prior thereto as hereinafter provided, and to pay interest thereon from the date hereof to the date of maturity or earlier redemption, of this Bond, at the rate of per centum ( %) per annum, payable semi-annually on February 1 and August 1, in each year, commencing February 1, 1976, until the Corporation's obligation with respect to the payment of such principal sum shall be discharged, but only with respect to interest due on or after the maturity of this Bond according to the tenor and upon presentation and surrender of the attached coupons as they respectively become due and payable.
Both principal and redemption premium, if any, of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts, at the corporate trust office of the Trustee, in the Borough of Manhattan, City and State of New York. The principal of this Bond, if registered, is payable only at the corporate trust office of United States Trust Company of New York, in the Borough of Manhattan, City and State of New York, as trustee under the resolution of the Corporation adopted July 2, 1975, entitled "General Bond Resolution" (herein called the "Trustee"), in like coin or currency.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as its "Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, said Acts being Titles I, II and III of Article 10 of the Public Authorities Law (Chapter 43-A of the Consolidated Laws of the State of New York), as amended (herein called the "Act"), and under and pursuant to the General Bond Resolution and the series resolution authorizing each such series.

The Bonds are general obligations of the Corporation payable out of any revenues of the Corporation and are entitled to a first lien created by the pledge under the General Bond Resolution of all revenues, monies and securities in the Debt Service Fund
and the Capital Reserve Fund (as defined therein), subject to the right of the Corporation to grant an equal lien on all revenues, moneys and securities in the Debt Service Fund to secure payment of principal of and interest on Notes and interest on Other Obligations (as defined in the General Bond Resolution). The General Bond Resolution provides for the application of the amounts in the Capital Reserve Fund and in the Debt Service Fund to the payment, when due, of the principal or redemption price, if any, of and interest on the Bonds, and the application of amounts in the Debt Service Fund to the payment, when due, of the principal of and interest on Notes and interest on Other Obligations. Pursuant to the General Bond Resolution, such revenues, moneys and securities include each of the following: (i) all amounts received by the Corporation for deposit into the Debt Service Fund and into the Capital Reserve Fund, as payments from the Municipal Assistance Tax Fund established by the State Finance Law (Chapter 56 of said Consolidated Laws), which are required to be made only if and to the extent that moneys from the sales and compensating use taxes as imposed by Section 1107 of Article 28 of the Tax Law (Chapter 60 of said Consolidated Laws) and, effective April 1, 1976, if required, the stock transfer tax imposed by Article 12 of said Tax Law, have been appropriated by the Legislature of the State of New York from the Special Account established within such Municipal Assistance Tax Fund for the Corporation or that revenues shall have otherwise been made available therefor by the State of New York; (ii) all
amounts received by the Corporation from the State of New York as payments for deposit into the Capital Reserve Fund (pursuant to the Act by certification annually on or before December 1, of the Chairman to the Governor and the Director of the Budget of the State of New York, of the amount necessary to restore the Capital Reserve Fund to its required amount); and (iii) investment earnings of moneys in such Funds; provided, however, that pursuant to the Act, any provision therein or in the Resolutions or in any other agreement between the Corporation and the holders of Bonds or Notes, relating to said taxes and said Municipal Assistance Tax Fund, the Special Account and the Stock Transfer Tax Fund established by the State Finance Law, shall be deemed executory only to the extent of the moneys available to the State of New York in such Funds from time to time and the State of New York shall incur no liability on account thereof beyond such moneys.

As provided in the General Bond Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the General Bond Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the General Bond Resolution is not limited except as provided in the General Bond Resolution or as may be limited by law and all Bonds issued and to be issued pursuant to the General Bond Resolution are and will be equally secured by the pledges and covenants made there-
in, except as otherwise expressly provided or permitted in the General Bond Resolution.

This Bond is one of a series of Bonds designated "1975 Series Bonds" (herein called the "1975 Series Bonds"), issued in the aggregate principal amount of $ pursuant to the General Bond Resolution and the series resolution of the Corporation adopted , 1975, entitled "1975 Series Resolution Authorizing $ 1975 Series Bonds" (said resolutions being herein collectively called the "Resolutions"), for purposes authorized by the Act. Copies of the Resolutions are on file at the office of the Corporation and at the corporate trust office of the Trustee and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 1975 Series Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the 1975 Series Bonds with respect thereto and the terms and conditions upon which the 1975 Series Bonds are issued and may be issued thereunder.

To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Corporation with the written consent of the holders of at least two-thirds in principal amount of the Bonds then Outstanding (as defined in the General Bond Resolution), or, in
case less than all of the series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then Outstanding, or, in case of a Sinking Fund Installment (as defined in the General Bond Resolution) change, with such consent of the holders of at least two-thirds in principal amount of the Outstanding Bonds affected thereby; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds.

This Bond is transferable by delivery except when registered as to principal otherwise than to bearer. It may be registered as to principal in the name of the owner on the books of the Corporation kept for that purpose at the corporate trust office of the Trustee, such registration to be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner in person, or by his attorney duly authorized in writing, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred to bearer, after which it shall again become transferable by delivery; and this Bond may again and from time to time be registered or discharged from registration in the same manner. Registration of this Bond shall not affect the negotiability of the coupons,
which shall continue to be payable to bearer and transferable by delivery.

The 1975 Series Bonds are issuable in the form of coupon Bonds payable to bearer in the denomination of $5,000 and in the form of registered Bonds without coupons in the denomination of $5,000 or an integral multiple thereof, not exceeding the aggregate principal amount of the 1975 Series Bonds maturing in the year of maturity of the 1975 Series Bond for which the denomination of the 1975 Series Bond is to be specified. Coupon 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee, with all unmatured coupons attached, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of registered 1975 Series Bonds of the same maturity of any of the authorized denominations, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Resolutions. In like manner, subject to such conditions and upon the payment of such charges, if any, registered 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 1975 Series Bonds, with appropriate coupons attached, or of 1975 Series Bonds without coupons of any other authorized denominations, of the same maturity.
The Corporation may, at any time not prior to 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, 1975 Series Bonds of the Corporation payable from such Sinking Fund Installment and apply any 1975 Series Bonds so purchased as a credit against such Sinking Fund Installment.

In the event that any or all of the 1975 Series Bonds are to be redeemed, notice of such redemption (a) shall be given by publication once a week for at least two (2) successive weeks in a newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, as provided in the Resolutions, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, and (b) shall be mailed, postage prepaid, not less than thirty (30) days before the redemption date to the registered owners of any 1975 Series Bonds or portions of the 1975 Series Bonds to be redeemed; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of the 1975 Series Bonds. Notice of redemption having been given, as aforesaid, the 1975
Series Bonds or portions thereof so called for redemption, shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 1975 Series Bonds, or portions thereof so called for redemption, shall cease to accrue and become payable and the coupons for interest appertaining to coupon 1975 Series Bonds maturing subsequent to the redemption date shall be void.

The 1975 Series Bonds shall not be a debt of either the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the 1975 Series Bonds be payable out of any funds other than those of the Corporation.

This 1975 Series Bond is fully negotiable for all purposes of the Uniform Commercial Code (Chapter 38 of said Consolidated Laws), and each holder or owner of this 1975 Series Bond, or of any coupon appurtenant hereto, by accepting this 1975 Series Bond or coupon shall be conclusively deemed to have agreed that this 1975 Series Bond or coupon is fully negotiable for those purposes.

Neither this 1975 Series Bond nor any coupon for interest hereon shall be entitled to any security, right or benefit under the Resolutions; or be valid or obligatory for any purpose unless the Certificate of Authentication hereon has been duly executed by the Trustee.

Neither the Directors of the Corporation nor any person executing the 1975 Series Bonds shall be subject to any personal
liability or accountability by reason of the issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 1975 Series Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 1975 Series Bonds, together with all other indebtedness of the Corporation is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK has caused this 1975 Series Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and the interest coupons hereto attached to be executed by the facsimile signature of said Chairman, all as of the day of , 19 .

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By ____________________________
Chairman

Attest:

By ____________________________
Secretary
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 1975 Series Bonds of the Municipal Assistance Corporation For The City of New York.

UNITED STATES TRUST COMPANY OF NEW YORK, Trustee

By ____________________________
Authorized Signature

[FORM OF COUPON]

No. ____________  $ __________

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK on (unless the Bond hereinafter mentioned shall have been duly called for previous redemption and payment of the Redemption Price made or duly provided for), will pay to bearer the amount shown hereon in any coin or currency of the United States of America which, on the date of payment hereof, shall be legal tender for the payment of public and private debts, at the corporate trust office of the Trustee, in the Borough of Manhattan, City and State of New York, or, at the option of the holder, at the corporate trust office of

, in the City of , State of , or, at the option of the holder, at the corporate trust office of

, in the City and County of , upon presentation and surrender of this
coupon, being the interest then due on its 1975 Series Bond, dated 
1975, No.

By
Chairman, Municipal Assistance Corporation For The City of New York

Registration

(No writing below except by the Trustee as Registrar.)

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>Name of Registered Holder</th>
<th>Authorized Signature</th>
</tr>
</thead>
</table>
[FORM OF REGISTERED 1975 SERIES W BOND]

No. WR_____

$_____

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES BOND

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (herein sometimes called the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, organized and existing under and pursuant to the laws of the State of New York, acknowledges itself indebted to, and for value received, hereby promises to pay to

or registered assigns, upon presentation and surrender of this Bond, the principal sum of _______________________

Dollars ($_____) on the first day of , unless redeemed prior thereto as hereinafter provided, and to pay to the registered owner hereof interest thereon from the date hereof to the date of maturity or earlier redemption of this Bond, at the rate of _____ per centum ( %) per annum, payable semi-annually on and in each year, commencing until the Corporation's obligation with respect to the payment of such principal sum shall be discharged, at the corporate trust office in the Borough of Manhattan, City and State of New York, of the Trustee hereinafter mentioned. Both principal and redemption premium, if any, of and interest on this Bond are payable in
any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of a duly authorized issue of Bonds of the Corporation designated as its "Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, said Acts being Titles I, II and III of Article 10 of the Public Authorities Law (Chapter 43-A of the Consolidated Laws of the State of New York), as amended (herein called the "Act"), and under and pursuant to the resolution of the Corporation adopted July 2, 1975, entitled "General Bond Resolution" (herein called the "General Bond Resolution") and the series resolution authorizing each such series.

The Bonds are general obligations of the Corporation payable out of any revenues of the Corporation and are entitled to a first lien created by the pledge under the General Bond Resolution of all revenues, moneys and securities in the Debt Service Fund and the Capital Reserve Fund (as defined therein), subject to the right of the Corporation to grant an equal lien on all revenues, moneys and securities in the Debt Service Fund to secure payment of principal of and interest on Notes and interest on Other Obligations (as defined in the General Bond Resolution). The General Bond Resolution provides for the application of the amounts in the Capital Reserve Fund and in the Debt Service Fund to the payment, when due, of the principal or redemption price, if any, of and
interest on the Bonds, and the application of amounts in the Debt Service Fund to the payment, when due, of the principal of and interest on Notes and interest on Other Obligations. Pursuant to the General Bond Resolution, such revenues, moneys and securities include each of the following: (i) all amounts received by the Corporation for deposit into the Debt Service Fund and into the Capital Reserve Fund, as payments from the Municipal Assistance Tax Fund established by the State Finance Law (Chapter 56 of said Consolidated Laws), which are required to be made only if and to the extent that moneys from the sales and compensating use taxes as imposed by Section 1107 of Article 28 of the Tax Law (Chapter 60 of said Consolidated Laws) and, effective April 1, 1976, if required, the stock transfer tax imposed by Article 12 of said Tax Law, have been appropriated by the Legislature of the State of New York from the Special Account established within such Municipal Assistance Tax Fund for the Corporation or that revenues shall have otherwise been made available therefor by the State of New York; (ii) all amounts received by the Corporation from the State of New York as payments for deposit into the Capital Reserve Fund (pursuant to the Act by certification annually on or before December 1, of the Chairman to the Governor and the Director of the Budget of the State of New York, of the amount necessary to restore the Capital Reserve Fund to its required amount); and (iii) investment earnings of moneys in such Funds; provided, however, that pursuant to the Act, any provision therein or in the Resolution or in any other agreement
between the Corporation and the holders of Bonds or Notes, relating to said taxes and such Municipal Assistance Tax Fund, the Special Account and the Stock Transfer Tax Fund established by the State Finance Law, shall be deemed executory only to the extent of the moneys available to the State of New York in such Funds from time to time and the State of New York shall incur no liability on account thereof beyond such moneys.

As provided in the General Bond Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the General Bond Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the General Bond Resolution is not limited except as provided in the General Bond Resolution or as may be limited by law and all Bonds issued and to be issued pursuant to the General Bond Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Bond Resolution.

This Bond is one of a series of Bonds designated "1975 Series Bonds" (herein called the "1975 Series Bonds"), issued in the aggregate principal amount of $1,000,000 pursuant to the General Bond Resolution and the series resolution of the Corporation, adopted 1975, entitled "1975 Series Resolution Authorizing Series Bonds," said resolutions being
herein collectively called the "Resolutions"), for purposes auth-
riized by the Act. Copies of the Resolutions are on file at the
office of the Corporation and at the corporate trust office of
United States Trust Company of New York, in the Borough of Man-
hattan, City and State of New York, as trustee under the General
Bond Resolution (said trustee and any successor thereto under the
General Bond Resolution being herein called the "Trustee"), and
reference to the Resolutions and any and all supplements thereto
and modifications and amendments thereof and to the Act is made
for a description of the pledges and covenants securing the 1975
Series Bonds, the nature, extent and manner of enforcement of
such pledges, the rights and remedies of the bearers or registered
owners of the 1975 Series Bonds with respect thereto and the
terms and conditions upon which the 1975 Series Bonds are issued
and may be issued thereunder.

To the extent and in the manner permitted by the terms
of the Resolutions, the provisions of the Resolutions or any reso-
lution amendatory thereof or supplemental thereto, may be modified
or amended by the Corporation with the written consent of the hold-
ers of at least two-thirds in principal amount of the Bonds then
Outstanding (as defined in the General Bond Resolution), or, in
case less than all of the series of Bonds would be affected there-
by, with such consent of the holders of at least two-thirds in prin-
cipal amount of the Bonds of each series so affected then Outstanding,
or, in case of a Sinking Fund installment (as defined in the General
Bond Resolution) change, with such consent of the holders of at least two-thirds in principal amount of the Outstanding Bonds affected thereby; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds.

This Bond is transferable as provided in the Resolutions, only upon the books of the Corporation kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney, and thereupon the Corporation shall issue in the name of the transferee a new registered 1975 Series Bond or Bonds or, at the option of the transferee, a coupon 1975 Series Bond or Bonds with appropriate coupons attached, of the same aggregate principal amount and series, maturity and interest rate as the surrendered 1975 Series Bond, as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this 1975 Series Bond is registered as the holder and the registered owner hereof for the purpose of receiving payment of, or any call on, the principal
or Redemption Price hereof and interest due hereon and for all other purposes whatsoever.

The 1975 Series Bonds are issuable in the form of coupon bonds payable to bearer in the denomination of $5,000 and in the form of registered bonds without coupons in the denomination of $5,000 or an integral multiple thereof, not exceeding the aggregate principal amount of the 1975 Series Bonds maturing in the year of maturity of the 1975 Series Bonds for which the denomination of the 1975 Series Bond is to be specified. Coupon 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee, with all unmatured coupons attached, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of registered 1975 Series Bonds of the same maturity of any of the authorized denominations, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Resolutions. In like manner, subject to such conditions and upon the payment of such charges, if any, registered 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the 1975 Series Bonds, with appropriate coupons attached, or of 1975 Series Bonds without coupons of any other authorized denominations, of the same maturity.
The Corporation may, at any time not prior to 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, 1975 Series Bonds of the Corporation payable from such Sinking Fund Installment and apply any 1975 Series Bonds so purchased as a credit against such Sinking Fund Installment.

In the event that any or all of the 1975 Series Bonds are to be redeemed, notice of such redemption (a) shall be given by publication once a week for at least two (2) successive weeks in a newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, as provided in the Resolutions, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, and (b) shall be mailed, postage prepaid, not less than thirty (30) days before the redemption date to the registered owners of any 1975 Series Bonds or portions of the 1975 Series Bonds to be redeemed; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of the 1975 Series Bonds. Notice of redemption having been given, as aforesaid, the 1975 Series
Bonds or portions thereof so called for redemption shall become due and payable at the applicable Redemption Price hereinafore provided and, from and after the date so fixed for redemption, interest on the 1975 Series Bonds, or portions thereof so called for redemption, shall cease to accrue and become payable, and the coupons for interest appertaining to coupon 1975 Series Bonds maturing subsequent to the redemption date shall be void.

The 1975 Series Bonds shall not be a debt of either the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the 1975 Series Bonds be payable out of any funds other than those of the Corporation.

This 1975 Series Bond shall not be entitled to any security, right or benefit under the Resolutions or be valid or obligatory for any purpose unless the Certificate of Authentication hereon has been duly executed by the Trustee.

Neither the Directors of the Corporation nor any person executing the 1975 Series Bonds shall be subject to any personal liability or accountability by reason of the issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 1975 Series Bond, exist, have happened and have been performed in due time, form and manner as required by
law and that the issue of the 1975 Series Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK has caused this 1975 Series Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the day of

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By

Chairman

[SEAL]

Attest:

Secretary
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 1975 Series W Bonds of the Municipal Assistance Corporation For The City of New York.

UNITED STATES TRUST COMPANY
OF NEW YORK, Trustee

By ___________________________
Authorized Signature

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned hereby sells, assigns, and transfers unto

__________________________
(Please print or typewrite name and address of transferee)

the within 1975 Series Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints

__________________________
Attorney

to transfer the within 1975 Series Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ________________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within 1975 Series Bond in every particular, without alteration or enlargement or any change whatever.
SECTION 402. No Recourse on 1975 Series W Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the 1975 Series W Bonds or for any claim based thereon or on the 1975 Series W Resolution against any member or officer of the Corporation or any person executing the 1975 Series W Bonds and neither the Directors of the Corporation nor any other person executing the 1975 Series W Bonds of the Corporation shall be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 403. Execution of 1975 Series W Bonds. Pursuant to the provisions of Section 303 of the Resolution, the Chairman or Treasurer of the Corporation is hereby authorized and directed to execute by his manual or facsimile signature the 1975 Series W Bonds in the name of the Corporation and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary or an Assistant Secretary of the Corporation is hereby authorized and directed to attest by his manual or facsimile signature the execution of the 1975 Series W Bonds.
ARTICLE V

MISCELLANEOUS

SECTION 501. When Effective. This 1975 Series W Resolution shall become effective immediately upon the filing with the Trustee of a copy hereof certified by an Authorized Officer.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES W BONDS

BOND PURCHASE AGREEMENT

November 7, 1975

New York City Employees' Retirement System
Board of Education Retirement System of
The City of New York
Teachers' Retirement System of The City of New York

Gentlemen:

Subject to the terms and conditions herein, the undersigned, Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby confirms its agreement with each of you (each a "Purchaser" and collectively the "Purchasers") with respect to the purchase, severally and not jointly, in the respective aggregate principal amounts specified in Schedule X hereto, from the Corporation of $81,000,000 aggregate principal amount of the Corporation's 1975 Series W Bonds, more fully described in Schedule X hereto (the "Bonds"). The Bonds which the Purchasers herein agree to purchase are to be issued pursuant to the General Bond Resolution adopted by the Board of Directors of the Corporation on July 2, 1975 (the "General Bond Resolution"), and the 1975 Series W Resolution adopted by the Board of Directors of the Corporation on October 27, 1975 (the "Series Resolution"; the General Bond Resolution and the Series Resolution being herein sometimes collectively called the "Resolution").
SECTION 1. Representations and Agreements of the Corporation.

The Corporation hereby represents to and agrees with each of the Purchasers that:

(a) The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created and validly existing under the provisions of the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (herein as so amended to the date hereof referred to as the "Act"), its corporate purposes being to assist the City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City; and the Act has been validly adopted and is in full force and effect.

(b) The applicable specimen Bond, a copy of this Agreement executed by the Corporation, a copy of the Series Resolution and the General Bond Resolution certified by an appropriate officer of the Corporation and a definitive copy of the Official Statement of the Corporation with respect to the 1975 Series B Bonds, dated August 15, 1975 (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), shall be delivered to you at or prior to the Closing Time (hereinafter defined).

(c) The information concerning the Corporation in the Official Statement and the Supplements was true as of the respective dates thereof in all material respects and with respect to the Corporation, the Official Statement as of its date and the Supplements as of their dates did not contain any untrue statement of any material fact (or omit any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, as of the respective dates thereof, not misleading).

(d) The Corporation will apply the proceeds from the sale of the Bonds substantially as set forth in the Resolution.
(e) When delivered to and paid for by the Purchasers in accordance with the terms of this Agreement and the Resolution, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and legally binding direct and general obligations of the Corporation enforceable in accordance with their terms and the terms of the Resolution and will be entitled to the benefits of the Resolution.

(f) Except as set forth in the Official Statement or the Supplements, there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending (or to the knowledge of the Corporation threatened) against the Corporation, wherein an unfavorable decision, ruling or finding might in any material respect adversely affect the transactions contemplated by this Agreement or the Resolution, or which in any way might adversely affect provisions for the payment of principal of or interest on the Bonds or the validity of the Bonds, the Resolution, this Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated hereby.

(g) The execution, delivery and receipt of this Agreement, the Bonds and the Resolution, under the circumstances contemplated hereby, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation a breach of, or a default under, any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.

(h) Any certificate signed by any officer of the Corporation and delivered to the Purchasers shall be deemed a representation by the Corporation to each of the Purchasers as to the truth of the statements therein made.

(i) The execution, delivery and performance of this Agreement and the Bonds provided for herein have been duly authorized by proper proceedings and will not contravene any provisions of law or regulation or By-laws of the Corporation or any agreement, decree or instrument binding upon the Corporation or any of its property. This Agreement constitutes a legal, valid and binding agreement of the Corporation enforceable in accordance with its terms.
(j) Except for liens created by the issuance of any series of "Bonds" of the Corporation pursuant to and as defined in the General Bond Resolution or liens subordinated to the lien of such Bonds or other liens created by the General Bond Resolution, there is no lien on the revenues or property of the Corporation.

(k) By adoption of the Series Resolution the Corporation has duly authorized the execution, delivery and performance of this Agreement and the issuance of the Bonds. The Corporation hereby agrees to pay punctually the Bonds and the interest thereon when the same shall become due. To that end the Corporation covenants and warrants that it will take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Agreement, the Resolution and the Bonds and in order to provide for and to assure payment of the Bonds at maturity.

(l) All authorizations, consents, licenses or approvals of, or filings or registrations with, any court or governmental department, commission, board, bureau, agency or instrumentality, which are or will be necessary to the valid execution, delivery or performance by the Corporation of this Agreement, the Resolution or the Bonds, will have been duly obtained by the Closing Time. All acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by law.

SECTION 2. Purchase, Sale and Delivery of the Bonds.

On the basis of the representations and agreements herein contained, and subject to the terms and conditions herein set forth, the Corporation agrees to sell to each of the Purchasers, and each of the Purchasers agrees to purchase from the Corporation, at the Closing Time, Bonds in the aggregate principal amount set forth opposite such Purchaser's name in Schedule X hereto at the purchase price set forth opposite such Purchaser's name in Schedule X hereto, plus accrued interest from the dates set forth on Schedule X hereto to the date of payment and delivery. The aggregate principal amount of Bonds to be purchased pursuant to this Agreement is $81,000,000, but the purchase by each Purchaser is a separate and several purchase. The Bonds shall be issued under and secured by the
Resolution to the extent therein provided. The Bonds shall mature and bear interest as set forth in Schedule X hereto and in the Series Resolution and shall be redeemable if so provided in the Series Resolution. Payment for the Bonds shall be made by certified or official bank check or checks, in immediately available funds, payable to the order of the Corporation, at the Closing Time, at the offices of Hawkins, Delafield & Wood, 67 Wall Street, New York, New York. The Closing Time shall be 10:00 A.M., New York City time, on November 10, 1975, or such other time and place as may otherwise be mutually agreed to by the Purchasers and the Corporation. The Bonds delivered to each of the Purchasers at the Closing Time shall be in definitive form, fully registered and in the respective principal amounts set forth opposite such Purchaser's name in Schedule X hereto.

SECTION 3. Conditions of the Purchasers' Obligations.

The Purchasers' obligations hereunder shall be subject to the performance by the Corporation of its obligations and agreements to be performed hereunder at or prior to the Closing Time, to the accuracy of and compliance with the representations and agreements of the Corporation contained herein, as of the date hereof and as of the Closing Time, and to the following further conditions:

(a) At the Closing Time, you shall receive:

(1) Opinions, dated the Closing Time, with sufficient copies for each Purchaser, of (i) Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel for the Corporation, in the form attached hereto as Exhibit A, (ii) Hawkins, Delafield & Wood, Bond Counsel, in the form attached hereto as Exhibits B and C; and (iii) such General Counsel and Bond Counsel, substantially to the effect set forth in the Official Statement under the caption "Litigation" and Supplement No. 1 dated September 24, 1975 under the caption Opinions and Litigation—Recent Developments; in each case with such changes, and with such annexed opinions of other counsel referred to therein, if any, as counsel for the Purchasers shall reasonably approve.

(2) A certificate, reasonably satisfactory in form to you, of an appropriate officer of the Corporation reasonably satisfactory to you, dated the
Closing Time, to the effect that (i) each of the representations of the Corporation set forth in Section 1 hereof is true, accurate and complete in all material respects as though made with respect to and as of the Closing Time except the representation contained in Section 1(c) hereof, which is true, accurate and complete in all material respects with regard to the Official Statement as of August 15, 1975, with regard to the Supplements as of September 24, 1975 and November 10, 1975, respectively, and (ii) each of the agreements of the Corporation set forth in Section 1 hereof to be complied with at or prior to the Closing Time has been complied with as of such time.

(3) Such additional certificates, instruments and other documents as you may reasonably request to evidence the truth and accuracy, as of the Closing Time, of the representations of the Corporation herein contained, and the due performance and satisfaction by the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it in connection with the transactions contemplated hereby.

(b) No order, decree or injunction of any court of competent jurisdiction, and no order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, and no legislation shall have been enacted by the Congress, with the purpose or effect of prohibiting the issuance or sale of any of the Bonds as contemplated hereby.

(c) The Comptroller of the State of New York shall have approved in writing the sale of the Bonds and the terms thereof as provided in this Agreement.


The Corporation's obligations hereunder are subject to:

(a) the performance by the Purchasers of their obligations hereunder;

(b) the satisfaction of the conditions set forth above in (b), (c) and (d) of Section 3 hereof;
(c) the receipt at the Closing Time of the opinions described in Sections 3(a)(1) hereof; and

(d) the receipt of an opinion of the Corporation Counsel of the City in the form attached hereto as Exhibit D.

(e) the receipt of a certificate of the Comptroller of the City to the effect that if the City receives an aggregate of $481,000,000 during November, 1975, from the Corporation, and $6,750,000 through exchanges of City notes maturing during November for new City notes, there will be available to the City in November, 1975, sufficient funds to meet the expenditures required to be made by the City during such month.

SECTION 5. Representations and Agreements to Survive Delivery.

All representations and agreements of the Corporation shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Purchasers and shall survive delivery of the Bonds to the Purchasers.

SECTION 6. Payment of Expenses.

The Corporation shall pay all costs and expenses incident to the performance of its obligations under this Agreement including all expenses incident to the delivery of the Bonds to the Purchaser, the fees and expenses of Bond Counsel and General Counsel for the Corporation, the costs and expenses incident to the preparing of this Agreement, the Official Statement, the Supplement, the Resolution and related documents; it being understood that the Purchasers will pay all their own costs and expenses including fees and expenses of their counsel.

SECTION 7. Parties in Interest.

This Agreement has been and is made solely for the benefit of the Purchasers and the Corporation, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms "successors" and "assigns" shall not include any purchaser of Bonds from any Purchasers merely because of such purchase.

Any provisions of Article 10 of the Public Authorities Law of the State of New York or in this Agreement which relate to taxes imposed under Article 12 or Section 1107 or 1108 of Article 28 of the Tax Law of the State of New York or to the funds created by Sections 92-b and 92-d of the State Finance
Law of the State of New York shall be deemed executory only to the extent of the moneys available to the State of New York in such funds from time to time and no liability on account thereof shall be incurred by the State of New York beyond the moneys available in such funds.

SECTION 8. Notice.

All communications hereunder shall be in writing and, if sent to the Corporation, shall be mailed, delivered or telegraphed and confirmed to it at 2 World Trade Center, New York, New York 10047, with a copy to Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, New York 10022, and, if sent to the Purchasers, shall be mailed, delivered or telegraphed and confirmed to the Purchasers c/o Office of the Comptroller of the City of New York, Municipal Building, New York, New York 10007.


This Agreement shall be governed by the laws of the State of New York and may not be assigned by the Corporation or the Purchaser.

SECTION 10. Execution in Counterparts.

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

SECTION 11. Successors and Assigns.

This Agreement shall be binding upon and enure to the benefit of the Corporation and each of the Purchasers and their respective successors and assigns.

SECTION 12. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by each of the Purchasers.

IN WITNESS WHEREOF, the Corporation and each of the Purchasers has caused this Agreement to be duly executed by
their respective officers thereunto duly authorized, all as of the day and year first above written.

Yours very truly,

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

[SEAL]

ATTEST:

______________________________

Accepted and confirmed as of the date first above written:

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF EDUCATION RETIREMENT SYSTEM OF THE CITY OF NEW YORK
TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

By ________________________________
November 10, 1975

New York City Employees' Retirement System
Board of Education Retirement System of
The City of New York
Teachers' Retirement System of The
City of New York

Gentlemen:

We have been requested by our client, 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"), to furnish you our opinion as to the matters herein set forth in connection with the execution of a bond purchase agreement, dated November 7, 1975 (the "Agreement"), by and among the Corporation and each of you as purchasers, and the issuance and sale to you thereunder of $81,000,000 aggregate principal amount of the Corporation's 1975 Series W Bonds (the "Bonds").

In this connection, we have examined the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the City of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (the "Act"), the Official Statement of the Corporation, dated August 15, 1975, with respect to the 1975 Series B Bonds (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), the By-laws of the Corporation, records of its corporate proceedings, including the General Bond Resolution and the 1975 Series W Resolution adopted by the Board of Directors of the Corporation on July 2, 1975, and October 27, 1975, respectively (the "Resolutions"), and the Agreement and the exhibits attached...
thereto, and have made such further examination of law and fact as we considered necessary in order to form the opinions herein expressed.

Based on the foregoing, we are of the opinion that:

1. The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, duly created by and validly existing under the Act, with the right and power under the Act to execute and deliver and to perform its obligations under the Agreement, to adopt the Resolutions and to issue and sell the Bonds thereunder.

2. Under the Act, it is a purpose of the Corporation to assist The City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City.

3. The execution and delivery of, and the performance of the obligations under, the Agreement and the issuance of the Bonds have been duly authorized by proper corporate proceedings of the Corporation. The Agreement constitutes the legal, valid and binding agreement of the Corporation enforceable in accordance with its terms. The Resolutions have been duly and lawfully adopted by the Corporation and are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for, or filing or recording of, the Resolutions is required.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute legal, valid, binding, direct and general obligations of the Corporation and are entitled to the benefits of the Resolutions.

5. The execution, delivery and receipt of the Agreement, the Bonds and the Resolutions, under the circumstances contemplated by the Agreement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation, a breach of, or a default under any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.
6. Except as set forth in the Official Statement or the Supplements, to the best of our knowledge there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or threatened against the Corporation wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by the Agreement, or which in any way would adversely affect provisions for the payment of principal or interest on the Bonds or the validity of the Bonds, the Resolutions, the Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated by the Agreement.

7. The issuance and sale to you of the Bonds, pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended. The Bonds constitute exempted securities within the meaning of the Securities Exchange Act of 1934, as amended.

8. To the best of our knowledge, neither the Official Statement nor the Supplements as of their respective dates, contain any untrue statement of a material fact or, as of such respective dates, omitted any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, not misleading as of such respective dates.

9. The statements set forth in the Official Statement under the headings "Functions of the Corporation with Respect to the City" and "Agreement of the State of New York" are accurate statements or summaries, as of the dates of the Official Statement and the Supplements, of the statutory provisions, documents or matters therein set forth.

All opinions rendered herein relating to the effect of the Constitution of the State of New York, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Agreement or the Bonds are rendered in reliance upon the opinion of Hawkins,
Delafield & Wood, Bond Counsel to the Corporation, of even date herewith addressed to the Corporation and delivered to you in accordance with the Agreement, and, although we have made no independent investigation with respect thereto, such opinion is in form and substance satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

[To Be Signed: PAUL, WEISS, RIFKIND, WHARTON & GARRISON]
Municipal Assistance Corporation
For The City of New York
2 World Trade Center
New York, New York

Dear Sirs:

We have examined a record of proceedings relating to the issuance of $81,000,000 aggregate principal amount of 1975 Series W Bonds (the "1975 Series W Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended to the date hereof (the "Act").

The 1975 Series W Bonds are authorized and issued under and pursuant to the Act and a General Bond Resolution of the Corporation (the "General Bond Resolution") and the 1975 Series W Resolution (the "Series Resolution"), adopted July 2, 1975 and October 27, 1975, respectively. Said resolutions are herein collectively called the "Resolutions".

The 1975 Series W Bonds are part of an issue of bonds of the Corporation (the "Bonds") which the Corporation has established and created under the terms of the General Bond Resolution and is authorized to issue from time to time for the corporate purposes of the Corporation authorized by the Act, as then in effect and without limitation as to amount except as provided in the General Bond Resolution or as may be limited by law. The 1975 Series W Bonds are being issued for the purpose of providing funds to The City of New York, New York (the "City") to enable the City to pay certain of its operating expenses or the principal of and interest on certain of its short term obligations.

The Corporation is authorized to issue Bonds, in addition to the 1975 Series W Bonds, only upon the terms and conditions set forth in the General Bond Resolution and
such Bonds, when issued, shall with the 1975 Series W Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Bond Resolution.

The 1975 Series W Bonds are dated November 10, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series W Bonds and will mature on the dates as shown in the following table and will bear interest payable February 1, 1976 and August 1, 1976 and semi-annually thereafter on February 1 and August 1 in each year at the respective rates per annum as shown in the following table:

<table>
<thead>
<tr>
<th>February 1</th>
<th>Amount Maturing</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>

The 1975 Series W Bonds are issued either in coupon form in the denomination of $5,000, registrable as to principal only, or in fully registered form without coupons in the denomination of $5,000 or an integral multiple of $5,000. Coupon and fully registered 1975 Series W Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series W Bonds are lettered W and fully registered 1975 Series W Bonds are lettered WR, in each case followed by the last two digits of the year in which each of such 1975 Series W Bonds matures and its number. Coupon 1975 Series W Bonds are numbered consecutively from one upward for each year of maturity and fully registered 1975 Series W Bonds are numbered consecutively from one upward in order of issuance for each year of maturity.

The 1975 Series W Bonds maturing prior to February 1, 1985 are not subject to redemption.

The 1975 Series W Bonds maturing on and after February 1, 1985 are [Add provision on redemption from Schedule X n.l].

Chapters 168 and 169 of the Laws of 1975 each enacted by the People of the State, represented in Senate and Assembly of the State and signed into law by the Governor of the State (the "Enabling Legislation") provides, among other things, for the insertion of the Act in the Public Authorities Law creating
the Corporation as aforesaid, suspending the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes pursuant to sections 1210 and 1212-A of Article 29 of the Tax Law, constituting Chapter 60 of such Consolidated Laws, and the taxes imposed pursuant to said sections, until all notes and bonds of the Corporation, including the 1975 Series W Bonds, and interest thereon have been fully paid and discharged, adding a new section 92-d to Article 6 of the State Finance Law constituting Chapter 56 of such Consolidated Laws, establishing a municipal assistance tax fund (the "Assistance Fund") and a special account for the Corporation within the Assistance Fund (the "Special Account"), adding a new section 1107 to Article 28 of said Tax Law imposing sales and compensating use taxes in the City at a rate of four percent (4%) on certain items therein described and at a rate of six percent (6%) on the sale of certain parking services (the "Sales Tax"), the revenues derived from which, less such amounts as the Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing such taxes, are required to be paid into the Special Account together with, after deducting such costs, such amounts, beginning with the fiscal year of the State commencing April 1, 1976, as may be required under the Enabling Legislation to be transferred from the Stock Transfer Tax Fund established by section 92-b of Article 6 of said State Finance Law, into which the revenues derived from a tax imposed by Article 12 of the Tax Law (the "Stock Transfer Tax") are deposited.

We are of the opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State constituting a public benefit corporation under the laws of the State, including the Constitution of the State and the Act, with the good right and lawful authority and power to adopt the Resolutions, to issue the Bonds including the 1975 Series W Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series W Bonds. Under the laws of the State, including the Constitution of the State, the Enabling Legislation, including the Act, is valid with respect to all provisions thereof material to the subject matters of this opinion letter.
2. The Series Resolution has been duly and lawfully adopted in accordance with the provisions of the General Bond Resolution and is authorized and permitted by the General Bond Resolution. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for the Resolutions is required. The Resolutions create the valid pledge and lien which they purport to create of the revenues, moneys, securities and funds held or set aside under the Resolutions, subject only to the application thereof to the purposes and on the conditions permitted by the Resolutions. The lien created by the Resolutions on such revenues, moneys and securities is and will be prior to all other liens thereon. All revenues, moneys and securities, as and when received, in the Debt Service Fund and the Capital Reserve Fund in accordance with the Resolutions, will be validly subjected to the pledge and lien created by the Resolutions.

3. The 1975 Series W Bonds have been duly and validly authorized and issued by the Corporation in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolutions. The 1975 Series W Bonds are valid and binding general obligations of the Corporation payable as provided in the Resolutions, are enforceable in accordance with their terms, respectively, and the terms of the Resolutions, and are entitled, together with additional Bonds issued under the General Bond Resolution, to the equal benefit, protection and security of the provisions, covenants and obligations of the General Bond Resolution and of the Act.

4. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State his certificate stating such sum, if any, as shall be necessary to restore the amount in such Capital Reserve Fund to an amount equal to the capital reserve fund requirement under the General Bond Resolution. Subdivision 4 of Section 3036 of the Act providing for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman, does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the Legislature of the State, which is empowered, but is not bound or obligated, to appropriate such amount.
5. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall certify to the State Comptroller and the Mayor of the City, the amounts required, pursuant to subdivision 1 of Section 3036 of the Act, for deposit in the funds established by the General Bond Resolution at the time or times and in the manner provided therein, including the amounts required for deposit in the Debt Service fund to pay all interest and all principal and redemption premium, if any, on notes and bonds maturing or otherwise coming due and for deposit in the Capital Reserve Fund to maintain such Fund at such capital reserve fund requirement. Said subdivision provides for the State Comptroller to pay such amounts to the Corporation for deposit as aforesaid, the source of such payments being the Assistance Fund into which is paid the Sales Tax and, to the extent required, out of the Stock Transfer Tax Fund, the Stock Transfer Tax. The amount of such payments to the Corporation are subject to annual appropriation for such purpose by the Legislature of the State which is empowered, but is not bound or obligated, to appropriate the amount so certified by the Chairman, as aforesaid.

6. The 1975 Series W Bonds do not constitute a debt either of the State or the City, and neither the State nor The City shall be liable thereon, nor shall the 1975 Series W Bonds be payable out of any funds other than those of the Corporation.

7. The State has the good right and lawful authority:
(a) to suspend the power of the City to adopt local laws for the imposition of certain sales and compensating use taxes and the taxes levied thereunder, in accordance with the Enabling Legislation;

(b) to impose and to increase or decrease the Sales Tax and the Stock Transfer Tax but the State is not bound or obligated to continue the imposition of said taxes;

(c) to establish the Stock Transfer Tax Fund, the Assistance Fund and the Special Account within the Assistance Fund but the State is not bound or obligated to maintain the existence of said funds or account;

(d) to provide for the appropriation of, and at least annually to appropriate to, the Corporation, from the Special Account for the Corporation in the Assistance Fund and
commencing with the fiscal year of the State commencing April 1, 1976 from the Stock Transfer Tax Fund, amounts sufficient to enable the Corporation to fulfill the terms of the Resolution and to carry out its corporate purposes, but the State is not bound or obligated to make such appropriations.

8. Neither the Corporation nor the holders of the Bonds have or will have a lien on the Stock Transfer Tax or the Stock Transfer Tax Fund, the Sales Tax, or the Special Account for the Corporation in the Assistance Fund.

9. Under existing statutes and court decisions, interest on the 1975 Series W Bonds is exempt from Federal income taxes and shall at all times be free from New York State and New York City personal income taxes.

10. No registration with, consent of, or approval by any governmental agency or commission is necessary for the execution and delivery and the issuance of the 1975 Series W Bonds.

11. The adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions and the 1975 Series W Bonds, and the execution and delivery of the 1975 Series W Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

We have examined the executed 1975 Series W Bond numbered and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

[To Be Signed: HAWKINS, DELAFIELD & WOOD]
November 10, 1975

New York City Employees' Retirement System
Board of Education Retirement System for
The City of New York
Teachers' Retirement System of
The City of New York

Gentlemen:

We are bond counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's 1975 Series W Bonds, dated November 10, 1975, and authorized by the General Bond Resolution, adopted by the Corporation on July 2, 1975, and the 1975 Series W Bond Resolution, adopted October 27, 1975. The Opinion is being rendered in connection with the delivery of the Bonds to you pursuant to the Bond Purchase Agreement for the Bonds (the "Bond Purchase Agreement") by and between you and the Corporation.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Bond Purchase Agreement, were present at various meetings in connection therewith and have participated with others in the preparation of various parts of the Official Statement with respect to the 1975 Series B Bonds dated August 15, 1975 (the "Official Statement") as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements").

In connection with the sale of certain Bonds including the 1975 Series W Bonds, at the request of the Corporation, we participated and assisted as bond counsel in the preparation of the Official Statement and the Supplements and have reviewed
the information and representations contained therein. Rendering such assistance involved, among other things, discussions and inquiries concerning various and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with the board of directors of the Corporation and its officers, agents and employees, the State Comptroller and his deputy, and Paul, Weiss, Rifkind, Wharton & Garrison, general counsel for the Corporation, at which the contents of the Official Statement and the Supplements and related matters were discussed and revised.

The statements set forth in the Official Statement or Supplement No. 1 dated September 24, 1975 ("Supplement No. 1") under the headings PROVISIONS FOR PAYMENT OF THE BONDS (other than the statistical and financial information and other information under the headings "State Collections of New York City Sales and Compensating Use Taxes", "State Collections of Stock Transfer Tax" and "Estimated Amounts Available for Debt Service and Debt Service Coverage"), DESCRIPTION OF 1975 SERIES B BONDS, SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION, and AGREEMENT OF THE STATE OF NEW YORK and the state set forth in Supplement No. 1 under the headings INTRODUCTION, DESCRIPTION OF THE 1975 SERIES M BONDS, PROVISIONS FOR PAYMENT OF THE BONDS - RECENT DEVELOPMENTS (other than the statistical and financial information and other information under the heading "Estimated Amounts Available for Debt Service and Debt Service Coverage") and NOTE ISSUED TO STATE are accurate statements or summaries of the statutory provisions, documents or matters therein set forth.

In the course of the preparation of the Official Statement and the Supplements and in rendering the Opinion and this opinion we have received and relied upon the certificate of no-litigation of the Corporation including statements to the effect that, except as noted therein, there is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, moneys or securities provided for the payment of the Bonds or the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Official Statement and the Supplements. In such connection, we have also received and relied upon the opinion of Paul, Weiss, Rifkind, Wharton & Garrison, dated the date hereof, with respect to the absence of litigation against the Corporation. In so acting, we have necessarily
assumed the correctness and completeness of the statements and material set forth therein. While, except as above stated with respect to information under certain specific headings, we have not undertaken to verify independently and take no responsibility for the correctness or completeness of the statements made in the Official Statement and the Supplements (or in the statistical and financial information and other information set forth in the headings excluded above, as to which we express no opinion) we can and do advise you that in the course of our participation in the preparation of the Official Statement and the Supplement in our review thereof in the light of the discussions, inquiries and conferences, referred to above, nothing has come to our attention which would lead us to believe, and we do not believe, that either the Official Statement or the Supplements contained, as of the dates thereof, any untrue statement of a material fact or as of their respective dates omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are further of the opinion that the Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a binding agreement of, the Corporation, enforceable in accordance with its terms.

We are further of the opinion that the issuance and sale to you of the Bonds pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended; and the Bonds constitute "exempted securities" within the meaning of the Securities Exchange Act of 1934, as amended.

We are further of the opinion that the 1975 Series W Bonds are legal investments, under present provisions of New York law, for all public officers and bodies of the State and political subdivisions of the State 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 may hereafter be authorized to invest in bonds or other obligations of the State.

Very truly yours,

[To Be Signed: HAWKINS, DELAFIELD & WOOD]
EXHIBIT D
To
Bond Purchase Agreement

[LETTERHEAD OF THE CITY OF NEW YORK - LAW DEPARTMENT]

November 10, 1975

Municipal Assistance Corporation
For The City of New York
2 World Trade Center
New York, New York 10047

Dear Sirs:

I am counsel to the New York City Employees' Retirement System, Board of Education Retirement System of The City of New York, and Teachers' Retirement System of The City of New York (the "Purchasers"). I have examined the Bond Purchase Agreement (the "Agreement") dated November 7, 1975, among the Municipal Assistance Corporation For The City Of New York and the Purchasers and the provisions therein for the purchase of the 1975 Series W Bonds (the "Bonds") by the Purchasers; and have made such further examinations of law and fact as I considered necessary in order to form the opinions herein expressed.

It is my opinion that (i) the execution and delivery of, and the performance of the obligations under, the Agreement by the Purchasers have been duly authorized by all necessary action by the Purchasers and the City of New York; (ii) the Agreement has been duly and validly executed and delivered by the Purchasers and constitutes the legal, valid and binding agreement of the Purchasers enforceable in accordance with its terms; and (iii) the execution, delivery and receipt of the Agreement and the Bonds by the Purchasers under the circumstances contemplated by the Agreement and compliance by the Purchasers with the provisions thereof will not conflict with or constitute on the part of the Purchasers a breach of, or a default under, existing law.

Sincerely,

[To Be Signed: W. BERNARD RICHLAND
Corporation Counsel]
Subject to mandatory redemption by the Corporation in the amounts of

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<th>Date</th>
<th>Face Amount</th>
<th>Interest Rate</th>
<th>Date</th>
<th>Rate of Interest</th>
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<tr>
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<td>11.8%</td>
<td>Nov. 10, 1975</td>
<td>11.8%</td>
<td>$2,500,000</td>
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Amount of $81,000,000.

SCHEDULE A

Assistance Corporation for the City of New York, in the aggregate principal Amount and Designation: 1975 Series W Bonds of the Municipal
November 6, 1975

Honorable Arthur Levitt
Comptroller of the State of New York
Alfred E. Smith Building
Albany, New York

Dear Mr. Comptroller:

We have negotiated the sale of bonds of the Municipal Assistance Corporation For The City of New York, 1975 Series W (the "Bonds"), with the Purchaser in the aggregate amount and on the terms set forth in Schedule X attached hereto.

Your approval of this sale, pursuant to Section 3012(1)(e) of the Municipal Assistance Corporation Act, as amended, is respectfully requested.

We further hereby respectfully request your approval, pursuant to Section 3013(4) of the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation For The City of New York Act, being Title I, II and III of Article 10 of the Public Authorities Law, of the system of accounts of the Corporation to the extent same are prescribed in the General Bond Resolution adopted by the Corporation on July 2, 1975 and the 1975 Series W Bond Resolution of the Corporation, adopted by the Corporation on October 27, 1975.

Your approval is respectfully requested.

Very truly yours,

[Signature]

The sale of the above described bonds of the Municipal Assistance Corporation For The City of New York upon the terms above described and the system of accounts of the Corporation to the extent same are prescribed in the General Bond Resolution adopted by the Corporation on July 2, 1975 and the 1975 Series W Bond Resolution of the Corporation, adopted by the Corporation on October 27, 1975, are hereby approved.

[Signature]

Arthur Levitt, Comptroller of the State of New York
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<th>Redemption</th>
<th>Date</th>
<th>Price</th>
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<td>11%</td>
<td>1,1990</td>
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<td>November 10, 1975</td>
<td>40,500,000</td>
<td>100%</td>
<td>11%</td>
<td>$1,500,000</td>
<td>11%</td>
<td>1,1990</td>
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Subject to mandatory sinking fund payments commenced in 1984.

In any interest payment date at a price of 102%.

Callable, on or after February 1, 1986, to a whole at any time or in part.

<table>
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<tr>
<th>Schedule X</th>
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CERTIFICATE OF THE COMMISSIONER
OF TAXATION AND FINANCE

I, James H. Tully, Jr., Commissioner of Taxation and
Finance of the State of New York, do HEREBY CERTIFY as follows:

A. Reference is made to the General Bond Resolution
(the "Resolution") adopted July 2, 1975 by the
Municipal Assistance Corporation For The City
of New York (the "Corporation"). All terms de-
defined in the Resolution are used in this
certificate with the meanings ascribed to
them at the indicated page in the Resolution.

B. 1. The most recent collections for the 12
    consecutive calendar months ended
    September 30, 1975 of the sales and
    compensating use taxes imposed by
    the City of New York prior to July 1, 1975
    and imposed by the State of New York sub-
    sequent thereto pursuant to Section 1107
    of the Tax Law was $807,936,273

    2. The most recent collections for the 12
    consecutive calendar months ended
    September 30, 1975 of the Stock Transfer
    Tax (p. 5) was $203,275,177

    3. The most recent collections for the 12
    consecutive calendar months ended
    September 30, 1975 of other taxes which,
    as of the date hereof, are levied and
    collected by New York State and are
    payable into the special account in
    the Municipal Assistance Tax Fund
    described in Section 92-d of the State
    Finance Law established for the Cor-
    poration was

    Total of $1,011,211,450
C. 1. The total amount of $807,936,273 for the twelve (12) consecutive calendar months ended September 30, 1975, set forth at clause 1 of paragraph B above is not greater than the revenue expected by me, taking into account, the statement set forth in paragraph D below, for the next succeeding twelve (12) months from the Sales Tax (p. 4).

2. The total amount of $203,275,177 set forth at clause 2 of paragraph B above is not greater than the revenue expected by me, taking into account, the statement set forth in paragraph D below, for the next succeeding twelve (12) months from the Stock Transfer Tax. In arriving at this determination, the effect of the Federal Securities Acts Amendments of 1975 was taken into consideration.

D. The undersigned believes that it is not presently possible to predict the effect of a future material adverse change in the economic and/or financial conditions of the State of New York and/or the City of New York upon the Sales Tax and the Stock Transfer Tax revenues and accordingly, the undersigned as of this date, has no reasonable basis upon which to form a conclusion that the revenues for the next succeeding twelve (12) consecutive calendar months from the Sales Tax and Stock Transfer Tax will be less than the amounts shown above.

The foregoing figures take into account any distortion for the twelve (12) consecutive month period ended September 30, 1975, occasioned by a change in payment dates, pre-payments and late payments of the taxes set forth in clauses 1, 2 and 3 of paragraph B above.

IN WITNESS WHEREOF, I have hereto set my hand this 6th day of November, 1975.

[Signature]
Commissioner of Taxation and Finance

To: United States Trust Company of New York as Trustee under the Resolution (as defined above).
November 10, 1975

New York City Employees' Retirement System
Board of Education Retirement System of
The City of New York
Teachers' Retirement System of The
City of New York

Gentlemen:

We have been requested by our client, 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"), to furnish you our opinion as to the matters herein set forth in connection with the execution of a bond purchase agreement, dated November 7, 1975 (the "Agreement"), by and among the Corporation and each of you as purchasers, and the issuance and sale to you thereunder of $81,000,000 aggregate principal amount of the Corporation's 1975 Series W Bonds (the "Bonds").

In this connection, we have examined the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the City of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (the "Act"), the Official Statement of the Corporation, dated August 15, 1975, with respect to the 1975 Series B Bonds (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), the By-laws of the Corporation, records of its corporate proceedings, including the General Bond Resolution and the 1975 Series W Resolution adopted by the Board of Directors of the Corporation on July 2, 1975, and October 27, 1975, respectively (the "Resolutions"), and the Agreement and the exhibits attached
thereto, and have made such further examination of law and fact as we considered necessary in order to form the opinions herein expressed.

Based on the foregoing, we are of the opinion that:

1. The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, duly created by and validly existing under the Act, with the right and power under the Act to execute and deliver and to perform its obligations under the Agreement, to adopt the Resolutions and to issue and sell the Bonds thereunder.

2. Under the Act, it is a purpose of the Corporation to assist the City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City.

3. The execution and delivery of, and the performance of the obligations under, the Agreement and the issuance of the Bonds have been duly authorized by proper corporate proceedings of the Corporation. The Agreement constitutes the legal, valid and binding agreement of the Corporation enforceable in accordance with its terms. The Resolutions have been duly and lawfully adopted by the Corporation and are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for, or filing or recording of, the Resolutions is required.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute legal, valid, binding, direct and general obligations of the Corporation and are entitled to the benefits of the Resolutions.

5. The execution, delivery and receipt of the Agreement, the Bonds and the Resolutions, under the circumstances contemplated by the Agreement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation, a breach of, or a default under any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.
6. Except as set forth in the Official Statement or the Supplements, to the best of our knowledge there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or threatened against the Corporation wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by the Agreement, or which in any way would adversely affect provisions for the payment of principal or interest on the Bonds or the validity of the Bonds, the Resolutions, the Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated by the Agreement.

7. The issuance and sale to you of the Bonds, pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended. The Bonds constitute exempted securities within the meaning of the Securities Exchange Act of 1934, as amended.

8. To the best of our knowledge, neither the Official Statement nor the Supplements as of their respective dates, contain any untrue statement of a material fact or, as of such respective dates, omitted any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, not misleading as of such respective dates.

9. The statements set forth in the Official Statement under the headings "Functions of the Corporation with Respect to the City" and "Agreement of the State of New York" are accurate statements or summaries, as of the dates of the Official Statement and the Supplements, of the statutory provisions, documents or matters therein set forth.

All opinions rendered herein relating to the effect of the Constitution of the State of New York, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Agreement or the Bonds are rendered in reliance upon the opinion of Hawkins,
Delafield & Wood, Bond Counsel to the Corporation, of even date herewith addressed to the Corporation and delivered to you in accordance with the Agreement, and, although we have made no independent investigation with respect thereto, such opinion is in form and substance satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

[Signature]

PAUL, WEISS, RIFFKIND, WHARTON & GARRISON
November 10, 1975

New York City Employees' Retirement System
Board of Education Retirement System
of The City of New York
Teachers' Retirement System of
The City of New York

Gentlemen:

We are General Counsel to Municipal Assistance
Corporation for The City of New York (the "Corporation"),
and in this capacity have examined a summons and complaint
served upon the Corporation on July 18, 1975. It appears
therefrom that the action was commenced in the Supreme
Court of the State of New York, County of New York and
The Corporation has authorized us to represent it in this
litigation.

On July 29, 1975, the Corporation's motion for
summary judgment, based on the grounds that the cause of
action as to the Corporation has no merit, was granted. On
September 10, 1975 the plaintiff served notice of appeal to
the Appellate Division from the order granting the Corporation's motion for summary judgment. On September 12, 1975, the plaintiff in the action served a further notice of appeal directly to the Court of Appeals from such order.

We are of the opinion that:

(1) The complaint is without merit as to the claim therein asserted against the Corporation.

(2) The Corporation will prevail in any final adjudication of the claim asserted in the complaint against the Corporation.

(3) No final adjudication of the claim asserted in the complaint will result in a judgment enjoining the issuance, sale, execution or delivery of the Series W Bonds of the Corporation proposed to be issued and sold on November 10, 1975 or in any way affecting the validity of such Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, monies or securities provided for the payment of such Bonds, the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Series Resolution adopted by the Corporation in connection with such Bonds.

(4) Such final adjudication would not in any way contravene any of the matters to which our opinion letter, to which this opinion letter is annexed, relates.

Very truly yours,

Paul, Weiss, Rifkind, Wharton & Garrison

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
United States Trust Company
of New York
130 John Street
New York, New York

Gentlemen:

We have delivered to certain pension funds an opinion dated the date hereof, with respect to the issuance of 1975 Series W Bonds of the Corporation, a copy of which is annexed hereto. You are entitled to rely on said opinion as if the same were addressed to you.

Very truly yours,

Paul, Weiss, Rifkind, Wharton & Garrison
November 10, 1975

Municipal Assistance Corporation  
For The City of New York  
New York, New York

Dear Sirs:

You have asked us to supplement our opinions concerning bonds issued under the General Bond Resolution referred to in our opinions rendered to the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State.

Supplementing paragraph 8 of such opinions, we are of the opinion that no holder of any bonds or notes of The City of New York has a lien on the Stock Transfer Tax, the Stock Transfer Tax Fund, the Sales Tax or the Special Account for the Corporation in the Assistance Fund, which Taxes and Funds are defined in such opinions.

We are further of the opinion that, in any suit, action or other proceeding brought by the holder of any bonds or notes of The City of New York (whether under Chapter 9 of the Federal Bankruptcy Act or otherwise) asserting a right to any such Taxes, such Stock Transfer Tax Fund or such Special Account superior or equal to the rights of holders of bonds issued under said General Bond Resolution, including so much of the allegation in respect thereof stated in the complaint in the recently instituted action entitled PLUSHING NATIONAL BANK v. THE CITY OF NEW YORK, et al., pending in the Supreme Court of the State of New York in the County of New York, such holder will not prevail in the court of final jurisdiction.

Very truly yours,

[Signature]

Harkins, Delvesfield & Wood
November 10, 1975

United States Trust Company of New York
130 John Street
New York, New York 10038

Dear Sirs:

We have delivered to the Municipal Assistance Corporation for the City of New York our approving opinion with respect to the $81,000,000 1975 Series W Bonds of the Corporation together with an opinion delivered to the purchaser of such 1975 Series W Bonds named under the Bond Purchase Agreement dated November 7, 1975, both such opinions being dated the date hereof, copies of which are annexed hereto.

You are entitled to rely on said opinions as if the same were addressed to you.

Very truly yours,

Hawkins, Delafield & Wood
Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

We have examined a record of proceedings relating to the issuance of $81,000,000 aggregate principal amount of 1975 Series W Bonds (the "1975 Series W Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended to the date hereof (the "Act").

The 1975 Series W Bonds are authorized and issued under and pursuant to the Act and a General Bond Resolution of the Corporation (the "General Bond Resolution") and the 1975 Series W Resolution (the "Series Resolution"), adopted July 2, 1975 and October 27, 1975, respectively. Said resolutions are herein collectively called the "Resolutions".

The 1975 Series W Bonds are part of an issue of bonds of the Corporation (the "Bonds") which the Corporation has established and created under the terms of the General Bond Resolution and is authorized to issue from time to time for the corporate purposes of the Corporation authorized by the Act, as then in effect and without limitation as to amount except as provided in the General Bond Resolution or as may be limited by law. The 1975 Series W Bonds are being issued for the purpose of providing funds to The City of New York, New York ("The City") to enable The City to pay certain of its operating expenses and the principal of and interest on certain of its short term obligations.
The Corporation is authorized to issue Bonds, in addition to the 1975 Series W Bonds, only upon the terms and conditions set forth in the General Bond Resolution and such Bonds, when issued, shall with the 1975 Series W Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Bond Resolution.

The 1975 Series W Bonds are dated November 10, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series W Bonds and will mature on February 1, 1990 and will bear interest payable February 1, 1976 and August 1, 1976 and semi-annually thereafter on February 1 and August 1 in each year at the rate of eleven per centum (11%) per annum.

The 1975 Series W Bonds are issued either in coupon form in the denomination of $5,000, registrable as to principal only, or in fully registered form without coupons in the denomination of $5,000 or an integral multiple of $5,000. Coupon and fully registered 1975 Series W Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series W Bonds are lettered W and fully registered 1975 Series W Bonds are lettered WR, in each case followed by the last two digits of the year in which each of such 1975 Series W Bonds matures and its number. Coupon 1975 Series W Bonds are numbered consecutively from one upward for each year of maturity and fully registered 1975 Series W Bonds are numbered consecutively from one upward in order of issuance for each year of maturity.

The 1975 Series W Bonds are subject to redemption at the election of the Corporation on and after February 1, 1985, as a whole at any time, and in part by lot as provided in the Resolutions on any interest payment date, at 102% of the principal amount thereof, plus accrued interest to the date of redemption.

The 1975 Series W Bonds are subject to redemption, in part, by lot as provided in the Resolutions, on February 1 in each of the years and in the respective principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on February 1 of each of the years shown below the principal amount of such 1975 Series W Bonds specified therefor:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>$8,280,000</td>
</tr>
<tr>
<td>1985</td>
<td>9,190,000</td>
</tr>
<tr>
<td>1986</td>
<td>10,200,000</td>
</tr>
<tr>
<td>1987</td>
<td>11,325,000</td>
</tr>
<tr>
<td>1988</td>
<td>12,570,000</td>
</tr>
<tr>
<td>1989</td>
<td>13,950,000</td>
</tr>
<tr>
<td>1990</td>
<td>15,485,000</td>
</tr>
</tbody>
</table>
Chapters 168 and 169 of the Laws of 1975, as amended to the date hereof, each enacted by the People of the State, represented in Senate and Assembly of the State and signed into law by the Governor of the State (the "Enabling Legislation") provides, among other things, for the insertion of the Act in the Public Authorities Law creating the Corporation as aforesaid, suspending the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes pursuant to sections 1210 and 1212-A of Article 29 of the Tax Law, constituting Chapter 60 of such Consolidated Laws, and the taxes imposed pursuant to said sections, until all notes and bonds of the Corporation, including the 1975 Series W Bonds, and interest thereon have been fully paid and discharged, adding a new section 92-d to Article 6 of the State Finance Law constituting Chapter 56 of such Consolidated Laws, establishing a municipal assistance tax fund (the "Assistance Fund") and a special account for the Corporation within the Assistance Fund (the "Special Account"), adding a new section 1107 to Article 28 of said Tax Law imposing sales and compensating use taxes in The City at a rate of four percent (4%) on certain items therein described and at a rate of six percent (6%) on the sale of certain parking services (the "Sales Tax"), the revenues derived from which, less such amounts as the Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing such taxes, are required to be paid into the Special Account together with, after deducting such costs, such amounts, beginning with the fiscal year of the State commencing April 1, 1976, as may be required under the Enabling Legislation to be transferred from the Stock Transfer Tax Fund established by section 92-b of Article 6 of said State Finance Law, into which the revenues derived from a tax imposed by Article 12 of the Tax Law (the "Stock Transfer Tax") are deposited.

We are of the opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State constituting a public benefit corporation under the laws of the State, including the Constitution of the State and the Act, with the good right and lawful authority and power to adopt the Resolutions, to issue the Bonds including the 1975 Series W Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series W Bonds. Under the laws of the State, including the Constitution of the State, the Enabling Legislation, including the Act, is valid with respect to all provisions thereof material to the subject matters of this opinion letter.

2. The Series Resolution has been duly and lawfully adopted in accordance with the provisions of the General Bond Resolution and is authorized and permitted by the General Bond Resolution. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are
valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for the Resolutions is required. The Resolutions create the valid pledge and lien which they purport to create of the revenues, monies, securities and funds held or set aside under the Resolutions, subject only to the application thereof to the purposes and on the conditions permitted by the Resolutions. The lien created by the Resolutions on such revenues, monies, securities and funds in the Debt Service Fund and the Capital Reserve Fund is and will be prior to all other liens thereon. All revenues, monies, securities and funds as and when received, in the Debt Service Fund and the Capital Reserve Fund in accordance with the Resolutions, will be validly subjected to the pledge and lien created by the Resolutions.

3. The 1975 Series W Bonds have been duly and validly authorized and issued by the Corporation in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolutions. The 1975 Series W Bonds are valid and binding general obligations of the Corporation payable as provided in the Resolutions, are enforceable in accordance with their terms, respectively, and the terms of the Resolutions, and are entitled, together with additional Bonds issued under the General Bond Resolution, to the equal benefit, protection and security of the provisions, covenants and obligations of the General Bond Resolution and of the Act.

4. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and the Director of the Budget of the State his certificate stating such sum, if any, as shall be necessary to restore the amount in such Capital Reserve Fund to an amount equal to the capital reserve fund requirement under the General Bond Resolution. Subdivision 4 of Section 3036 of the Act providing for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman, does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the Legislature of the State, which is empowered, but is not bound or obligated, to appropriate such amount.

5. Pursuant to the Act and the general Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall certify to the State Comptroller and the Mayor of The City, the amounts required, pursuant to subdivision 1 of Section 3036 of the Act, for deposit in the funds established by the General Bond Resolution at the time or times and in the manner provided therein, including the amounts required for deposit in the Debt Service Fund to pay all interest
and all principal and redemption premium, if any, on notes and
bonds maturing or otherwise coming due and for deposit in the
Capital Reserve Fund to maintain such Fund at such capital re-
serve fund requirement. Said subdivision provides for the State
Comptroller to pay such amounts to the Corporation for deposit
as aforesaid, the source of such payments being the Assistance
Fund into which is paid the Sales Tax and, to the extent re-
quired, out of the Stock Transfer Tax Fund, the Stock Transfer
Tax. The amount of such payments to the Corporation are sub-
ject to annual appropriation for such purpose by the Legisla-
ture of the State which is empowered, but is not bound or obli-
gated, to appropriate the amount so certified by the Chairman,
as aforesaid.

6. The 1975 Series W Bonds do not constitute a debt
either of the State or The City, and neither the State nor The
City shall be liable thereon, nor shall the 1975 Series W Bonds
be payable out of any funds other than those of the Corporation.

7. The State has the good right and lawful authority:

(a) to suspend the power of The City to adopt local
laws for the imposition of certain sales and compensating use
taxes and the taxes levied thereunder, in accordance with the
Enabling Legislation;

(b) to impose and to increase or decrease the Sales
Tax and the Stock Transfer Tax but the State is not bound or
obligated to continue the imposition of said taxes;

(c) to establish the Stock Transfer Tax Fund, the
Assistance Fund and the Special Account within the Assistance
Fund but the State is not bound or obligated to maintain the
existence of said funds or account;

(d) to provide for the appropriation of, and at least
annually to appropriate to, the Corporation, from the Special
Account for the Corporation in the Assistance Fund and commencing
with the fiscal year of the State commencing April 1, 1976 from
the Stock Transfer Tax Fund, amounts sufficient to enable the
Corporation to fulfill the terms of the Resolution and to carry
out its corporate purposes, but the State is not bound or obligated
to make such appropriations.

8. Neither the Corporation nor the holders of the
Bonds have or will have a lien on the Stock Transfer Tax or the
Stock Transfer Tax Fund, the Sales Tax, or the Special Account
for the Corporation in the Assistance Fund.

9. Under existing statutes and court decisions, in-
terest on the 1975 Series W Bonds is exempt from Federal income
taxes and shall at all times be free from New York State and New
York City personal income taxes.
10. No registration with, consent of, or approval by any governmental agency or commission is necessary for the execution and delivery and the issuance of the 1975 Series W Bonds.

11. The adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions and the 1975 Series W Bonds, and the execution and delivery of the 1975 Series W Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

We have examined the executed 1975 Series W Bond numbered WR90-1 and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

[Signature]

Hawkins Delugach Wood
November 10, 1975

New York City Employees' Retirement System
New York City Teachers' Retirement System
New York City Board of Education Retirement System
New York, New York

Gentlemen:

We are bond counsel to the Municipal Assistance Corporation For The City of New York (the 'Corporation') and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's 1975 Series W Bonds (the "Bonds"), dated November 10, 1975 and authorized by the General Bond Resolution, adopted by the Corporation on July 2, 1975, and the 1975 Series W Bond Resolution, adopted October 27, 1975. The Opinion is being rendered in connection with the delivery of the Bonds to the Purchasers named in the Bond Purchase Agreement for the Bonds (the "Bond Purchase Agreement") by and between you and the Corporation.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Bond Purchase Agreement, were present at various meetings in connection therewith and have participated with others in the preparation of various parts of the Official Statement with respect to the 1975 Series B Bonds dated August 15, 1975 (the "Official Statement") as supplemented by Supplement No. 1 (the "Supplement No. 1") dated September 24, 1975 and Supplement No. 2 (the "Supplement No. 2") dated November 10, 1975 (collectively the "Supplements").

In connection with the sale of the 1975 Series B Bonds and the 1975 Series W Bonds, at the request of the Corporation, we participated and assisted as bond counsel in the preparation of the Official Statement and the Supplements and have reviewed the information and representations contained therein. Rendering such assistance involved, among other things, discussions and inquiries concerning various and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with the board of
directors of the Corporation and its officers, agents and employees, the State Comptroller and his deputy, Paul, Weiss, Rifkind, Wharton & Garrison, general counsel for the Corporation, the Underwriters of the 1975 Series B Bonds and their counsel, White & Case, at which the contents of the Official Statement and the Supplement and related matters were discussed and revised.

The statements set forth in the Official Statement under the headings PROVISIONS FOR PAYMENT OF THE BONDS (other than the statistical and financial information and other information under the headings "State Collections of New York City Sales and Compensating Use Taxes", "State Collections of Stock Transfer Tax" and "Estimated Amounts Available for Debt Service and Debt Service Coverage"), DESCRIPTION OF THE 1975 SERIES B BONDS, SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION, and AGREEMENT OF THE STATE OF NEW YORK and the statements set forth in Supplement No. 1 under the heading NOTE ISSUED TO STATE and the statements set forth in Supplement No. 2 under the headings INTRODUCTION, DESCRIPTION OF THE NOVEMBER BONDS AND PROVISIONS FOR PAYMENT OF THE BONDS—RECENT DEVELOPMENTS (other than the statistical and financial information and other information under the heading "Estimated Amounts Available For Debt Service And Debt Service Coverage") are accurate statements or summaries of the statutory provisions, documents or matters therein set forth.

In the course of the preparation of the Official Statement and the Supplement and in rendering the Opinion and this opinion we have received and relied upon the certificate of no-litigation of the Corporation including statements to the effect that, except as noted therein, there is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, moneys, securities or funds provided for the payment of the Bonds or the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Official Statement and the Supplements. In such connection, we have also received and relied upon the opinion of Paul, Weiss, Rifkind, Wharton & Garrison dated the date hereof, with respect to the absence of litigation against the Corporation. In so acting, we have necessarily assumed the correctness and completeness of the statements and material set forth therein. While, except as above stated with respect to information under certain specific headings, we have not undertaken to verify independently and take no responsibility for the correctness or completeness of the statements made in the Official Statement and the Supplements (or in the statistical and
financial information and other information set forth in the headings excluded above, as to which we express no opinion) we can and do advise you that in the course of our participation in the preparation of the Official Statement and the Supplements in our review thereof in the light of the discussions, inquiries and conferences, referred to above, nothing has come to our attention which would lead us to believe, and we do not believe, that the Official Statement or the Supplements contained, as of the date thereof, any untrue statement of a material fact or omitted, as of such date, to state any material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

We are further of the opinion that the Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a binding agreement of, the Corporation, enforceable in accordance with its terms.

We are further of the opinion that the issuance and sale to you of the Bonds pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended; and the Bonds constitute "exempted securities" within the meaning of the Securities Exchange Act of 1934, as amended.

We are further of the opinion that the 1975 Series W Bonds are legal investments, under present provisions of New York law, for all public officers and bodies of the State and political subdivisions of the State 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 may hereafter be authorized to invest in bonds or other obligations of the State.

Very truly yours,

[Signature]
November 10, 1975

Municipal Assistance Corporation
For The City of New York
2 World Trade Center
New York, New York 10047

Dear Sirs:

I am counsel to the New York City Employees' Retirement System, Board of Education Retirement System of The City of New York, and Teachers' Retirement System of The City of New York (the "Purchasers"). I have examined the Bond Purchase Agreement (the "Agreement") dated November 7, 1975, among the Municipal Assistance Corporation For The City of New York and the Purchasers and the provisions therein for the purchase of the 1975 Series W Bonds (the "Bonds") by the Purchasers; and have made such further examinations of law and fact as I considered necessary in order to form the opinions herein expressed.

It is my opinion that (i) the execution and delivery of, and the performance of the obligations under, the Agreement by the Purchasers have been duly authorized by all necessary action by the Purchasers and the City of New York; (ii) the Agreement has been duly and validly executed and delivered by the Purchasers and constitutes the legal, valid and binding agreement of the Purchasers enforceable in accordance with its terms; and (iii) the execution, delivery and receipt of the Agreement and the Bonds by the Purchasers under the circumstances contemplated by the Agreement and compliance by the Purchasers with the provisions thereof will not conflict with or constitute on the part of the Purchasers a breach of or a default under, existing law.

Sincerely,

W. Bernard Richland
Corporation Counsel
CERTIFICATE OF THE CORPORATION AS TO
SIGNATURES, NO DEFAULTS AND DEBT SERVICE

We, the undersigned Treasurer and Secretary of the Municipal Assistance Corporation for the City of New York (herein called the "Corporation"), hereby certify as follows:

1. The 1975 Series W Bonds of the Corporation (herein called the "Bonds"), which Bonds are more fully described in Schedule X annexed hereto and by this reference made a part hereof, have been duly and completely executed in the name of the Corporation and on its behalf by the affixing thereon of the facsimile signature of Donna E. Shalala, Treasurer of the Corporation, who did, and does hereby adopt such signature, and by the affixing thereon of the official seal of the Corporation attested by the facsimile signature of Daniel Goldberg, Secretary of the Corporation, who did, and does hereby adopt such signature.

2. At the time of the signing and execution of the Bonds and on the date hereof we were and are the duly chosen, qualified and acting officers of the Corporation authorized to execute the Bonds, and held and now hold the respective offices indicated by the official titles set opposite our signatures below.

3. The aggregate amount of the principal on Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds not required to be paid from Sinking Fund Installments and interest on all Outstanding Bonds, including the 1975 Series W Bonds, and delivery of the 1975 Series X Bonds as contemplated on the date hereof and the principal of and interest on the Notes, and the interest on Other Obligations (the "Debt Service") for each Fiscal Year is as set forth in Schedule Y affixed hereto and by this reference made a part hereof.

4. The aggregate amount of Operating Expenses as estimated for the Fiscal Year ending June 30, 1976 is $4,000,000.

5. The amount set forth in the certificate of the New York State Commissioner of Taxation and Finance, a copy of which is attached to this Transcript of Proceedings as document No. 6 (the "Commissioner's Certificate"), as representing the Sales Tax and Stock Transfer Tax, and such other taxes, which as of this date, are levied and collected by New York State and are payable into the special account in the Municipal Assistance Tax Fund, less the Operating Expenses set forth in 4 hereinbefore is at least two (2) times the amount of Debt Service for each Fiscal Year as set forth in Schedule Y.
The amount of Sales Tax Collections or amount certified in lieu of such collections in the Commissioner's Certificate less the Operating Expenses set forth in 4 hereinbefore is at least one and a half (1.50) times the amount of Debt Service for each Fiscal Year as set forth in Schedule Y.

6. The seal, an impression of which appears below, has been imprinted on the Bonds and it is the legally adopted, proper and only official corporate seal of the Corporation.

7. The Corporation is not in default in the performance of any of the covenants, conditions, or provisions contained in the Resolution as defined in the General Bond Resolution of the Corporation adopted July 2, 1975.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 10th day of November, 1975.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Official Title</th>
<th>Term of Office Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna E. F.</td>
<td>Treasurer</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Ziegler</td>
<td>Secretary</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

(SEAL)

I HEREBY CERTIFY that the signatures of the officers of the Municipal Assistance Corporation For The City of New York, which appear above are true and genuine and that I know said officers and know them to hold said offices set opposite their signatures.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Name of Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Blank)</td>
<td>Vice President</td>
<td>United States Trust Company of New York</td>
</tr>
</tbody>
</table>
Subject to mandatory sinking fund payments commencing in 1984.

Callable, on or after February 1, 1985, in a whole at any time or in part

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 10, 1975</td>
<td>2,000,000</td>
<td>10%</td>
</tr>
<tr>
<td>November 10, 1975</td>
<td>40,500,000</td>
<td>10%</td>
</tr>
<tr>
<td>November 10, 1975</td>
<td>338,500,000</td>
<td>11%</td>
</tr>
</tbody>
</table>

Repayment System

New York City Board of Education

Retirement System

New York City Teachers' Retirement System

New York City Employees' Retirement System

Aggregates:

Principal amount of $381,000,000

Corporation for the City of New York in the

Amount and Destination: 1975 Series W Bonds of the Municipal Assistance

Schedule X
<table>
<thead>
<tr>
<th>February 1</th>
<th>Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$119,799,400.97</td>
</tr>
<tr>
<td>1977</td>
<td>440,882,087.50</td>
</tr>
<tr>
<td>1978</td>
<td>439,382,512.50</td>
</tr>
<tr>
<td>1979</td>
<td>434,458,137.50</td>
</tr>
<tr>
<td>1980</td>
<td>423,907,962.50</td>
</tr>
<tr>
<td>1981</td>
<td>359,485,400.00</td>
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<tr>
<td>1982</td>
<td>355,339,750.00</td>
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<tr>
<td>1983</td>
<td>356,467,575.00</td>
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<tr>
<td>1984</td>
<td>375,475,400.00</td>
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<td>1985</td>
<td>350,590,387.50</td>
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<td>1986</td>
<td>361,185,537.50</td>
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<td>1987</td>
<td>271,239,712.50</td>
</tr>
<tr>
<td>1988</td>
<td>244,803,037.50</td>
</tr>
<tr>
<td>1989</td>
<td>219,451,800.00</td>
</tr>
<tr>
<td>1990</td>
<td>221,351,825.00</td>
</tr>
<tr>
<td>1991</td>
<td>21,634,000.00</td>
</tr>
<tr>
<td>1992</td>
<td>19,973,000.00</td>
</tr>
<tr>
<td>1993</td>
<td>14,312,000.00</td>
</tr>
<tr>
<td>1994</td>
<td>18,091,000.00</td>
</tr>
<tr>
<td>1995</td>
<td>2,220,000.00</td>
</tr>
</tbody>
</table>
ORDER AS TO DELIVERY AND
AUTHENTICATION OF THE BONDS

November 10, 1975

United States Trust Company
of New York
130 John Street
New York, New York

Gentlemen:

We have heretofore delivered to you, duly printed and
executed, the 1975 Series W Bonds, in definitive form (the
"Bonds"), of the Municipal Assistance Corporation For The City
of New York, a corporate governmental agency, constituting a
public benefit corporation of the State of New York (the "Cor-
poration"), created by the New York Municipal Assistance Corpo-
ration Act, as amended by the Municipal Assistance Corporation
for the city of New York Act, being Titles I, II and III of
Article 10 of the Public Authorities Law, constituting Chapter
43-A of the Consolidated Laws of the State of New York, as
amended (the "Act"), and authorized pursuant to the General
Bond Resolution of the Corporation adopted July 2, 1975 (herein
called "General Resolution") and the 1975 Series W Resolution
of the Corporation adopted October 27, 1975, all otherwise as
described in the Bond Purchase Agreement attached to this
transcript of proceedings as document No. 4.

You are hereby requested, authorized and ordered to
authenticate the Bonds and when so authenticated to deliver
them, upon receipt of the documents and opinions which with
this order constitute all the conditions precedent to the
delivery of the Bonds pursuant to the General Resolution and
payment of the purchase price therefor, to or in accordance
with the order of the Purchasers identified in the Bond Pur-
chase Agreement.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By [Signature]
Subject to mandatory sinking fund payments commencing in 1984.

Callable, on or after February 1, 1985, in a whole or any part.

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Original Amount</th>
<th>Interest Rate</th>
<th>Interest Date</th>
<th>Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 10, 1975</td>
<td>2,000,000</td>
<td>7%</td>
<td>1/1/1990</td>
<td>$2,382,000</td>
</tr>
<tr>
<td>November 10, 1975</td>
<td>40,000,000</td>
<td>11%</td>
<td>1/1/1990</td>
<td>$44,320,000</td>
</tr>
</tbody>
</table>

Amount and Destination: 1975 series w bonds of the Municipal Assistance

Schedule X
November 10, 1975

Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

We have reviewed the accompanying arbitrage certificate of Donna E. Shalala, Treasurer 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 (hereinafter called the "Corporation"), relating to the reasonable expectation as of the date of issuance of the 1975 Series W Bonds of the Corporation, dated November 10, 1975 (hereinafter called the "Bonds"), that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(d)(2) of the Internal Revenue Code of 1954, as amended.

Based upon our examination of law and review of such certification, it is our opinion that the facts, estimates and circumstances set forth in such certification are sufficient to satisfy the criteria which are necessary under said Section 103(d), and Sections 1.103-3 and 1.103-14 of the proposed regulations thereunder, published in the Federal Register of May 3, 1973, to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said Section of the Code. No matters have come to our attention which, in our opinion, make unreasonable or incorrect the representations made in such certification.

Very truly yours,

[Signature]

Hawkins, Dolanfield & Wood
I, DONNA E. SHALALA, being the Treasurer 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 existing under the laws of the State of New York (hereinafter called the "Issuer") DO HEREBY CERTIFY with respect to the issuance of the 1975 Series W Bonds of the Issuer as more fully described in Schedule X attached hereto (hereinafter called the "Bonds"), dated November 10, 1975, (a) that this certification is made in accordance with Section 1.103-13(a)(2)(ii) of the proposed regulations published in the Federal Register on May 3, 1973 relating to "arbitrage bonds" under Section 103(d) of the Internal Revenue Code of 1954, as amended, and is executed and delivered as part of the record of proceedings and accompanying certificates with respect to and on the date of issue of the Bonds, and unless a different meaning clearly appears from the context, each word or term which is herein used and underlined shall have the meaning ascribed thereto by the applicable section of said proposed regulations as set opposite such word or term in Schedule A attached hereto, and (b) that I am one of the officers of the Issuer charged by the General Bond Resolution adopted on July 2, 1975 and the 1975 Series W Resolution adopted October 27, 1975 of the Issuer with responsibility for issuing the Bonds and as such I am such an official as is referred to in Section 1.103-13(a)(2)(ii) of said proposed regulations whose certification may be relied upon as the certification of the Issuer, and I DO HEREBY FURTHER CERTIFY and reasonably expect as of the date of issue of the Bonds that:

(1) The proceeds of the Bonds will be used for one or both of the following: (i) to purchase from the City of New York (the "City") certain short-term obligations of the City, all of which obligations are obligations described in Section 103(a)(1) of the Internal Revenue Code of 1954, as amended, and (ii) to pay to the City part or all of such amounts as the Mayor of the City from time to time certifies to the Issuer as the amounts required by the City to enable it to pay either the principal of and interest on, at maturity, any short-term obligations of the City or certain operating expenses of the City;

(2) All of the original proceeds of the Bonds, except for accrued interest on the Bonds, will be expended within three months of the day received and the balance, if any, will be expended on February 1, 1976;

(3) The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the Bond issue;
(4) The obligations acquired from the City will not be sold or otherwise disposed of prior to their maturity, in whole or in part, prior to the maturity or prepayment of the Bonds; and

(5) Funds received from the City in respect of maturing short-term obligations of the City acquired by the Issuer will, within six months of the receipt of such funds, be used for one or more of the purposes set forth in clauses (i) or (ii) of paragraph (1) above, or to pay principal of or interest on the Bonds.

On the basis of the foregoing it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" under Section 103(d) of the Internal Revenue Code of 1954, as amended, and the regulations prescribed under that section. To the best of my knowledge and belief there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 10th day of November, 1975, being the date of delivery of the Bonds referred to herein.

SCHEDULE A

UNDERLINED WORDS OR TERMS USED IN THE ATTACHED ARBITRAGE CERTIFICATE

The reference below to Section 13 is a reference to Section 1.103-13 of the proposed regulations relating to Section 103(d) of the Internal Revenue Code of 1954, as amended, published in the Federal Register on May 3, 1973.

1. "Original proceeds" shall have the meaning given or ascribed to such term in Section 13(b)(2)(I)
Subject to mandatory sinking fund payments commencing in 1984.

(a) Callable, on or after December 31, 1985, in a whole or any time or in part.

<table>
<thead>
<tr>
<th>Redemption Provision</th>
<th>Acquire Interest Date</th>
<th>Face Price</th>
<th>Be Purchased Interest Rate</th>
<th>Date of Maturity</th>
<th>Purchaser</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000,000 100%</td>
<td>November 10, 1975</td>
<td>9%</td>
<td>11%</td>
<td>1, 1990</td>
<td></td>
</tr>
<tr>
<td>$40,500,000 100%</td>
<td>November 10, 1975</td>
<td>11%</td>
<td>11%</td>
<td>1, 1990</td>
<td></td>
</tr>
<tr>
<td>$38,500,000 100%</td>
<td>November 10, 1975</td>
<td>1%</td>
<td>11%</td>
<td>1, 1990</td>
<td></td>
</tr>
</tbody>
</table>

Amount and Destination: 1975 Series M Bonds of the Municipal Assistance Corporation for the City of New York in the aggregate principal amount of $81,000,000.
TRUSTEE'S ACCEPTANCE AND CERTIFICATE

The undersigned, United States Trust Company of New York, Trustee (the "Trustee"), appointed by the Municipal Assistance Corporation for The City of New York (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation of the State of New York, under and pursuant to the General Bond Resolution dated July 2, 1975 and the 1975 Series W Resolution dated October 27, 1975 of the Corporation, (collectively, the "Resolutions") HEREBY CERTIFIES that:

1. The Trustee hereby accepts the duties and obligations of Trustee under the Resolutions.

2. The Trustee is duly empowered by law to do and to perform all acts and things required of it by the Resolutions.

3. Pursuant to the provisions of the Resolutions, the Trustee has authenticated and delivered $81,000,000 principal amount of 1975 Series W Bonds (the "Bonds") of the Corporation.

4. Each person who authenticated the Bonds was duly elected or appointed, qualified and acting as an officer of the Trustee and empowered to perform such
act, and the attached copy of an excerpt of the By-Laws of the Trustee conferring such authority is a true and correct copy of the original thereof on file in the principal office of the undersigned Trustee and said document as of the date hereof is in full force and effect in accordance with its tenor.

5. The Trustee has this day received from the Corporation copies of the Resolutions, certified to by an Assistant Secretary of the Corporation, as required by Section 202 of the General Bond Resolution.

IN WITNESS WHEREOF, United States Trust Company of New York has caused this certificate to be executed by the officers thereunto duly authorized this 10th day of November, 1975.

UNITED STATES TRUST COMPANY OF NEW YORK

By

Malcolm J. Hood, Vice President

(SEAL)

Attest:

Assistant Secretary
SECTION 10. Execution of Checks and Other Documents. Any officer except the Auditor shall have authority to sign checks on behalf of the Company, to certify checks against funds on deposit with the Company, and to endorse checks, drafts, notes and any orders payable to the Company.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall have authority to transfer stocks, mortgages and personal securities owned by the Company or in its custody in any capacity and to execute deeds of real, estate owned by the Company or in its custody in any capacity.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall have authority to execute on behalf of the Company indentures and all other instruments under which the Company is to act in a fiduciary capacity, and to execute on behalf of the Company all contracts, releases, forms, assignments, security documents and agreements relating thereto.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall, to the extent permitted by law, have authority to execute any agreements, contracts or other documents pertaining to the commitment, investment, or loaning of funds of the Company, or as agent for funds in its custody.

Any officer except the Auditor shall have authority to authenticate, execute, countersign or certify on behalf of the Company bonds, debentures and other evidences of indebtedness, coupons, certificate, warrants and proxies with respect to which the Company is trustee, registrar, transfer agent, or fiscal agent, depositary and agent as the case may be and to certify as to the incumbency and specimen signature of any of the officers of the Company. The President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may from time to time designate clerks who shall be authorized, for and under the supervision of an officer of the Company, to authenticate, execute, countersign or certify such bonds, debentures, other evidences of indebtedness, coupons, certificates or warrants and proxies and to certify checks, using the title "Authorized Officer" or "Authorized Signature." The President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may also from time to time designate clerks who may, for and under the supervision of an officer of the Company, and subject in each case to such conditions or limitations as the President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may prescribe, sign advice, receipts, and other documents in connection with the transfer, receipt, delivery, subscription, redemption or exchange of securities, guarantee signatures upon sale, transfer or assignment of stock and bonds, and erasures in connection therewith, execute assignments or endorsement of subscription warrants, and execute attestations required with respect to securities issued by the United States of America, using the title "Authorized Officer" or "Authorized Signature." The President or a Vice Chairman of the Board shall report all such designations of clerks to the Executive Committee for approval.

The Executive Committee may authorize the use of facsimile signatures on any instrument to be authenticated, executed, countersigned or certified on behalf of the Company.
CERTIFICATE OF TRUSTEE AS TO RECEIPT
OF CERTAIN AMOUNTS OF PROCEEDS OF SALE

November 10, 1975

The undersigned, the Trustee, under and pursuant to the General Bond Resolution adopted July 2, 1975 and the 1975 Series W Resolution adopted October 27, 1975 (the "Resolutions") of the Municipal Assistance Corporation for The City of New York (the "Corporation"), hereby acknowledges receipt from the proceeds of sale of the $81,000,000 principal amount 1975 Series W Bonds (the "Bonds"), in the aggregate amount of $81,000,000 for deposit in the amount of $ -0- into the Debt Service Fund and for deposit in the amount of $81,000,000 into the 1975 Series W Bond Proceeds Fund as established pursuant to the Resolutions and in accordance therewith.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Trustee

By /s/ VICE PRESIDENT
November 10, 1975

New York City Employees' Retirement System
Board of Education Retirement System
System of The City of New York Teachers' Retirement System of
The City of New York

Dear Sirs:

We have acted as counsel to United States Trust Company of New York, as Trustee, in connection with the issuance today by the Municipal Assistance Corporation for The City of New York (the Corporation) of the 1975 Series H Bonds in the aggregate principal amount of $81,000,000.

We are delivering to you herewith our opinion dated today rendered to the Corporation. You are authorized to rely upon this opinion as fully and to the same extent as if it had been addressed to you.

Very truly yours,

Carter, Ledyard & Milburn

RGMcC:ch
November 10, 1975

Municipal Assistance Corporation
for The City of New York
New York, New York

Dear Sirs:

Our client, United States Trust Company of New York, has requested that we furnish you with our opinion as to its authority to act as Trustee pursuant to its appointment by the Municipal Assistance Corporation for The City of New York (the Corporation) in the General Bond Resolution adopted by the Corporation on July 2, 1975 and as to its due authentication and delivery of the Corporation's 1975 Series W Bonds issued today in the aggregate principal amount of $81,000,000 (the Bonds) pursuant to the 1975 Series W Resolution adopted by the Corporation on October 27, 1975 and the General Bond Resolution (the Resolutions) and sold today pursuant to the Series W Bond Purchase Agreement dated November 7, 1975 between the Corporation and certain pension funds of The City of New York.

We have examined the Resolutions and such other documents as we have deemed necessary in order to render this opinion.

We are of the opinion that United States Trust Company of New York is a duly organized and existing corporation having the powers of a trust company under the laws of the State of New York and is authorized to act as Trustee under the Resolutions and to exercise all of the rights, powers and obligations as Trustee.

We have examined the certificate dated today
of the Trustee as to the due authentication and delivery of the Bonds and, relying upon said certificate and such other material as we deem necessary, it is our opinion that the Trustee has duly authenticated and delivered the Bonds.

Very truly yours,

Carter, Ledyard & Milburn

RGMcc:ch
ACCEPTANCE OF DUTIES AS PAYING AGENT

The undersigned hereby accepts the duties and obligations of a Paying Agent imposed upon the undersigned by the General Bond Resolution adopted by the Board of Directors of the Municipal Assistance Corporation for The City of New York (the "Corporation") on July 2, 1975 and the 1975 Series W and X Resolutions of the Corporation, each adopted by the Board of Directors of the Corporation on October 27, 1975. The undersigned has taken all necessary corporate action to authorize its acceptance of the appointment as Paying Agent for the Bonds pursuant to the Resolutions referred to above.

UNITED STATES TRUST COMPANY
OF NEW YORK

By: ____________
Vice President

Attest:

__________________________
Assistant Secretary

Dated: November 10, 1975
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser(s) identified in Schedule X annexed hereto and by this reference made a part hereof and pursuant to the Bond Purchase Agreement with the Municipal Assistance Corporation For The City of New York (the "Corporation"), for the 1975 Series W Bonds of the Corporation (the "Bonds"), acknowledges receipt from the United States Trust Company of New York, as Trustee, of the Bonds in definitive form as described in such Schedule issued pursuant to the General Bond Resolution and the 1975 Series W Resolution of the Corporation, adopted on July 2, 1975 and October 27, 1975, respectively.

In connection with the purchase of the Bonds, the undersigned acknowledges receipt of all of the documents required to be delivered to the undersigned pursuant to such Bond Purchase Agreement.

IN WITNESS WHEREOF, this receipt has been executed this 10th day of November, 1975.

By [Signature]

[Signature]
Subject to mandatory sinking fund payments commencing in 1964.

On any interest payment date at a price of 102%.

<table>
<thead>
<tr>
<th>Redemption</th>
<th>Accrues Interest On Which Interest</th>
<th>Be Purchased</th>
<th>Amount to be Paid at Par or Maturity</th>
<th>Rate of Interest</th>
<th>Rate of Maturity</th>
<th>Purchaser</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 10, 1975</td>
<td>100% $2,000,000</td>
<td>11% 1990</td>
<td>1990</td>
<td>Retiree System</td>
<td>New York City</td>
<td></td>
</tr>
<tr>
<td>November 10, 1976</td>
<td>100% $40,000,000</td>
<td>11% 1990</td>
<td>1990</td>
<td>Teachers Retirement</td>
<td>New York City</td>
<td></td>
</tr>
<tr>
<td>November 10, 1976</td>
<td>100% $38,000,000</td>
<td>11% 1990</td>
<td>1990</td>
<td>Employees Retirement</td>
<td>New York City</td>
<td></td>
</tr>
</tbody>
</table>

SCHEDULE X

Adequate Principal amount of $81,000,000
Corporation for the City of New York in the
Amount and Destination: 1975 Series W Bonds of the Municipal Assistance

[Signature]
NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1975 Series M Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

Supplement No. 1
to
The Official Statement dated August 15, 1975

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Corporate Governmental Agency and Instrumentality of the State of New York)

1975 SERIES M. BONDS

Dated September 26, 1975 Due February 1, as shown on Schedule I hereto

Principal and interest on the 1975 Series M Bonds (payable on February 1, 1976 and semi-annually thereafter on each February 1 and August 1) payable at the corporate trust office of First National City Bank, New York, New York or at the option of the holder at The Northern Trust Company, Chicago, Illinois, or Bank of America, N.T. & S.A., San Francisco, California, unless registered. The Trustee under the General Bond Resolution is United States Trust Company of New York, N. Y., N. Y.

See Schedule I hereto for the terms of the 1975 Series M Bonds.

The 1975 Series M Bonds maturing on and before February 1, 1985 are not subject to redemption prior to maturity. The 1975 Series M Bonds maturing on and after February 1, 1986, are subject to redemption at the election of the Corporation, at any time on or after February 1, 1985, as a whole but not in part at a redemption price of 102% of the principal amount thereof, plus accrued interest to the date of redemption.

The 1975 Series M Bonds of the Corporation are payable out of certain revenues of the Corporation, including revenues derived from certain sales and compensating use taxes imposed by the State of New York within the City of New York and, under certain conditions commencing with the State's fiscal year beginning April 1, 1976, the State stock transfer tax. The State is not bound or obligated to continue the imposition of such taxes or to make the necessary appropriations of the revenues received from such taxes. The Corporation has no taxing power. The 1975 Series M Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal of or interest on the 1975 Series M Bonds.

September 24, 1975
The information herein is subject to change without notice and neither the delivery of this Supplement and the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of such Corporation since the date hereof. This Supplement and Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Use of Proceeds and Needs of the City</td>
<td>3</td>
</tr>
<tr>
<td>Factors Affecting 1975 Series M Bonds</td>
<td>7</td>
</tr>
<tr>
<td>Financial Plan</td>
<td>7</td>
</tr>
<tr>
<td>Litigation Affecting the Financial Plan</td>
<td>15</td>
</tr>
<tr>
<td>Recent Developments Affecting the City</td>
<td>18</td>
</tr>
<tr>
<td>Financial Emergency Legislation</td>
<td>18</td>
</tr>
<tr>
<td>Deputy Mayor of the City</td>
<td>21</td>
</tr>
<tr>
<td>Wage Freeze Imposed by State</td>
<td>21</td>
</tr>
<tr>
<td>The Corporation</td>
<td>22</td>
</tr>
<tr>
<td>Description of the 1975 Series M Bonds</td>
<td>23</td>
</tr>
<tr>
<td>Provisions for Payment of the Bonds - Recent Developments</td>
<td>24</td>
</tr>
<tr>
<td>Additional Source of Revenue for</td>
<td></td>
</tr>
<tr>
<td>Municipal Assistance Tax Fund</td>
<td>24</td>
</tr>
<tr>
<td>Estimated Amounts Available for Debt Service</td>
<td></td>
</tr>
<tr>
<td>and Debt Service Coverage</td>
<td>26</td>
</tr>
<tr>
<td>Note Issued to State</td>
<td>28</td>
</tr>
<tr>
<td>Litigation - Recent Developments</td>
<td>29</td>
</tr>
</tbody>
</table>
Dated September 24, 1975

Supplement No. 1

The Official Statement dated August 15, 1975

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Corporate Governmental Agency and Instrumentality of The State of New York)

INTRODUCTION

This Supplement No. 1 to the Official Statement dated August 15, 1975 (the "Official Statement") of the Municipal Assistance Corporation For The City of New York (the "Corporation") is being provided, together with the Official Statement, for the purpose of setting forth information concerning the Corporation in connection with the sale of its 1975 Series M Bonds (the "1975 Series M Bonds"). The Corporation expects to sell $82,550,000 of 1975 Series M Bonds, but may sell such Bonds in excess of that amount. This Supplement updates certain of the information provided in the Official Statement, including information with respect to the Corporation from August 15, 1975 to the date hereof, and should be read in conjunction with the Official Statement, a copy of which is provided herewith.

The 1975 Series M Bonds are to be issued pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the City of New York Act, and as further amended at the Extraordinary Session of the Legislature commencing September 4, 1975 by Chapters 868 and 870 of the Laws of 1975 (the "Act"), the general bond resolution (the "General Bond Resolution") of the Corporation and the series resolution of the Corporation authorizing the 1975 Series M Bonds (the "1975
Series M Resolution). The General Bond Resolution and the 1975 Series M Resolution are sometimes collectively referred to herein as the "Resolutions."

All bonds that have been or may be issued hereafter under the General Bond Resolution (herein collectively referred to as the "Bonds") are general obligations of the Corporation payable out of certain revenues of the Corporation and are secured by an equal charge and a first lien on all monies and securities in the Corporation's Debt Service Fund and Capital Reserve Fund established under and defined in the General Bond Resolution. See "The Corporation," "Provisions for Payment of the Bonds" and "Summary of Certain Provisions of the General Bond Resolution" in the Official Statement and "Provisions for Payment of the Bonds—Recent Developments" in this Supplement.

The Corporation is a corporate governmental agency and instrumentality of the State of New York (the "State") and not of The City of New York (the "City"). As described in the Official Statement, the Corporation's revenues pledged to the payment of the debt service on the Bonds are derived from certain State tax revenues. These tax revenues, subject to appropriation by the State, under existing law are not available to the City or any person other than the Corporation until the requirements of the Corporation, including debt service on the Bonds, have been met. See "Provisions for Payment of the Bonds" in the Official Statement. Under certain circumstances described more fully herein, in order to issue additional Bonds in the future under the General Bond
Resolution, the Corporation may have the benefit of additional revenues of up to $80,000,000 a year from the per capita aid from the State apportioned to the City. See "Provisions for Payment of the Bonds—Recent Developments" in this Supplement.

The State Legislature at an Extraordinary Session commencing on September 4, 1975 passed Chapters 868, 869 and 870 of the Laws of 1975, which legislation (i) enacted the New York State Financial Emergency Act for the City of New York and (ii) amended the Act, as well as certain other statutes relevant to the issuance of Bonds and other obligations of the Corporation. Such legislation is hereinafter referred to as the "Financial Emergency Legislation."

USE OF PROCEEDS AND NEEDS OF THE CITY

Pursuant to the Act, the Corporation is authorized to borrow up to an aggregate of $5,000,000,000. Prior to the enactment of the Financial Emergency Legislation, the Corporation was authorized to borrow up to an aggregate of $3,000,000,000. Of the amount now authorized by the Act, $2,160,285,000 aggregate principal amount of Bonds under the General Bond Resolution is now outstanding and a $250,000,000 promissory note (payment of which from revenues of the Corporation is subordinated to the Bonds) of the Corporation is now outstanding. After the issuance of the 1975 Series M Bonds, and the completion of the other issuances of Bonds scheduled to be sold at approximately the same time, as described below, the remaining authorization will be approximately $2,356,165,000 (assuming issuance of $82,550,000 of Series M Bonds), against which the
Corporation anticipates there will be additional issuances in the near future. Such issuances will be subject to debt service coverage restrictions applicable to the Bonds under the General Bond Resolution and to such provisions of a resolution to be adopted by the Corporation with respect to the State Aid Notes and Bonds referred to herein under "Provisions for the Payment of Bonds - Recent Developments." See "Summary of Certain Provisions of the General Bond Resolution-Additional Bonds and Notes" and "Summary of Certain Provisions of the General Bond Resolution-Additional Obligations" in the Official Statement and "Financial Plan" and "Provisions for the Payment of the Bonds-Recent Developments" in this Supplement.

It is anticipated that the proceeds from the sale of the 1975 Series M Bonds, together with those from the other Bond issuances described below, will provide sufficient funds, together with the City's own funds, for the City to pay its debt obligations and operating expenses through October 5, 1975. The Corporation believes that there can be no certainty that the Corporation will be able to obtain funds sufficient for the City to pay such debts and operating expenses after October 5, 1975. See "Financial Plan" in this Supplement, however, as to the anticipated methods for meeting the City's estimated needs through November 30, 1975.

In addition to at least $82,550,000 in principal amount of the Corporation's 1975 Series M Bonds, the following issuances of Bonds are expected to be issued on September 25, 1975 and September 26, 1975:
Bonds

1975 Series N Bonds, to be purchased by certain City pension funds (September 25, 1975) $ 63,000,000

1975 Series O Bonds, to be purchased by the State Insurance Fund (September 26, 1975) 25,000,000

1975 Series P Bonds, to be purchased by one of the City sinking funds (September 25, 1975) 63,000,000

$151,000,000

The total proceeds from the sales of the Bonds described above (taking into account the sales of certain of the Bonds at 99% of the face amount thereof) will be at least $232,950,000.

The Corporation has been advised by the City that the outstanding short-term debt of the City consists of revenue anticipation notes ("RANs"), bond anticipation notes ("BANs"), urban renewal notes ("URNs") and tax anticipation notes ("TANs"). The following table sets forth information provided to the Corporation by the Office of the Comptroller of the City with respect to the outstanding principal amounts of and interest payable at maturity on RANs, BANs, URNs and TANs at the date of this Supplement and the dates on which such notes mature:
<table>
<thead>
<tr>
<th>Maturity</th>
<th>Principal</th>
<th>Interest (In Millions)</th>
<th>Total (In Millions)</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 17, 1975</td>
<td>$420.4</td>
<td>$32.7</td>
<td>$453.1</td>
<td>BANs</td>
</tr>
<tr>
<td>November 10, 1975</td>
<td>250.0</td>
<td>20.7</td>
<td>270.7</td>
<td>RANs</td>
</tr>
<tr>
<td>December 11, 1975</td>
<td>400.0</td>
<td>37.8</td>
<td>437.8</td>
<td>RANs</td>
</tr>
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<td>December 17, 1975</td>
<td>30.0</td>
<td>1.8</td>
<td>31.8</td>
<td>URNs</td>
</tr>
<tr>
<td>January 12, 1976</td>
<td>620.0</td>
<td>58.1</td>
<td>678.1</td>
<td>RANs</td>
</tr>
<tr>
<td>January 13, 1976</td>
<td>200.0</td>
<td>18.8</td>
<td>218.8</td>
<td>RANs</td>
</tr>
<tr>
<td>February 13, 1976</td>
<td>290.0</td>
<td>21.8</td>
<td>311.8</td>
<td>RANs</td>
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<tr>
<td>March 12, 1976</td>
<td>491.3</td>
<td>42.9</td>
<td>534.1</td>
<td>BANs</td>
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<td>May 28, 1976</td>
<td>220.0</td>
<td>16.0</td>
<td>236.0</td>
<td>BANs</td>
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<td>June 10, 1976</td>
<td>280.0</td>
<td>22.4</td>
<td>302.4</td>
<td>TANs</td>
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<td>June 11, 1976</td>
<td>51.5</td>
<td>4.1</td>
<td>55.6</td>
<td>BANs</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,253.2</strong></td>
<td><strong>$277.0</strong></td>
<td><strong>$3,530.2</strong></td>
<td></td>
</tr>
</tbody>
</table>

In addition approximately $1,236,360,000 of TANs maturing from December 11, 1975 to February 13, 1976, and an aggregate of $187,000,000 of BANs, of which $141,000,000 will mature on August 20, 1976, and $46,000,000 will mature on September 10, 1976, are held by the Corporation. The City will issue additional notes to the Corporation in connection with future advances to the City from the Corporation. Upon the maturity of notes which it holds, the Corporation has determined that it will, if requested to do so by the City, exchange such notes, for notes of the City maturing at later dates, provided that the City is in compliance with the conditions set forth in the Act.

The City has provided for the redemption of certain of its outstanding long-term debt in the amount of $106,500,000 during the City's fiscal year ending June 30, 1976, funds for the payment of which have been applied from or are currently in sinking funds. In addition, the City has appropriated (but has not yet funded) $1,586,700,000 in its budget for the current fiscal year for the redemption and payment of interest on other long-term debt for such period.
FACTORS AFFECTING 1975 SERIES M BONDS

See "Factors Affecting 1975 Series B Bonds" in the Official Statement. The factors described therein could also affect the 1975 Series M Bonds, and, in addition, although the Bonds are not obligations of either the City or the State, financial developments with respect to the City or the State, or agencies of either, may affect the market price for Bonds of the Corporation.

FINANCIAL PLAN

The Corporation has been advised by the Office of the Comptroller of the City that the cash deficits of the City, after taking into account the City's regular revenue sources (the "Cash Deficits"), for September, October and November, 1975 are estimated to be as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>$ 838,000,000</td>
</tr>
<tr>
<td>October</td>
<td>801,000,000</td>
</tr>
<tr>
<td>November</td>
<td>541,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,180,000,000</strong></td>
</tr>
</tbody>
</table>

The amount shown above for September includes $81,000,000, which the City expects to pay to the New York City Educational Construction Fund (the "Fund"), a public benefit corporation, as rent on certain lease obligations of the City to the Fund. As of the date hereof, such amount is not included in the City's budget for the current fiscal year and as a consequence thereof the City will issue to the Corporation a budget note maturing in the current fiscal year in the amount advanced by the Corporation. As a result, the City's current budget should be revised to reflect that amount as an operating expense. The Corporation has been
informed that the amount paid by the City to the Fund is being
used by the Fund to pay its bond anticipation notes maturing on
September 25, 1975 in that amount.

The estimates shown above are subject to revision because
of unforeseen changes in, or in the timing of, the anticipated
revenues or expenses of the City. These figures have not been
reviewed or approved by the Emergency Financial Control Board,
created under the Financial Emergency Legislation (see "Recent
Developments Affecting the City" in this Supplement), which is
charged with approving a three-year financial plan for the City
by mid-October.

It is anticipated that the City's estimated Cash Deficits
will be made up substantially from the sources described below,
although no assurance can be given that all of such Cash Deficits
will, in fact, be made up and there is no certainty that all of
such sources will provide funds as anticipated. In addition,
even if all sources were available to provide funds, no assur-
ance can be given that they can or will be available at the
particular times within each month of the three-month period
when funds are required by the City to avoid a default in its
obligations.

**September.** To date, in September, 1975, the City
has obtained approximately $735,000,000 in new funds to meet
its September Cash Deficit, of which approximately $165,000,000
was from the prepayment of real estate taxes and $570,000,000
was from the Corporation. The latter amount was obtained by
the Corporation from the sale of an aggregate of $320,285,000
principal amount of Bonds to certain City pension funds, certain City sinking funds and certain New York City banks, and by an advance in the first instance to the Corporation from the State in the amount of $250,000,000.

The City's remaining Cash Deficit through September 30, 1975 (approximately $103,000,000) will be met from the sale of the Series M Bonds and proceeds from the sale of certain other of the Corporation's Bonds also being sold on or about September 25, 1975.

October-November. The aggregate Cash Deficit of the City for October and November is estimated by the Office of the Comptroller of the City to be approximately $1,342,000,000. The sources described below are expected to be used to meet such Cash Deficit, although, primarily because of the litigation referred to herein, there can be no certainty that all of such sources will, in fact, provide their funds as indicated.

The following sources have been authorized and directed by the Financial Emergency Legislation to purchase bonds of the Corporation, in the principal amounts set forth below, on or prior to December 1, 1975. The amounts purchased by these sources in September, the amounts to be purchased on September 25-26, 1975 and the remaining amounts to be purchased are also shown below.
<table>
<thead>
<tr>
<th>Source</th>
<th>Principal Amount to be Purchased</th>
<th>Previously Purchased in September</th>
<th>To be Purchased on September 25 or 26</th>
<th>Remaining Amounts to be Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain City Pension Funds</td>
<td>$500,000,000</td>
<td>$141,500,000</td>
<td>$63,000,000</td>
<td>$295,500,000</td>
</tr>
<tr>
<td>State Insurance Fund</td>
<td>100,000,000</td>
<td>0</td>
<td>25,000,000</td>
<td>75,000,000</td>
</tr>
<tr>
<td>Certain State* Pension Funds</td>
<td>225,000,000</td>
<td>0</td>
<td>0</td>
<td>225,000,000</td>
</tr>
</tbody>
</table>

In addition to the above sources, certain City sinking funds, although not directed by the Financial Emergency Legislation to do so, have agreed to purchase, during September, October and November, an aggregate of $180,000,000 principal amount of the Corporation's Bonds. Of that amount, $28,500,000 has been purchased and $63,000,000 is to be purchased on September 25, 1975. The remaining amount to be purchased is $88,500,000.

Pursuant to the Financial Emergency Legislation and subject to certain conditions contained therein, as described below, the State is expected to be the source of an additional $500,000,000 for October and November. As noted above, the State made an advance of $250,000,000 in the first instance to the Corporation in September for its corporate purposes. As a condition

* See "Litigation Affecting the Financial Plan" in this Supplement for a description of litigation pending against the State pension funds.
of the advance, the State Legislature's appropriation required that the State receive an agreement to repay such advance and receive a note of the Corporation in that amount. See "Litigation Affecting the Financial Plan" for a description of litigation commenced against the State and others challenging that part of the Financial Emergency Legislation that appropriated State funds to the Corporation in September and appropriates advances to the Corporation and the City in October and November.

Of the $500,000,000 to be supplied by the State in October and November, $250,000,000 is to be advanced in the first instance to the City for City purposes. In connection with such advance, the City is to enter into a repayment agreement and to issue a note to the State in the amount of $250,000,000 maturing not later than October 1, 1976 to be secured by a pledge to the State of all mortgages (i.e. Mitchell-Lama mortgages) issued and held by the City pursuant to Article 2 of the Private Housing Finance Law. The Financial Emergency Legislation provides that, if the City fails to pay the note when due, the State may deduct the amount owed from future payments of State aid apportioned to the City, provided, however, that the Per Capita State Aid referred to herein under "Provisions for Payment of the Bonds-Recent Developments", if required, is to be paid as therein described prior to the State making such deduction. The remaining $250,000,000 is to be advanced in the first instance to the Corporation for its corporate purposes. The Corporation is to enter into a repayment
agreement and to issue to the State bonds in that amount maturing not later than 20 years after they are issued.

The Financial Emergency Legislation provides that before the State advances the funds to the City and to the Corporation, as described above, the Director of the Budget of the State must issue certificates of approval of availability. Such certificates may be issued only upon the certification of the Corporation and the Emergency Financial Control Board (the "Control Board"), described under "Recent Developments Affecting the City" in this Supplement, in the months of October and November, 1975, that there will be available to the City in each of such months sufficient funds to meet the expenditures required to be made by the City in such months, as determined by the Corporation and the Control Board, after taking account of amounts to be made available by the State under the Financial Emergency Legislation.

However, no certificates of approval of availability may be issued under the Financial Emergency Legislation unless the Director of the Budget has also certified that there are assurances that funds from sources other than the State will be available which, together with the funds to be made available by the State under the Financial Emergency Legislation, will be sufficient to meet the expenditures to be made by the City during September, October and November, 1975. Such a certificate was issued in
connection with the State's advance to the Corporation in September. There can be no assurance, however, that the Director of the Budget will issue such certificates in October or November and thus no assurance can be given that the State funds would be available, as described above, in October or November.

The State obtained the $250,000,000 previously advanced to the Corporation by a sale of the State's revenue anticipation notes on September 15, 1975, and expects to obtain the remaining $500,000,000 through sales of additional notes in October and November. There are no firm commitments for the sale or underwriting of such notes by the State and no assurance can be given that such sales can or will be made as anticipated. In this connection, the Corporation has been informed by underwriters who purchased the most recent issue of State notes that the continued existence of the lawsuit against the State, described on page 15 herein under "Litigation Affecting the Financial Plan", which litigation challenges the constitutionality of certain aspects of the Financial Emergency Legislation, might preclude or make more costly the underwriting of the sales of the State's notes unless such litigation is resolved in favor of the State, at least by the court of first instance. See "Litigation Affecting the Financial Plan" in this Supplement.

Part of the remaining portion of the City's needs for October and November is expected to come from a roll-over of approximately $76,000,000 in principal amount of City notes maturing in those months and believed to be held by certain New York City banks, for City notes maturing one year from the dates of such roll-over.
None of the potential sources of funds described above would be available in the event of a default of the City on its debt obligations.

In summary, the approximately $1,342,000,000 required for October and November is expected to come primarily from the following sources, although no assurance can be given that such funds will in fact become available:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pension Funds</td>
<td>$225,000,000*</td>
</tr>
<tr>
<td>State Insurance Fund</td>
<td>75,000,000</td>
</tr>
<tr>
<td>State advances to the City and the Corporation</td>
<td>500,000,000*</td>
</tr>
<tr>
<td>City Pension Funds</td>
<td>295,500,000</td>
</tr>
<tr>
<td>City Sinking Funds</td>
<td>88,500,000</td>
</tr>
<tr>
<td>Roll-over of City notes</td>
<td>76,000,000</td>
</tr>
<tr>
<td>Amount remaining from sales in September</td>
<td>129,950,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,389,950,000</strong></td>
</tr>
</tbody>
</table>

Even if the plans described above were to be completed, the Corporation believes that the requirements of the City after December 1, 1975 substantially exceed the City's anticipated revenues and there can be no assurance that additional amounts required by the City to meet its future deficits will be available through the Corporation or otherwise. In addition, under the Act the Corporation has a limit imposed upon its advances to the City for operating expenses of $1,725,000,000. Upon completion of the Financing Plan as contemplated, the Corporation's advances are expected to be within $100,000,000 of such limit. Unless the Act is amended to provide for a higher limit the Corporation's ability to advance funds for operating expenses in the future will be limited.

* See "Litigation Affecting the Financial Plan."
LITIGATION AFFECTING THE FINANCIAL PLAN

There are several lawsuits currently pending which seek to prevent the investment by certain state pension funds (the "Pension Funds") in the securities of the Corporation.

The suits have been brought by various not-for-profit corporations, and certain of their officers and members and by various individuals, against Arthur Levitt, as sole trustee of certain of the Pension Funds and against the board of trustees of certain other Pension Funds. The plaintiffs in the various suits are seeking, among other things, (i) that the part of the Financial Emergency Legislation which directs the investment of the funds of the Pension Funds in bonds of the Corporation, be declared ineffective, void, unreasonable and unconstitutional under both the New York and the United States Constitutions and (ii) that the defendants be enjoined from investing funds of the Pension Funds in securities of the Corporation, unless such investments are deemed, in good faith, by the defendants in their fiduciary capacities to be in the best interests of such Funds.

In two of these lawsuits, the plaintiffs obtained orders restraining the defendant from investing any of the funds of the Pension Funds under his control in securities of the Corporation pending a hearing and determination of plaintiffs' motion for summary judgment. On September 22, 1975, the restraining order in each of the cases was vacated, the court stating, in an oral
opinion, that management decisions with respect to the Pension Funds are not "benefits" protected under the New York Constitution. The court also stated that the Corporation's bonds, in the amounts directed by the Financial Emergency Legislation, were prudent investments for each of the Pension Funds and that such investments constituted such a small percentage of the total of the Funds' assets as to create no risk of impairing the pension rights of the Funds' beneficiaries. Plaintiffs have stated that they intend to seek a stay of the lifting of the temporary restraining order pending appeal to the New York Court of Appeals.

Upon review of the lawsuits and issues raised therein, discussed above, and in connection with the issuance of the Bonds being offered hereby, the Attorney General is rendering his opinion as to the constitutionality of the Financial Emergency Legislation.

In September, 1975, an individual brought an action against the State, the Governor of the State and the Comptroller of the State, alleging that (i) pursuant to legislation adopted for such purpose, the State, acting by defendants Governor and Comptroller, has undertaken to borrow $750,000,000 on the faith and credit of the State in aid of the City, (ii) $250,000,000 of such amount has already been borrowed for such purpose, and (iii) the State has given or loaned its credit to or in aid of the City in violation of Article VII, Section 8 of the Constitution of the State by borrowing money in aid of the City. The plaintiff seeks a declaratory judgment that the statutory scheme included
in the Financial Emergency Legislation pursuant to which defendants Governor and Comptroller "have borrowed money on the credit of the State in aid of the City was not lawfully enacted and that any indebtedness incurred for such purpose is void and of no consequence or effect."

Following receipt of the complaint, the Attorney General of the State confirmed his opinion that the $250,000,000 of notes of the State issued in connection with the appropriations made under the Financial Emergency Legislation were legally issued and constituted binding general obligations of the State. The Attorney General has advised the Corporation that the legal issues raised to date by this litigation will not adversely affect his ability to render his opinion as to the validity of the issuance of additional State notes to be issued in furtherance of the appropriations made under the Financial Emergency Legislation.

While none of the allegations of the respective plaintiffs in the lawsuits described above, if proven, would impair the Corporation's ability to repay its Bonds or other obligations, the pendency of such lawsuits may delay or prevent the financing of the City through the Corporation, or from the State or other sources. To the extent such financing is delayed or prevented, the Financial Plan described in this Supplement may be substantially revised or curtailed. See "Financial Plan" in this Supplement.

The Corporation has authorized its attorneys to intervene in any or all of the above lawsuits or to file amicus curiae
briefs, if counsel determines that such intervention or briefs would be useful.

RECENT DEVELOPMENTS AFFECTING THE CITY

Financial Emergency Legislation

As a part of the Financial Emergency Legislation, the State Legislature adopted the New York State Financial Emergency Act for The City of New York (the "Emergency Act"), which, among other things, created the Emergency Financial Control Board (the "Control Board"). The members of the Control Board are the Governor and Comptroller of the State, the Mayor and Comptroller of the City, and William M. Ellinghaus (formerly Chairman of the Corporation), Albert V. Casey and David I. Margolis, the latter three being appointees of the Governor.

One of the Control Board's primary functions is to develop, in conjunction with the City, a financial plan for the City and so-called "covered organizations", which are defined as certain governmental agencies, public authorities and public benefit corporations which receive or may receive monies directly, indirectly or contingently (other than for the sale of goods or services or for loans to the City) from the City for the fiscal years ended June 30, 1976, 1977 and 1978 (the "City Financial Plan"). The City Financial Plan is to constitute a program by which (1) the City will achieve a budget for its fiscal year ending June 30, 1978 balanced in accordance with the accounting principles set forth in the State Comptroller's Uniform System
of Accounts for Municipalities, as the same may be modified by
the State Comptroller in consultation with the City Comptroller,
and (2) the State imposed limitations contained in the Act on
outstanding short-term obligations of the City will be observed
at all times.

The City Financial Plan is to be submitted to the
Control Board by the City by October 15, 1975 and is to be based
upon estimates prepared by the Control Board no later than Sep-
tember 30, 1975 of total revenues available to the City and the
covered organizations.

The Emergency Act provides that the Control Board shall
disapprove the City Financial Plan, submitted by the City, if it
fails, among other things, to provide for the payment in full of
the debt service requirement on all bonds and notes of the City
and the covered organizations, to provide that the operations of
the City and the covered organizations will be conducted within
the cash resources set forth in the Control Board's revenue esti-
mates in order to achieve the objectives of the program as de-
cribed above, or if it provides for aggregate expenditures (other
than amounts required to pay debt service, pension costs, public
assistance and care, and such other amounts as the Control Board
determines to be required by law (the "required amounts")) in the
expense budget of the City or any covered organization for any of
the years during which the City Financial Plan is in effect, above
the level contained in the current expense budget of the City or
of such covered organization (the "current expense budgets"). The
Control Board may, upon the request of the City, allow (a) an increase in the expense budget (other than for the required amounts) of the City or of a covered organization for any fiscal year (which increase may be cumulative) equal to two percent of the current expense budgets (other than the required amounts), or (b) such further increases as the Control Board may approve as required to meet the impact of substantial inflation after the effective date of the Emergency Act, but in either case only if the Control Board determines that increased revenues are available in an amount equal to the requested increase in expenditures.

If the City Financial Plan is not approved by October 20, 1975, the Control Board is directed by the Emergency Act to formulate and adopt its own plan to become effective as of October 20, 1975. The City Financial Plan may be modified by the Board from time to time in accordance with the Emergency Act.

Beginning on the effective date of the City Financial Plan, certain revenues normally received by the City or a covered organization shall become revenues of the Emergency Financial Control Board Fund (the "Fund"). Disbursements from the Fund to the City shall be made by the Control Board in accordance with the City Financial Plan.

In addition to its responsibilities with respect to the City Financial Plan, the Control Board is also charged with responsibility for the review and approval of proposed City contracts or obligations and, in coordination with the Corporation, the approval of long-term and short-term borrowing by the City or any covered organization. In carrying out these responsibilities the Control
Board is empowered to receive from the City and the covered organizations such financial and management information as it deems necessary or desirable and to carry out independent audits of the records of the City and the covered organizations.

The Financial Emergency Legislation also provides for the appointment of a Special Deputy State Comptroller for the City. Sidney Schwartz, formerly with the State Comptroller's office, has been named to that position. The Special Deputy Comptroller is to assist the Control Board in carrying out its functions.

See "Functions of the Corporation with Respect to the City" in the Official Statement as to the Corporation's continuing obligations under the Act.

Deputy Mayor of the City

In September, 1975, the Mayor appointed Kenneth Axelson as Deputy Mayor of the City of New York for Finance. Mr. Axelson has taken a leave (with pay) from his position as an Executive Vice President of J.C. Penney Co. while he serves as Deputy Mayor. He will be responsible for the overall supervision of the City's fiscal and management reorganization.

Wage Freeze Imposed by State

The Emergency Act imposes a freeze on salaries and wages of employees of the City and of covered organizations as of June 30, 1975, and, effective for the first pay period after September 1, 1975, suspends any increases in salaries that have taken place since that date. The wage freeze is to last for a one-year period, subject to extension by the Control Board if it believes an
extension is necessary to achieve the objectives of the City Financial Plan. The Emergency Act is otherwise similar to the wage freeze law enacted by the City on August 11, 1975, to take effect on September 1, 1975, previously described in the Official Statement. The Control Board may, if it finds that the fiscal crisis has been sufficiently alleviated or for any other appropriate reason, terminate the wage freeze, in whole or in part. The Emergency Act provides, similarly to the previously described City legislation, that it is inapplicable to employees who agree, through collective bargaining agreements or individually in the case of unrepresented employees, to defer increases, if the agreement is in writing and certified by the Mayor on or before September 1, 1975, or by the Control Board after that date as being an acceptable and appropriate contribution toward alleviating the fiscal crisis of the City.

THE CORPORATION

As of the date of this Supplement, the Directors of and Representatives to the Corporation are as follows:

**Directors**

Felix G. Rohatyn, Chairman  
Francis J. Barry  
John A. Coleman  
Thomas D. Flynn  
George D. Gould  
Dick Netzer  
Donna E. Shalala, Treasurer  
Robert C. Weaver

**Representatives**

Zane Klein  
Edward M. Kresky  
Leonard Nadel  
Arthur J. Quinn  
Robert W. Seavey  
M. Peter Schweitzer

Herbert Elish is the Corporation's Executive Director.

Daniel B. Goldberg has been appointed Counsel and Secretary of
the Corporation. There is one vacancy on the Board, caused by the 
resignation of William M. Ellinghaus, who resigned when he became 
a member of the Control Board.

DESCRIPTION OF THE 1975 SERIES M BONDS

The 1975 Series M Bonds will be dated September 26, 
1975, and will bear interest therefrom, payable semi-annually on 
February 1 and August 1 of each year commencing February 1, 1976, 
at the rates, and will mature on the dates and in the amounts, set 
forth on Schedule I to this Supplement.

The 1975 Series M Bonds will be issued as coupon Bonds, 
in the denominations of $5,000 each, registrable on the books of 
the Corporation at the corporate trust office of the Trustee, as 
to principal only, or as fully registered Bonds in denominations 
of $5,000 or any integral multiple of $5,000. Coupon Bonds and 
fully registered Bonds are interchangeable.

For every exchange or transfer of the 1975 Series M 
Bonds, the Corporation or the Trustee may make a charge sufficient 
to reimburse it for any tax, fee or other governmental charge 
required to be paid with respect to such exchange or transfer, 
which sum or sums shall be paid by the person requesting such ex-
change or transfer as a condition precedent to the exercise of 
the privilege of making such exchange or transfer. The cost of 
preparing each new Bond issued upon such exchange or transfer and 
any other expenses of the Corporation or the Trustee incurred in 
connection therewith (except any applicable tax, fee or other
governmental charge) shall be paid by the Corporation as an operating expense.

**PROVISIONS FOR PAYMENT OF THE BONDS - RECENT DEVELOPMENTS**

Additional Source of Revenue for Municipal Assistance Tax Fund

The Financial Emergency Legislation provides that, subject to annual appropriation by the State legislature, the Special Account in the Municipal Assistance Tax Fund (as defined in the Official Statement) may have an additional source of funds of up to $80,000,000 a year from the per capita state aid payable to the City under Section 54 of the State Finance Law after certain other statutory requirements for such state aid are met (the "Per Capita State Aid"). This source of funds for the Special Account would be available if the Corporation were to issue additional Bonds, Notes or Other Obligations (as defined in the Official Statement) under the General Bond Resolution, to the extent the Corporation includes Per Capita State Aid in any computation required by the General Bond Resolution in connection with the issuance of such securities. See "Estimated Amounts Available for Debt Service and Debt Service Coverage" in this Supplement. Per Capita State Aid will not be included in any such computation with respect to the issuance of the 1975 Series M through Series P Bonds. Accordingly, at this time, the Per Capita State Aid is not a source of payments into the Special Account. To the extent that the Per Capita State Aid becomes a source of revenue to the Special Account, it would
be available to meet the requirements of the Debt Service Fund and the Capital Reserve Fund (as is defined in the Official Statement) in the same manner as the Sales Tax and the Stock Transfer Tax, as described in the Official Statement under "Provisions for Payment of the Bonds."

The Corporation estimates that it would be authorized to issue approximately $3,580,000,000 principal amount of Bonds under the General Bond Resolution giving effect to the full amount of Per Capita State Aid available therefor under the Financial Emergency Legislation. Such estimate is based upon the assumption that additional Bonds issued subsequent to the date hereof would bear interest at the rate of 11% per annum and would mature primarily between 1978 and 1988.

The Act also permits the Corporation to issue notes and bonds to be secured in the first instance by allocations of additional Per Capita State Aid (such state aid to be available, however, only after appropriation and payments of certain amounts being a statutory priority as to such aid) and additionally secured by a capital reserve fund, which may be established pursuant to the Act on substantially the same terms and conditions as the Capital Reserve Fund established under the General Bond Resolution for the Bonds. Such notes and bonds (the "State Aid Notes and Bonds") have not been authorized at this time by the Corporation. Any State Aid Notes and Bonds would be issued under a new bond resolution, rather than under the General Bond Resolution, and the amount of such State Aid Notes and Bonds which could be issued would depend upon the applicable provisions for issuance of such Bonds and Notes under such Resolution, and, under current law, would be subject to
the overall $5,000,000,000 limitation contained in the Act. If State Aid Notes and Bonds were to be authorized, the Per Capita State Aid would be deposited in a special fund to be called the Municipal Assistance State Aid Fund. If State Aid Notes or Bonds were to be issued, then the Corporation would no longer be permitted to issue additional Bonds, Notes or Other Obligations under the General Bond Resolution, to the extent such issuance would require the Per Capita State Aid for the coverage test of the General Bond Resolution to be met.

Estimated Amounts Available for Debt Service and Debt Service Coverage

Assuming that the Sales Tax and the Stock Transfer Tax collections in each fiscal year subsequent to the Corporation's fiscal year ended June 30, 1975, remain at the levels of the State collections of the sales and compensating use taxes imposed by the City, and the Stock Transfer Tax for the 12-month period ended July 31, 1975, the aggregate annual amount which would be available from the Sales Tax, and from the Stock Transfer Tax if needed, to pay debt service on the authorized Bonds and Notes is shown below:

(Dollars in Thousands)

Sales and compensating use taxes for the 12 months ended July 31, 1975 ............... $785,975,621*  
Stock transfer tax for the 12 months ended July 31, 1975 ......................... 194,242,507**  
Aggregate Annual Amount*** ......................... $980,218,128

*The State Division of the Budget estimates that proration and tax payments allocated to the period prior to July 1, 1975, will reduce amounts payable into the Special Account in fiscal 1976 by $80,000,000.

**Stock Transfer Tax not available to the Corporation until after March 31, 1976.

***Excludes Per Capita State Aid. See "Additional Source of Revenue for Municipal Assistance Tax Fund."
Set forth below are the debt service requirements for each fiscal year of the Corporation for Bonds outstanding as of the date hereof, after giving effect to the issuance of the 1975 Series M Bonds (assuming $82,550,000 in principal amount is issued) through Series P Bonds:

<table>
<thead>
<tr>
<th>Fiscal year ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$ 107,955,824</td>
</tr>
<tr>
<td>1977</td>
<td>397,264,587</td>
</tr>
<tr>
<td>1978</td>
<td>395,765,012</td>
</tr>
<tr>
<td>1979</td>
<td>390,840,637</td>
</tr>
<tr>
<td>1980</td>
<td>378,290,462</td>
</tr>
<tr>
<td>1981</td>
<td>315,567,900</td>
</tr>
<tr>
<td>1982</td>
<td>311,473,500</td>
</tr>
<tr>
<td>1983</td>
<td>312,653,825</td>
</tr>
<tr>
<td>1984</td>
<td>303,495,400</td>
</tr>
<tr>
<td>1985</td>
<td>278,604,587</td>
</tr>
<tr>
<td>1986</td>
<td>265,457,087</td>
</tr>
<tr>
<td>1987</td>
<td>179,761,112</td>
</tr>
<tr>
<td>1988</td>
<td>158,360,787</td>
</tr>
<tr>
<td>1989</td>
<td>144,323,600</td>
</tr>
<tr>
<td>1990</td>
<td>152,317,075</td>
</tr>
<tr>
<td>1991</td>
<td>7,784,000</td>
</tr>
<tr>
<td>1992</td>
<td>7,223,000</td>
</tr>
<tr>
<td>1993</td>
<td>7,662,000</td>
</tr>
<tr>
<td>1994</td>
<td>6,991,000</td>
</tr>
<tr>
<td>1995</td>
<td>2,220,000</td>
</tr>
</tbody>
</table>

Based on the information presented above: (i) the $980,218,128 total aggregate estimated amount available for debt service on the Bonds referred to above, less the Corporation's estimated operating expenses for its current fiscal year ($4,000,000), would cover the maximum total annual debt service 2.45 times; and (ii) the $785,975,621 sales and compensating use taxes (less operating expenses) would cover maximum total annual debt service 1.97 times.
Note Issued to State

The $250,000,000 note of the Corporation issued to the State on September 15, 1975, maturing on September 14, 1976, is a general obligation of the Corporation. The note is not secured by or entitled to any of the revenues on deposit or to be deposited in the Debt Service Fund or the Capital Reserve Fund. A special fund, called the $250,000,000 1975 Subordinated Note Repayment Fund (the "Repayment Fund"), was established in connection with the issuance of the note and the proceeds in the Repayment Fund are pledged to secure the repayment of the note. The source of funds for the Repayment Fund is the same as for the Debt Service Fund and the Capital Reserve Fund, but no amounts may be paid into the Repayment Fund unless all payments required pursuant to the General Bond Resolution have been received and deposited in the Debt Service Fund or the Capital Reserve Fund. The pledge of the Repayment Fund is subordinate to the pledge effected by the General Bond Resolution for the Bonds.
OPINIONS AND LITIGATION - RECENT DEVELOPMENTS

On September 18, 1975, Hawkins, Delafield & Wood, Bond Counsel to the Corporation, supplemented the opinions rendered in connection with the Bonds and expect to render such supplemental opinion in connection with the 1975 Series M Bonds in the form attached hereto.

On September 22, 1975, the Corporation was informed by an attorney purporting to represent himself, as a bondholder, and certain other City bondholders that, in the event of a default by the City on the bonds they hold, he intends to bring a lawsuit against the Corporation and others, apparently asserting a claim to the Sales Tax and Stock Transfer Tax prior to that of the Corporation. See opinion of Hawkins, Delafield & Wood attached hereto.

On September 10, 1975, the plaintiff in the action described in the Official Statement under "Litigation" served a notice of appeal to the Appellate Division from the order granting the Corporation's motion for summary judgment. On September 12, 1975, the plaintiff in that action served a further notice of appeal directly to the Court of Appeals from such order.

The references herein to the Financial Emergency Legislation, the Act, the Tax Law, the State Finance Law and the Resolutions are summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the
Legislation, the Act, such Laws and the Resolutions for full and complete statements of such provisions. Copies of such Legislation, the Act, such Laws and such Resolutions are available at the office of the Corporation.

The delivery of this Supplement No. 1 to the Official Statement, together with the Official Statement, has been duly authorized by the Corporation.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
**SCHEDULE I**

*(Dollars in Thousands)*

1975 Series M Bonds

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Interest Rate</th>
<th>Aggregate Principal Amount</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1977</td>
<td>9%</td>
<td>5,000</td>
<td>100%</td>
</tr>
<tr>
<td>1978</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1979</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1980</td>
<td>10%</td>
<td>27,200</td>
<td>100%</td>
</tr>
<tr>
<td>1981</td>
<td>10-1/4%</td>
<td>2,400</td>
<td>100%</td>
</tr>
<tr>
<td>1982</td>
<td>10-1/2%</td>
<td>6,075</td>
<td>100%</td>
</tr>
<tr>
<td>1983</td>
<td>10-3/4%</td>
<td>2,000</td>
<td>100%</td>
</tr>
<tr>
<td>1984</td>
<td>11%</td>
<td>22,500</td>
<td>100%</td>
</tr>
<tr>
<td>1985</td>
<td>11%</td>
<td>3,175</td>
<td>100%</td>
</tr>
<tr>
<td>1986</td>
<td>11%</td>
<td>6,200</td>
<td>100%</td>
</tr>
<tr>
<td>1987</td>
<td>11%</td>
<td>200</td>
<td>100%</td>
</tr>
<tr>
<td>1988</td>
<td>11%</td>
<td>200</td>
<td>100%</td>
</tr>
<tr>
<td>1989</td>
<td>11%</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>1990</td>
<td>11%</td>
<td>3,100</td>
<td>99%</td>
</tr>
<tr>
<td>1991</td>
<td>11%</td>
<td>100</td>
<td>99%</td>
</tr>
<tr>
<td>1992</td>
<td>11%</td>
<td>100</td>
<td>99%</td>
</tr>
<tr>
<td>1993</td>
<td>11%</td>
<td>1,100</td>
<td>99%</td>
</tr>
<tr>
<td>1994</td>
<td>11%</td>
<td>1,100</td>
<td>99%</td>
</tr>
<tr>
<td>1995</td>
<td>11%</td>
<td>2,000</td>
<td>99%</td>
</tr>
</tbody>
</table>
Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

You have asked us to supplement our opinions concerning bonds issued under the General Bond Resolution referred to in our opinions rendered to the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State.

Supplementing paragraph 8 of such opinions, we are of the opinion that no holder of any bonds or notes of The City of New York has a lien on the Stock Transfer Tax, the Stock Transfer Tax Fund, the Sales Tax or the Special Account for the Corporation in the Assistance Fund, which Taxes and Funds are defined in such opinions.

We are further of the opinion that, in any suit, action or other proceeding brought by the holder of any bonds or notes of The City of New York (whether under Chapter 9 of the Federal Bankruptcy Act or otherwise) asserting a right to any such Taxes, such Stock Transfer Tax Fund or such Special Account superior or equal to the rights of holders of bonds issued under said General Bond Resolution, such holder will not prevail in the court of final jurisdiction.

Very truly yours,

[To be signed,
HAWKINS, DELAFIELD & WOOD]
Official Statement

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
A Corporate Governmental Agency and Instrumentality of
The State of New York
Relating to
$275,000,000 1975 Series B Bonds

INTRODUCTION

This Official Statement of the Municipal Assistance Corporation For The City of New York (the "Corporation") is provided for the purpose of setting forth information concerning the Corporation in connection with the sale of its $275,000,000 1975 Series B Bonds (the "1975 Series B Bonds"). The 1975 Series B Bonds are to be issued pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act (the "Act"), being Titles I, II and III of Article 10 of the Public Authorities Law (constituting Chapter 43-A of the Consolidated Laws of the State of New York), the general bond resolution (the "General Bond Resolution") of the Corporation and the series resolution of the Corporation authorizing the 1975 Series B Bonds (the "1975 Series B Resolution"). The General Bond Resolution and the 1975 Series B Resolution are sometimes collectively referred to herein as the "Resolutions." The Attorney General of the State of New York has issued an opinion that the Act has been validly enacted and has become law in accordance with the Constitution and laws of the State of New York (the "State").

On July 10, 1975, the Corporation issued $1,000,000,000 of its 1975 Series A Bonds (the "1975 Series A Bonds"). On August 15, 1975, the Corporation sold $250,000,000 of its 6% 1975 Series C Bonds maturing on February 1, 1977-1979 (the "1975 Series C Bonds") to certain commercial banks which are members of the New York Clearing House ("Clearing House Banks"). The 1975 Series A Bonds, the 1975 Series B Bonds and the 1975 Series C Bonds, together with all bonds that may be issued hereafter under the General Bond Resolution (herein collectively referred to as the "Bonds"), are general obligations of the Corporation payable out of any revenues of the Corporation and are secured by an equal charge and a first lien on all monies and securities in the Corporation's Debt Service Fund and Capital Reserve Fund established under and defined in the General Bond Resolution. See "The Corporation," "Provisions for Payment of the Bonds" and "Summary of Certain Provisions of the General Bond Resolution."

The Corporation is a corporate governmental agency and instrumentality of the State and not of The City of New York (the "City"). As described herein, the Corporation's revenues are applicable to the payment of the Bonds and are derived from certain State tax revenues, which tax revenues, under existing law, are not available to the City or any person other than the Corporation until the requirements of the Corporation, including debt service on the Bonds, have been met.

Amendments to the State Tax Law (the "Tax Law"), which became operative July 1, 1975, impose State sales and compensating use taxes within the City (the "Sales Tax") and suspend the power of the City to adopt local laws for such types of taxes and the actual imposition by the City of such types of taxes. Amendments to the State Finance Law provide for the establishment of a Municipal Assistance Tax Fund (the "Municipal Assistance Tax Fund") and, within such Fund, a special account for the benefit of the Corporation (the "Special Account"). The Special Account will include the revenues derived from the Sales Tax, less such amount as the State Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing the Sales Tax.

Subject to annual appropriation by the State Legislature (see "Provisions for the Payment of the Bonds"), amounts of Sales Tax collected and deposited in the Special Account are to be paid to the Corporation at such times and in such amounts as are annually certified by the Chairman of the
Corporation (the "Chairman") as necessary to fund the Corporation's Debt Service Fund, Capital Reserve Fund and Operating Fund (as defined in the General Bond Resolution) at the levels required by the Act. The State Legislature has made such an appropriation of the Sales Tax beginning July 1, 1975 for the State's fiscal year ending March 31, 1976.

The amount that will be required to fund the Debt Service Fund in any fiscal year is the amount needed to pay all interest on and principal of, and sinking fund installments as well as any redemption premium on, the Corporation's outstanding Bonds and Notes and interest on Other Obligations (each as defined in the General Bond Resolution) maturing or otherwise coming due during that fiscal year (see "Provisions for Payment of the Bonds"). The amount that will be required to fund the Capital Reserve Fund is a fixed percentage of the amount of principal of and interest on the Corporation's outstanding Bonds maturing or otherwise coming due during a specified calendar year, including for such purpose any unpaid amounts of such principal and interest owing in respect of prior calendar years. The Corporation is not obligated to maintain any amount in the Capital Reserve Fund in 1975 or 1976; thereafter the fixed percentages are 25% for 1977, 50% for 1978, 75% for 1979 and 100% for 1980 and every calendar year thereafter. In the event that the amounts in the Special Account shall at any time be less than the amount certified by the Chairman referred to in the preceding paragraph, an amount equal to the deficiency in the Special Account will be transferred, subject to appropriation by the State Legislature, to the Special Account from the Stock Transfer Tax Fund (the "Stock Transfer Tax Fund"). Such Fund consists of the revenues derived from the tax imposed pursuant to the Tax Law on sales or transfers of stock and certain other certificates (the "Stock Transfer Tax").

Receipts from the City sales tax (imposed on the same tax base and at the same rate as the Sales Tax) and the Stock Transfer Tax for the 12 months ended June 30, 1975 amounted to $787,200,000 and $185,982,000, respectively, a total of $973,182,000. Such City sales tax receipts would have covered maximum estimated total annual debt service on the $3,000,000,000 authorized principal amount of Bonds 1.62 times. The total of such sales tax and Stock Transfer Tax receipts would have covered such maximum estimated total annual debt service 2.00 times. For additional information concerning the computation of the foregoing, see "Provisions for Payment of the Bonds—Estimated Amounts Available for Debt Service and Debt Service Coverage." The General Bond Resolution contains limitations on the issuance of additional Bonds based upon a certificate of the State Commissioner of Taxation and Finance with respect to Sales Tax and Stock Transfer Tax receipts.

The Corporation has no taxing power. The Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City is liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal of or interest on the Bonds.

For a more complete description of the funds to be used to pay the principal of, and redemption premium, if any, and interest on, the Bonds, see "Provisions for Payment of the Bonds."

For information concerning the arrangements for the purchase of the 1975 Series B Bonds by the Underwriters, see "Underwriting Arrangements."

For information which may affect the price of the 1975 Series B Bonds, see "Factors Affecting 1975 Series B Bonds."

**USE OF PROCEEDS AND NEEDS OF THE CITY**

Pursuant to the Act, the Corporation is authorized to borrow up to an aggregate of $3,000,000,000 and to pay or lend the proceeds of such borrowing to the City and to exchange the Corporation's obligations for short-term obligations of the City. If the Legislature were to increase the borrowing authoriza-
tion of the Corporation, it would be able to issue Bonds, Notes or Other Obligations in excess of the $3,000,000,000 now authorized as long as the Corporation would be in compliance after such issuance with the debt service coverage requirements of the General Bond Resolution. Of the amount authorized by the Act, $1,250,000,000 aggregate principal amount of Bonds has been issued. After the issuance of the 1975 Series B Bonds, the completion of the financing plan and the issuance of the Corporation's 1975 6% Series E Bonds, each as described below, the remaining authorization will be $1,119,705,000 against which the Corporation anticipates that there will be additional issuances in the near future. See “Summary of Certain Provisions of the General Bond Resolution—Additional Bonds and Notes” and “Summary of Certain Provisions of the General Bond Resolution—Additional Obligations.”

It is anticipated that the proceeds from the sale of the 1975 Series B Bonds, together with those from the financing plan described below, will provide sufficient funds to the City for the payment of its notes maturing on August 22, 1975 in the aggregate principal amount of $741,000,000 (the “August Notes”) and operating expenses through September 4, 1975. Neither the Underwriters nor the Corporation will be obligated to complete the sale of the 1975 Series B Bonds unless sufficient funds are available as of the date of closing, or about August 21, 1975, through the financing plan described below or otherwise, to permit the City to pay on August 22, 1975 the principal and interest on the August Notes. However, no particular component of the financing plan described below is required to be completed as described.

The components of the financing plan are expected to be substantially as follows:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Principal Amount (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale to Clearing House Banks of the Corporation's 1975 Series C Bonds</td>
<td>$250,000</td>
</tr>
<tr>
<td>Sale to the public of the 1975 Series B Bonds</td>
<td>275,000</td>
</tr>
<tr>
<td>Sale to Clearing House Banks of the Corporation's 6% 1975 Series D Bonds</td>
<td></td>
</tr>
<tr>
<td>maturing on February 1, 1977-1979 (the “1975 Series D Bonds”), which is</td>
<td></td>
</tr>
<tr>
<td>subject to the availability of sufficient funds to pay the August Notes</td>
<td>100,000</td>
</tr>
<tr>
<td>as stated above.</td>
<td></td>
</tr>
<tr>
<td>Advances by the State of certain funds previously scheduled for payment</td>
<td></td>
</tr>
<tr>
<td>to the City in December, 1975 and March, 1976</td>
<td>120,000</td>
</tr>
<tr>
<td>Sale to certain City pension funds of the Corporation’s 11% 1975 Series</td>
<td></td>
</tr>
<tr>
<td>F Bonds due February 1, 1986 (the “1975 Series F Bonds”) at 9934% of the</td>
<td>165,000</td>
</tr>
<tr>
<td>principal amount thereof</td>
<td></td>
</tr>
<tr>
<td>Sale to certain State pension funds of the Corporation’s 1975 Series G</td>
<td></td>
</tr>
<tr>
<td>Bonds bearing interest at the rates of 8½-11% and maturing February 1,</td>
<td>50,000</td>
</tr>
<tr>
<td>1977-1985 (the “1975 Series G Bonds”)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$960,000</strong></td>
</tr>
</tbody>
</table>

The Corporation received the proceeds of the sale of the 1975 Series C Bonds on August 15, 1975. Receipt of the net proceeds of the other transactions referred to above ($704,148,750) is expected to occur on August 21, 1975.

The Corporation believes that there can be no assurance, and has been informed by its underwriters and certain banks that such underwriters and banks cannot give assurance, that the Corporation will be able to obtain funds sufficient to enable the City to meet its operating expenses and the repayment of its indebtedness maturing subsequent to September 4, 1975.
Clearing House Banks have agreed to purchase, on or about September 11, 1975, the Corporation’s 6% 1973 Series E Bonds maturing on February 1, 1977-1979 (the “1975 Series E Bonds”), in an amount equal to the aggregate principal amount of City bonds and notes (estimated at $40,295,000), maturing in September, 1975, held by Clearing House Banks, so long as the City is not in default on any of its debt obligations, including those maturing on the date of such purchase.

In addition, Clearing House Banks have agreed with the City that they will exchange the notes of the City held by them as such notes mature between October 1, 1975 and June 30, 1976 (estimated at an aggregate of $550,000,000) for City notes maturing one year from the dates of such exchanges and bearing interest at the rate of 7 1/2% per annum, so long as the City is not in default on any of its debt obligations, including those maturing on the dates of such exchanges.

The Corporation believes that the financing requirements of the City substantially exceed amounts that the Corporation is at present authorized to borrow and there can be no assurance that additional amounts required by the City for operating expenses and the payment of its debt obligations as they mature will be available through the Corporation or otherwise (see “Summary of Certain Provisions of the General Bond Resolution—Additional Bonds and Notes”). The Corporation has been advised by the City that the outstanding short-term debt of the City consists of revenue anticipation notes ("RANs"), bond anticipation notes ("BANs"), urban renewal notes ("URNs") and tax anticipation notes ("TANs"). The following table sets forth information provided to the Corporation by the Office of the Comptroller of the City with respect to the outstanding principal amounts of and interest payable at maturity on RANs, BANs, URNs and TANs at the date of this Official Statement and the dates on which such notes mature:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Principal (In Millions)</th>
<th>Interest (In Millions)</th>
<th>Total (In Millions)</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 22, 1975</td>
<td>741.0</td>
<td>50.7</td>
<td>791.7</td>
<td>BANs &amp; RANs</td>
</tr>
<tr>
<td>September 11, 1975</td>
<td>46.0</td>
<td>1.8</td>
<td>47.8</td>
<td>BANs</td>
</tr>
<tr>
<td>September 15, 1975</td>
<td>400.0</td>
<td>33.6</td>
<td>433.6</td>
<td>RANs</td>
</tr>
<tr>
<td>October 17, 1975</td>
<td>420.4</td>
<td>32.7</td>
<td>453.1</td>
<td>BANs</td>
</tr>
<tr>
<td>November 10, 1975</td>
<td>250.0</td>
<td>20.7</td>
<td>270.7</td>
<td>RANs</td>
</tr>
<tr>
<td>December 11, 1975</td>
<td>400.0</td>
<td>37.8</td>
<td>437.8</td>
<td>RANs</td>
</tr>
<tr>
<td>December 17, 1975</td>
<td>30.0</td>
<td>1.8</td>
<td>31.8</td>
<td>URNs</td>
</tr>
<tr>
<td>January 12, 1976</td>
<td>620.0</td>
<td>58.1</td>
<td>678.1</td>
<td>RANs</td>
</tr>
<tr>
<td>January 13, 1976</td>
<td>200.0</td>
<td>18.8</td>
<td>218.8</td>
<td>BANs</td>
</tr>
<tr>
<td>February 13, 1976</td>
<td>290.0</td>
<td>21.8</td>
<td>311.8</td>
<td>RANs</td>
</tr>
<tr>
<td>March 12, 1976</td>
<td>491.3</td>
<td>42.8</td>
<td>534.1</td>
<td>BANs</td>
</tr>
<tr>
<td>May 28, 1976</td>
<td>220.0</td>
<td>16.0</td>
<td>236.0</td>
<td>BANs</td>
</tr>
<tr>
<td>June 10, 1976</td>
<td>280.0</td>
<td>22.4</td>
<td>302.4</td>
<td>TANs</td>
</tr>
<tr>
<td>June 11, 1976</td>
<td>51.5</td>
<td>4.1</td>
<td>55.6</td>
<td>BANs</td>
</tr>
</tbody>
</table>

**Total**                       | **$4,440.2**            | **$363.1**             | **$4,803.3**         |

In addition, $904,500,000 of TANs maturing from September 9, 1975 to January 12, 1976 are held by the Corporation. The Corporation has determined that it will exchange such notes, upon maturity, for notes of the City maturing at later dates, provided that the City is in compliance with the conditions set forth in the Act.

The City has provided for the redemption of certain of its outstanding long-term debt in the amount of $106,500,000 during the City’s fiscal year ending June 30, 1976, funds for the payment of which are currently in sinking funds. In addition, the City has appropriated (but has not yet funded) $1,586,700,000 in its budget for the current fiscal year for the redemption and payment of interest on other long-term debt for such period.
THE CORPORATION

The Corporation, a corporate governmental agency and instrumentality of the State constituting a public benefit corporation, was created in June 1975, by the Act, for the purposes of assisting the City in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City. To carry out such purposes, the Corporation is empowered, among other things, to issue and sell bonds and notes and to pay or lend funds received from such sale to the City and to exchange the Corporation's obligations for obligations of the City. See "Functions of the Corporation with Respect to the City---Powers of the Corporation."

The Act provides that no bond or note of the Corporation shall mature more than 15 years from the date of the original issue of such bond or note, and that no such bond or note shall be issued later than June 10, 1980, unless such bond or note is a renewal or refunding of an outstanding bond or note.

The present Directors of the Corporation are as follows:

Directors

William M. Ellinghaus, Chairman
Francis J. Barry
John A. Coleman
Thomas D. Flynn
George D. Gould
Dick Netzer
Felix G. Rohatyn
Donna E. Shalala, Treasurer
Robert C. Weaver

Representatives

Zane Klein
Edward M. Kresky
Leonard Nadel
Arthur J. Quinn
Robert W. Seavey
M. Peter Schweitzer

Herbert Elish has been appointed by the Corporation as its Executive Director.

For additional information as to the Board of Directors of and the Representatives to the Corporation and related matters, see "Management."

The State has appropriated $3,000,000 to the Corporation to provide the Corporation with the funds needed to meet its initial operating costs. The Corporation has agreed to repay to the State, without interest, out of its Operating Fund, any amount of such appropriation which it expends. No portion of the proceeds of the sale of the 1975 Series A Bonds or 1975 Series B Bonds will be applied to such repayment.

On July 10, 1975, the Corporation sold its 1975 Series A Bonds in the aggregate principal amount of $1,000,000,000 and on August 15, 1975, the Corporation sold its 1975 Series C Bonds in the aggregate principal amount of $250,000,000, the combined net proceeds of which ($1,232,343,024) have been or will be used as described below.

On July 10, 1975, the Corporation applied $275,000,000 to the payment of the principal amount of its outstanding notes, plus accrued interest thereon, which notes had been sold at par to Clearing House Banks in June and July of 1975 pending delivery of the 1975 Series A Bonds. The proceeds of the notes that were refunded had been applied to the payment of operating expenses of the City.

From July 10, 1975 through August 14, 1975, the Corporation advanced $629,500,000 to the City in order to provide the City with funds to meet its operating expenses, and in connection therewith has received TANs from the City for such amount bearing interest at the rate of 5 3/4% and maturing on September 9, 1975, December 11, 1975 and January 12, 1976.

The balance of such proceeds will be advanced to the City on or after August 15, 1975 to pay operating expenses of the City for which the Corporation will receive TANs.
FACTORS AFFECTING 1975 SERIES B BONDS

The Corporation believes that, in addition to being affected by general conditions in the bond market, market prices of the 1975 Series A Bonds may have been affected and market prices of the 1975 Series B Bonds may be affected by developments with respect to the City's financial condition notwithstanding the fact that such Bonds do not constitute obligations or debts of the City. Since the release on July 21, 1975 of underwriting syndicate restrictions with respect to trading in the 1975 Series A Bonds, such Bonds have traded substantially below their initial offering prices. The Corporation believes that its ability to repay such Bonds is not dependent upon the financial condition of the City. See "Provisions for Payment of the Bonds."

There can be no assurance that there will exist any substantial market for the 1975 Series B Bonds at or near the levels of their initial offering prices.

Approximately $650,000,000 of the 1975 Series A Bonds were sold to institutional investors with the understanding that such institutions would not resell the 1975 Series A Bonds for a period of 90 days ending on September 30, 1975. For additional information concerning arrangements with respect to the sale of the 1975 Series B Bonds, see "Underwriting Arrangements."

Although the 1975 Series B Bonds are issuable in the denomination of $1,000 (see "Description of the 1975 Series B Bonds"), municipal securities are usually issued in denominations of $5,000 and multiples thereof. Accordingly, any market for 1975 Series B Bonds in the $1,000 denomination may be limited and subject to commissions or discounts greater than those applicable to Bonds of the $5,000 denomination.

RECENT DEVELOPMENTS AFFECTING THE CITY

Wage Freeze

On July 31, 1975, the Mayor of the City (the "Mayor") announced that there will be a wage freeze, whether voluntary or imposed, for City employees to the levels of pay as of June 30, 1975. Under legislation signed by the Mayor on August 11, 1975, the Mayor has the power to suspend all or part of increases in salaries or wages of public employees, which have taken effect since June 30, 1975 or which will take effect after that date pursuant to collective bargaining agreements or other analogous contracts. The suspension of such increases, if ordered, would be effective on September 1, 1975 and would continue for one year unless the Mayor discontinued such suspension, in whole or in part, because he found the City's fiscal crisis to have been alleviated or for any other appropriate reason. The wages and salaries of all employees who are subject to collective bargaining agreements with the City, as well as those employees who are subject to collective bargaining agreements with certain non-mayoral agencies, are intended to be subject to the legislation. Certain union officials have stated publicly that they may bring lawsuits to challenge the power of the City to enforce the legislation, to the extent that the Mayor orders that it be applied to the wages and salaries of members of their unions.

The legislation provides that it is inapplicable to any public employee or group of employees who voluntarily agree in writing to a deferment of salary or wage increases, if such agreement is certified by the Mayor as acceptable and appropriate for alleviating the City's fiscal crisis. The Corporation has been informed by the City that unions representing approximately 175,000 employees have agreed (although such agreements have not yet been reduced to writing) to a graduated freeze on wages, under which, effective September 1, 1975, those employees earning $15,000 a year or more will have deferred the entire 6% increase that went into effect on July 1, 1975 pursuant to collective bargaining agreements, those earning between $10,000 and $15,000 a year will have deferred two-thirds of such increase and those earning less than $10,000 a year will have deferred one-third of such increase.

The Mayor also announced that managerial and executive employees of the City, who are not subject to collective bargaining agreements, will have their salaries frozen at the levels in effect at July 1, 1973, the last effective date of increases for such personnel.

Expenditure Limitation

On August 6, 1975, the Mayor announced that he would impose a limit on City expenditures under his control (which would exclude, for example, debt service requirements, pension costs and other
federal and State mandated expenditures) through its fiscal year ending June 30, 1978, to the levels contained in the current expense budget, subject, however, to increases of up to 2%, if necessary to meet unforeseen contingencies and if sufficient revenues are available. For limitations imposed by the Act on City expenditures, see "Functions of the Corporation with Respect to the City—Conditions."

Transit Fare Increase

The Metropolitan Transit Authority has announced a 15¢ fare increase, effective September 1, 1975, raising bus and subway fares in the City to 50¢. The increased fares may reduce the amount by which the City would otherwise have been required to make up operating deficits in the City transit system.

Reduction in City University Funds

The Mayor announced on July 31, 1975, that the City would decrease its subsidy to the City University by $32,000,000 in the current fiscal year.

Review Board

On August 7, 1975, the Mayor announced the formation of a Management Advisory Board, which will be headed by Richard R. Shinn, President of the Metropolitan Life Insurance Company.

Capital Budget

On July 31, 1975, the Mayor announced that he would order the transfer of $30,000,000 of operating expenses from the City's capital budget to the City's expense budget for the current fiscal year.

Recent Lawsuit

On August 13, 1975, an individual who purchased a RAN from the City brought a purported class action on behalf of himself and all other persons who purchased RANs or BANs of the City since September 30, 1974 (excepting only the defendants) against the City, the Mayor, the City Comptroller and certain banks and non-bank dealers. The complaint in the action alleges that the defendants were aware of material information with respect to the financial condition of the City that was not publicly disclosed at the time the City securities were purchased by plaintiff and other members of the purported class, in violation of the federal securities laws. The plaintiff seeks rescission, damages including the amount of $1,000,000,000 from each of the defendants and the costs and expenses of the action. The Corporation is not a defendant in this lawsuit and the complaint does not contain any allegations, which, if proven, would impair the Corporation's ability to repay its Bonds.

Other Developments

Certain City and State officials have raised questions with respect to certain of the City's fiscal practices, including the manner in which the City accounts for the amount of taxes and other revenues it expects to receive and the issuance of notes of the City in anticipation of the receipt of such revenues. One of the functions of the Corporation is to initiate and supervise reforms of certain of the City's fiscal practices. See "Functions of the Corporation with Respect to the City."

PROVISIONS FOR PAYMENT OF THE BONDS

General

The Bonds are general obligations of the Corporation payable out of any revenues of the Corporation. The Bonds are entitled to a first lien created by the pledge under the General Bond Resolution of all monies and securities paid into the Debt Service Fund and the Capital Reserve Fund held by the Trustee. Such monies and securities include each of the following (i) all amounts received by the Corporation from the State as payments from the Municipal Assistance Tax Fund (see "Municipal Assistance Tax Fund") for deposit in the Debt Service Fund and in the Capital Reserve Fund; (ii) all other amounts received by the Corporation from the State as payments for deposit in the Capital Reserve Fund (pursuant to the certification annually, on or before December 1, by the Chairman to the Governor and the State Director of the Budget, of the sums necessary to restore the Capital Reserve Fund to the
required amount, see “Restoration of Capital Reserve Fund”); and (iii) any income or interest earned as a result of investments of such amounts so deposited in such Funds. The first lien referred to above is subject only to the provisions of the General Bond Resolution requiring the application of the amounts in the Debt Service Fund and the Capital Reserve Fund to the payment, when due, of the principal or redemption price, if any, of and interest on the Bonds, and permitting the application of amounts in the Debt Service Fund to the payment, when due, of the principal and interest on Notes and interest on Other Obligations of the Corporation as provided in the General Bond Resolution. In connection with such permitted application of funds in the Debt Service Fund, the Corporation may grant an equal lien on all monies and securities in the Debt Service Fund (other than monies, if any, paid into the Debt Service Fund from the Capital Reserve Fund) to secure payment of principal of and interest on Notes and interest on Other Obligations. See “Summary of Certain Provisions of the General Bond Resolution—Additional Bonds and Notes.”

Payment of the amounts referred to in clause (i) above will be subject to the certification, not later than February 12 in each year or thereafter if revision is required, by the Chairman to the State Comptroller and to the Mayor of a schedule setting forth the cash requirements of the Corporation for such fiscal year and the time or times when such cash is required. The certification is required to include the total amount required to be deposited in the Debt Service Fund to pay all interest on and all principal of and redemption premium, if any, on Bonds and Notes maturing or otherwise coming due during such fiscal year and interest on Other Obligations becoming due in such fiscal year and the total amount required to be deposited in the Capital Reserve Fund during such fiscal year in order to maintain the Capital Reserve Fund at the required amount. The amount that will be required to fund the Capital Reserve Fund is a fixed percentage of the amount of principal of and interest on the Corporation’s outstanding Bonds maturing or otherwise coming due during a specified calendar year, including for such purpose any unpaid amounts of such principal and interest owing in respect of prior calendar years. The Corporation is not obligated to maintain any amount in the Capital Reserve Fund in 1975 or 1976; thereafter the fixed percentages are 25% for 1977, 50% for 1978, 75% for 1979 and 100% for 1980 and every calendar year thereafter.

Payment to the Corporation of the amounts referred to in clause (i) above are required to be made by the State only if and to the extent that monies have been appropriated by the State Legislature from the Special Account established for the Corporation in the Municipal Assistance Tax Fund or that revenues have otherwise been made available therefor by the State (see “Municipal Assistance Tax Fund”). The source of monies in the Special Account is the sales and compensating use taxes imposed by Section 1107 of Article 28 of the Tax Law and, beginning with the State fiscal year commencing April 1, 1976, if required, the Stock Transfer Tax Fund, the monies in which are derived from the tax on the sale or transfer of stock and certain other certificates imposed by Sections 270, 270-a and 270-d of Article 12 of the Tax Law. In the opinion of Bond Counsel, the State has the right and power to impose such taxes and to increase or decrease the amount of such taxes, to establish the Municipal Assistance Tax Fund, the Special Account therein and the Stock Transfer Tax Fund and to make any such appropriation, but is not bound or obligated to continue the imposition of said taxes, to maintain the existence of the Municipal Assistance Tax Fund, any special account therein or the Stock Transfer Tax Fund or to make such appropriations. See “Appropriation by Legislature.”

The Corporation, in accordance with the Act and pursuant to the express provisions of the General Bond Resolution, has covenanted to cause its Chairman to certify each year (at the time or times required) to the State Comptroller and to the Mayor schedules setting forth the cash requirements of the Corporation for such fiscal year and the time or times when such cash is required, all as described above.

In addition to the monies that become available to the Corporation from the Special Account in the Municipal Assistance Tax Fund, or otherwise from the State, which are deposited in and subject to the aforesaid pledge of and lien upon the Debt Service Fund and Capital Reserve Fund, the Corporation may from time to time receive payments from the City of the principal of and interest on obligations of the City purchased or exchanged by the Corporation. Unless such payments are otherwise required either for the further purchase or exchange of obligations of the City or for other corporate purposes of the
Corporation, the Corporation will deposit such monies in the Debt Service Fund and will apply such monies to the payment of principal of and interest on obligations issued by the Corporation. Such monies in the Debt Service Fund are subject to the aforesaid pledge and lien upon the Debt Service Fund. The amount the Chairman is required to certify for debt service on the Bonds may not be reduced by any amounts payable to the Corporation in respect of obligations of the City. Such obligations of the City held from time to time by the Corporation are not subject to the lien created by the pledge under the General Bond Resolution.

Set forth below is a chart which illustrates the flow of funds as described above:

- After appropriation by State Legislature.
- After March 31, 1976, available, if necessary.
- After certification by the Corporation as to its requirements.
- After appropriation by State Legislature and after payment of all amounts certified by the Corporation, if any.
- Available, if necessary.
- After payment of all amounts certified by the Corporation.
Neither the Corporation nor the holders of the Bonds shall have any lien on the monies in the Special Account of the Municipal Assistance Tax Fund. Any provisions of the General Bond Resolution and the Bonds with respect to provision for payment by the State to the Corporation of the Sales Tax or the Stock Transfer Tax out of the Special Account or by transfer to the Municipal Assistance Tax Fund from the Stock Transfer Tax Fund are executory only to the extent of the monies available to the State in such Funds from time to time which monies shall have been theretofore appropriated to the Corporation and no liability on account thereof shall be incurred by the State beyond the monies available in such Funds.

The Corporation has no taxing power. The Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of the principal of or the interest or any redemption premium on the Bonds.

**Appropriation by Legislature**

The State Finance Law provides that the State Legislature shall appropriate the Sales Tax and Stock Transfer Tax to the Corporation. Under the State Constitution in order to appropriate State funds, the State Legislature must approve such appropriation at least every two years. The State Legislature may not be bound in advance to make such an appropriation. It is contemplated that the State Legislature will make an annual appropriation of the Sales Tax and Stock Transfer Tax.

The Sales Tax is now imposed at the same rate and upon the same base as the previously imposed City sales tax and is the primary source of payment for the Bonds. The Sales Tax is a new tax source for the State which, under the State Finance Law, is deposited in a special fund of the State (the Special Account in the Municipal Assistance Tax Fund) rather than in the State’s general fund. The provisions of the State Finance Law relating to the creation of the Municipal Assistance Tax Fund provide that in no event shall the State Comptroller pay over and distribute any monies in the Special Account (other than the amount to be deducted for administering, collecting and distributing the Sales Tax) to any person other than the Corporation unless and until the aggregate of all cash requirements of the Corporation as certified to the State Comptroller have been appropriated and have been paid to the Corporation in full.

The Corporation believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and its agencies and public benefit corporations to raise funds in the public market.

The foregoing discussion does not constitute an assurance that the State Legislature will appropriate the Sales Tax and Stock Transfer Tax as contemplated.

**Municipal Assistance Tax Fund**

The Municipal Assistance Tax Fund has been established by the State Finance Law and is in the custody of the State Comptroller. Within the Municipal Assistance Tax Fund, the Special Account is established for the benefit of the Corporation. The Special Account receives the revenues from the Sales Tax, less such amount as the State Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing the Sales Tax. The operative date of the Sales Tax was July 1, 1975. The State Finance Law provides for the appropriation of the Sales Tax by the Legislature (although the Legislature is not obligated or bound to make such appropriation) (i) to the Corporation in order to enable the Corporation to fulfill the terms of any agreements made with the holders of the Corporation’s securities and to carry out its corporate purposes and (ii) to the City, to the extent of any balance. The Act provides that any provision therein or in any agreement by the Corporation with the holders of the Corporation’s securities which relates to certain taxes, including the Sales Tax and the Stock Transfer Tax, or to certain funds, including the Municipal Assistance Tax Fund and the Special Account, shall be deemed executory only to the extent of the monies available to the State in such Funds from time to time which monies shall have been theretofore appropriated to the Corporation and no liability on account thereof shall be incurred by the State beyond the monies in such Funds.

The Act provides that the State Comptroller shall make payments from the Special Account to the Corporation in the amounts and at the times certified by the Chairman to the State Comptroller and the
Mayor. In the event that the amounts in the Special Account that have been appropriated to the Corporation shall at any time be less than the amount certified by the Chairman, the State Finance Law provides for the transfer from the Stock Transfer Tax Fund to the Special Account of an amount equal to the deficiency. The Stock Transfer Tax Fund consists of the revenues derived from the Stock Transfer Tax. However, the State Finance Law does not authorize any appropriation of the monies in the Stock Transfer Tax Fund to the Corporation until the fiscal year of the State beginning April 1, 1976.

The State Finance Law provides that the State Comptroller shall from time to time, but in no event later than the 15th day of October, January and April and the last day of June of each fiscal year, pay to the City all revenues in the Special Account in excess of the amount which the Chairman has certified to the State Comptroller. The Sales Tax and Stock Transfer Tax are more fully described under “Sales Tax” and “Stock Transfer Tax.”

Pursuant to the Act and under the General Bond Resolution, the Chairman is required, not later than February 12 in each year, and from time to time thereafter as may be necessary, to certify to the State Comptroller the amount of cash required by the Corporation in order for it to meet its obligations payable from the Debt Service Fund as they become due. Pursuant to the Act, the State Comptroller may not disburse amounts from the Special Account to the City or any other entity so long as a certified amount required to be paid remains unpaid.

Pursuant to the Act and as provided in the General Bond Resolution, the foregoing certification procedure provides for quarterly payments to the Corporation for deposit in the Debt Service Fund and the Capital Reserve Fund from the Special Account to be made on or before April 12, June 30, October 12 and January 12 in each year. Consequently, the first interest payment on the Bonds, due on February 1, 1976, will be paid to the extent of monies on deposit in the Debt Service Fund received from two payments into the Debt Service Fund on October 12, 1975 and January 12, 1976 from the Special Account. Thereafter, subject to appropriation by the State Legislature, the debt service payments due on August 1 and February 1 in each fiscal year of the Corporation will be paid from monies on deposit in the Debt Service Fund received from quarterly payments into the Debt Service Fund which quarterly payments will aggregate the total debt service payments required to be made in such year. For additional information concerning the certification procedure, see “Summary of Certain Provisions of the General Bond Resolution—Maintenance of Certain Funds.”

The amount of revenues received from the Sales Tax must, upon certification by the State Commissioner of Taxation and Finance, be deposited in the Special Account, regardless of the investment results of the State Comptroller pending such deposits. The Commissioner of Taxation and Finance may invest monies in the Stock Transfer Tax Fund in accordance with the State Finance Law. However, if such amounts are needed for payment into the Special Account, the Commissioner of Taxation and Finance must pay the amount of monies needed from collections forthwith in cash into said Special Account. The State Comptroller may in his discretion invest revenues in the Special Account in obligations of the United States or of the State or in obligations the principal of and interest on which are guaranteed by the United States or by the State.

The Sales Tax and the Stock Transfer Tax do not require annual reenactment by the Legislature. However, the State is not bound or obligated to continue the imposition of either the Sales Tax or the Stock Transfer Tax or to maintain the existence of the Special Account or the Stock Transfer Tax Fund or to make any appropriations of the revenues received from the Sales Tax credited to the Special Account or from the Stock Transfer Tax deposited in the Stock Transfer Tax Fund. The General Bond Resolution, however, provides that (i) the failure of the State to continue the imposition, at rates not less than those in effect on July 2, 1975, of either the Sales Tax or Stock Transfer Tax or to maintain the existence of the Special Account or the Stock Transfer Tax Fund, or (ii) the failure of the State Comptroller to pay to the Corporation for deposit in the Debt Service Fund and the Capital Reserve Fund the amount or amounts as shall be certified by the Chairman, shall each constitute an event of default with respect to the Bonds. See “Summary of Certain Provisions of the General Bond Resolution—Events of Default.”
Sales Tax

Under the Tax Law, the Sales Tax is imposed within the City at the rate of four percent on (i) receipts from (a) retail sales of tangible personal property, (b) sales of certain services, (c) sales, other than sales for resale, of gas, electricity, refrigeration and steam, and of telephony and telegraphy, (d) occupancies of hotel rooms, and (e) sales of food or beverages in or by restaurants, taverns, and similar establishments and by caterers; (ii) certain admission, entertainment, cover, minimum and club charges or dues; and (iii) the use within the City of certain tangible personal property and services not otherwise subject to the Sales Tax. The Sales Tax is also imposed at the rate of six percent on receipts from sales of the service of providing in the City parking, garaging or storing for motor vehicles. The imposition of the Sales Tax is subject to certain limited exceptions. The level of Sales Tax receipts is necessarily dependent upon economic and demographic conditions in the City and there can be no assurance that the historical data with respect to collections of such tax are necessarily indicative of future receipts.

Generally, a seller of any item subject to the imposition of the Sales Tax is required to file returns on a quarterly basis. Under existing statutes and regulations, such returns and payments are due on September 20, December 20, March 20 and June 20 for the quarter ending on the last day of the preceding month.

Under the State Finance Law, the Sales Tax revenues payable to the Special Account in the Municipal Assistance Tax Fund shall be paid in accordance with the following procedure. On or before the twelfth day of each month, the State Commissioner of Taxation and Finance shall certify to the State Comptroller the amount of all Sales Tax revenues received, after deduction of administrative costs, during the prior month as a result of the Sales Tax and all interest and penalties imposed, and in addition on or before the last day of June the Commissioner shall certify the amount of such revenues received during the first 25 days of June, which amount shall be deposited by the State Comptroller in the Special Account. Notwithstanding the foregoing, the Commissioner may prorate revenue attributable to the quarter ending August 31, 1975, so as to separate from the revenue collected for that quarter the revenue collected pursuant to local legislation adopted by the City pursuant to the Tax Law prior to the operative date of the Sales Tax. The State Division of the Budget estimates that the proration of sales and compensating use taxes collected in September 1975 and certain payments for the period preceding July 1, 1975, will reduce payments to the Municipal Assistance Tax Fund by approximately $80,000,000.

The Sales Tax imposed pursuant to the Tax Law effective July 1, 1975, is imposed on the same tax base as the sales and compensating use taxes previously imposed by the City and collected by the State. A tax on sales of certain tangible personal property and services had been imposed by the City since 1934. Such tax base does not include certain additional taxes which the City is authorized to impose. State collections of the sales and compensating use taxes imposed by the City for its last ten fiscal years prior to July 1, 1975, after deductions of the costs of administration, collection and distribution, were as follows:

<table>
<thead>
<tr>
<th>City Fiscal Year Ending June 30</th>
<th>Three Months Ending:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td>December 31</td>
<td>March 31</td>
<td>June 30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Dollars in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>$ 21,774 (a)</td>
<td>$ 89,177</td>
<td>$ 92,461</td>
<td>$ 91,529</td>
<td>$294,941</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>85,565</td>
<td>90,962</td>
<td>98,904</td>
<td>95,886</td>
<td>371,317</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>94,284</td>
<td>102,092</td>
<td>108,585</td>
<td>107,148</td>
<td>412,109</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>101,388</td>
<td>107,658</td>
<td>113,507</td>
<td>116,219</td>
<td>438,772</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>106,046</td>
<td>114,756</td>
<td>105,560</td>
<td>135,197</td>
<td>461,559</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>114,093</td>
<td>121,190</td>
<td>129,224</td>
<td>130,138</td>
<td>494,645</td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>121,692</td>
<td>129,452</td>
<td>132,033</td>
<td>135,490</td>
<td>518,667</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>130,857</td>
<td>129,541</td>
<td>146,528</td>
<td>142,258</td>
<td>549,184</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>135,272</td>
<td>141,973</td>
<td>151,575</td>
<td>151,978</td>
<td>580,798</td>
<td></td>
</tr>
<tr>
<td>1975 (b)</td>
<td>173,824</td>
<td>198,990</td>
<td>212,671</td>
<td>201,715</td>
<td>787,200</td>
<td></td>
</tr>
</tbody>
</table>

See footnotes on opposite page.
* Figures obtained from the State Department of Taxation and Finance.

(a) The amounts collected for the quarter ending September 30, 1965, do not reflect collections for June or July. Prior to August 1965, the City administered the collection of its sales and compensating use taxes.

(b) The amounts of sales and compensating use taxes collected for fiscal 1975 reflect the increases in the sales and compensating use taxes from three percent to four percent, effective July 1, 1974. The six percent tax on sales of certain parking services remained the same.

After deductions for the cost of administration, collection and distribution, monthly collections of the sales and compensating use taxes which were imposed by the City for the City’s three fiscal years prior to July 1, 1975, are shown below and indicate, among other things, the relatively large amounts collected by the State during the months of September, December, March and June (amounts are in thousands):

(City Fiscal Year Ended June 30)*

<table>
<thead>
<tr>
<th></th>
<th>1973</th>
<th></th>
<th>1974</th>
<th></th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$ 7,048</td>
<td>July</td>
<td>$ 5,127</td>
<td>July</td>
<td>$ 10,110</td>
</tr>
<tr>
<td>August</td>
<td>3,224</td>
<td>August</td>
<td>3,692</td>
<td>August</td>
<td>3,299</td>
</tr>
<tr>
<td>September</td>
<td>120,585</td>
<td>September</td>
<td>126,453</td>
<td>September</td>
<td>160,415</td>
</tr>
<tr>
<td>October</td>
<td>5,730</td>
<td>October</td>
<td>5,746</td>
<td>October</td>
<td>12,910</td>
</tr>
<tr>
<td>November</td>
<td>3,224</td>
<td>November</td>
<td>3,795</td>
<td>November</td>
<td>3,421</td>
</tr>
<tr>
<td>December</td>
<td>120,587</td>
<td>December</td>
<td>132,432</td>
<td>December</td>
<td>182,659</td>
</tr>
<tr>
<td>January</td>
<td>11,020</td>
<td>January</td>
<td>7,259</td>
<td>January</td>
<td>14,617</td>
</tr>
<tr>
<td>February</td>
<td>2,004</td>
<td>February</td>
<td>2,787</td>
<td>February</td>
<td>3,587</td>
</tr>
<tr>
<td>March</td>
<td>132,904</td>
<td>March</td>
<td>141,529</td>
<td>March</td>
<td>194,467</td>
</tr>
<tr>
<td>April</td>
<td>5,113</td>
<td>April</td>
<td>5,473</td>
<td>April</td>
<td>9,242</td>
</tr>
<tr>
<td>May</td>
<td>4,717</td>
<td>May</td>
<td>5,382</td>
<td>May</td>
<td>6,603</td>
</tr>
<tr>
<td>June</td>
<td>132,428</td>
<td>June</td>
<td>141,123</td>
<td>June</td>
<td>185,870</td>
</tr>
<tr>
<td>Total</td>
<td>$549,184</td>
<td>Total</td>
<td>$580,798</td>
<td>Total</td>
<td>$787,200</td>
</tr>
</tbody>
</table>

* Figures obtained from the State Department of Taxation and Finance.

Stock Transfer Tax

The Stock Transfer Tax is imposed pursuant to the Tax Law on sales, agreements to sell, memoranda of sale, and deliveries or transfers of (i) shares or certificates of stock, (ii) certificates of rights to stock, (iii) certificates of interest in property or accumulations, (iv) certificates of interest in business conducted by a trustee or trustees and (v) certificates of deposit representing any of the foregoing, made within the State. The imposition of the Stock Transfer Tax, as described, is subject to certain limited exceptions.

The level of Stock Transfer Tax receipts is related to the rate of tax imposed and the volume of transactions on the securities exchanges located in the City. Such volume has fluctuated widely so that there can be no assurance that the historical data with respect to collections of such tax is necessarily indicative of future receipts.

The Stock Transfer Tax is generally based on the number of shares sold or transferred at the following rates:

<table>
<thead>
<tr>
<th>Selling Price Per Share</th>
<th>Rate Per Share**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5</td>
<td>1 1/4¢</td>
</tr>
<tr>
<td>$ 5 or more but less than $10</td>
<td>2 1/2¢</td>
</tr>
<tr>
<td>$10 or more but less than $20</td>
<td>3 3/4¢</td>
</tr>
<tr>
<td>$20 or more</td>
<td>5¢</td>
</tr>
<tr>
<td>Transactions Other Than Sales</td>
<td>2 1/4¢</td>
</tr>
</tbody>
</table>

** Such rates do not reflect the 25% surcharge imposed thereon pursuant to an amendment to the Tax Law effective for the period commencing August 1, 1975 and ending July 31, 1976. Such surcharge is part of the Stock Transfer Tax.
Non-residents of New York State are taxed on sales made within the State at a rate equal to 50 percent of the rates shown in the table above. Where any sale, including several sales considered to constitute a single sale, made within the State and subject to the Stock Transfer Tax relates to shares or certificates of the same class and issued by the same issuer, the aggregate amount of such tax shall not exceed $350. The Stock Transfer Tax accrues on the date of the taxable transaction. The foregoing information does not reflect the above noted 25% surcharge.

The amounts received by the imposition of the Stock Transfer Tax are paid into the Stock Transfer Tax Fund, which is in the custody of the State Commissioner of Taxation and Finance.

Under the State Finance Law, on and after April 1, 1976, monies in the Stock Transfer Tax Fund shall, after deduction of the amount the State Commissioner of Taxation and Finance determines to be necessary for reasonable costs in the administration, collection and distribution of the Stock Transfer Tax, be paid to the extent needed into the Special Account and any balance will be paid to the City. Such payments from the Stock Transfer Tax Fund are subject to annual appropriation by the State Legislature.

The revenues derived from the Stock Transfer Tax, after deduction of the costs of administration, collection and distribution of such tax, are shown below for the previous six City fiscal years ending June 30 based upon the various rates prevailing during the periods shown.

### State Collections of Stock Transfer Tax*

<table>
<thead>
<tr>
<th>City Fiscal Year Ending June 30</th>
<th>Three Months Ending:</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30</td>
<td>December 31</td>
</tr>
<tr>
<td>1970</td>
<td>$56,571</td>
<td>$70,509</td>
</tr>
<tr>
<td>1971</td>
<td>46,563</td>
<td>59,170</td>
</tr>
<tr>
<td>1972</td>
<td>62,573</td>
<td>65,894</td>
</tr>
<tr>
<td>1973</td>
<td>59,405</td>
<td>68,993</td>
</tr>
<tr>
<td>1974</td>
<td>43,612</td>
<td>59,782</td>
</tr>
<tr>
<td>1975</td>
<td>35,756</td>
<td>40,214</td>
</tr>
</tbody>
</table>

* Figures obtained from the State Department of Taxation and Finance.

In addition, recent developments, including the enactment of the Federal Securities Acts Amendments of 1975, relating to the evolution of a centralized nationwide securities market, among other things, may affect the volume of taxable securities transactions in the State. The Securities Acts Amendments of 1975 prohibit the imposition by the State of a tax on stock transfers made outside of the State and not otherwise subject to the taxing jurisdiction of the State except for the fact such transfer is recorded on the books of a transfer agent located in the State.

### Estimated Amounts Available for Debt Service and Debt Service Coverage

Assuming that the Sales Tax and the Stock Transfer Tax collections in each fiscal year subsequent to the Corporation’s fiscal year ended June 30, 1975, remain at the levels of the State collections of the sales and compensating use taxes imposed by the City, and the Stock Transfer Tax, for the 12-month period ended June 30, 1975 (see “Sales Tax” and “Stock Transfer Tax”), the
aggregate annual amount which would be available from the Sales Tax, and from the Stock Transfer Tax if needed, to pay debt service on the authorized $3,000,000,000 of Bonds and Notes is shown below:

(Dollars in Thousands)

Sales and compensating use taxes for the 12 months ended June 30, 1975 787,200*
Stock transfer tax for the 12 months ended June 30, 1975 .......... 185,982**
Aggregate Annual Amount .............................................. 973,182

* The State Division of the Budget estimates that proration and tax payments allocated to the period prior to July 1, 1975, will reduce amounts payable into the Special Account in fiscal 1976 by $80,000,000.
** Stock Transfer Tax not available to the Corporation until after March 31, 1976.

The aggregate estimated annual debt service on the $3,000,000,000 authorized Bonds as shown in the following table has been calculated to include:

1. the actual debt service requirements on the 1975 Series A Bonds, the 1975 Series B Bonds, the 1975 Series C Bonds, the 1975 Series D Bonds, the 1975 Series E Bonds, the 1975 Series F Bonds and the 1975 Series G Bonds; and

2. the estimated debt service requirements on the additional $1,119,705,000 Bonds authorized, at 11%.

For the purposes of the following estimated annual debt service table, the principal of the additional Bonds authorized has been calculated to mature as soon as possible within the limits of the debt service coverage requirements of the General Bond Resolution. Subject to market conditions, the Corporation intends to schedule the actual maturities of the additional Bonds authorized so as to achieve as nearly as practicable level annual debt service on the full $3,000,000,000 authorization in the years from 1977 through 1990.

<table>
<thead>
<tr>
<th>Year ending February 1</th>
<th>Series A Total Debt Service</th>
<th>Series B, C, D, E, F and G Total Debt Service</th>
<th>Additional Bond Authorization Total Debt Service</th>
<th>Estimated Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
<td>Principal</td>
</tr>
<tr>
<td>1976</td>
<td>44,671</td>
<td>37,981</td>
<td>72,652</td>
<td>37,981</td>
</tr>
<tr>
<td>1977</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1978</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1979</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1980</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1981</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1982</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1983</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1984</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1985</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1986</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1987</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1988</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1989</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
<tr>
<td>1990</td>
<td>128,248</td>
<td>70,320</td>
<td>198,568</td>
<td>128,248</td>
</tr>
</tbody>
</table>

Based on the information presented above: (i) the $973,182,000 total aggregate estimated amount available for debt service on the $3,000,000,000 authorized principal amount of Bonds would cover
maximum estimated total annual debt service 2.00 times; and (ii) the $787,200,000 sales and compensating use taxes would cover maximum estimated total annual debt service on the $3,000,000,000 authorized principal amount of Bonds 1.62 times.

Within the $3,000,000,000 authorization, additional Bonds and Notes may be issued under the General Bond Resolution on a parity (except that Notes are not secured by the Capital Reserve Fund) with the 1975 Series A, B, C, D, E, F and G Bonds, provided that, among other things, (i) collections of the Sales Tax and Stock Transfer Tax (and such other taxes, if any, which as of the date of authentication of such additional Bonds or issuance of Notes are levied and collected by the State and are payable into the Special Account) for which a history of 12 consecutive calendar months ended not more than two months prior to the date of such determination (as certified by the State Tax Commissioner), less estimated operating expenses of the Corporation, cover maximum annual debt service on all Bonds and Notes and interest on Other Obligations to be outstanding 2.0 times and (ii) the collections (as certified) of the Sales Tax, less such operating expenses, cover maximum annual debt service on all Bonds and Notes and interest on Other Obligations to be outstanding 1.5 times. Such a certificate will be required prior to the authentication of the 1975 Series B Bonds. In addition, Other Obligations of the Corporation may be issued and interest thereon may be paid on a parity with the Bonds and Notes from the Debt Service Fund, if the Corporation is able to certify upon the issuance of such obligations that the Corporation, giving effect to the issuance of such obligations, is in compliance with (i) and (ii) above. See "Certain Provisions of the General Bond Resolution—Additional Bonds and Notes."

Restoration of Capital Reserve Fund

Additional payments may be made to the Capital Reserve Fund as a result of the following provision of the Act:

"In order further to assure the maintenance of the capital reserve fund, there shall be annually appropriated and paid to the corporation for deposit in the capital reserve fund such sum, if any, as shall be certified by the chairman to the governor and director of the budget as necessary to restore the capital reserve fund to an amount equal to the capital reserve fund requirement. The chairman of the board of directors of the corporation shall, annually, on or before December first, make and deliver to the governor and director of the budget his certificate stating the sum, if any, required to restore the capital reserve fund to the amount aforesaid; and the sum or sums so certified, if any, shall be appropriated and paid to the corporation during the then current state fiscal year. . . [F]or each of the calendar years set forth below the capital reserve fund requirement, as of any date of calculation, shall equal the percentage set forth opposite such calendar year of the amount of principal and interest maturing or otherwise becoming due during such calendar year on all bonds of the corporation outstanding on such date:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>0%</td>
</tr>
<tr>
<td>1976</td>
<td>0%</td>
</tr>
<tr>
<td>1977</td>
<td>25%</td>
</tr>
<tr>
<td>1978</td>
<td>50%</td>
</tr>
<tr>
<td>1979</td>
<td>75%</td>
</tr>
<tr>
<td>1980</td>
<td>100%</td>
</tr>
</tbody>
</table>

After 1980, the required amount of the Capital Reserve Fund is the amount of principal and interest maturing or otherwise becoming due in the succeeding calendar year on any bonds then to be issued and on all other bonds of the Corporation then outstanding, including for such purpose any unpaid amounts of principal and interest owing in respect of prior calendar years.
The Corporation, in accordance with the Act and pursuant to the express provisions of the General Bond Resolution, has covenanted to cause its Chairman to certify on or before each December 1 to the Governor and the State Director of the Budget the sum required to restore the Capital Reserve Fund to its required amount and has agreed to certain additional requirements relating to such certification and maintenance of the Capital Reserve Fund. See “Provisions for Payment of the Bonds—General.”

Under the State Constitution, no money may be paid out of the State Treasury or any of its funds or out of any of the funds under its management except pursuant to an appropriation by law specifying the sum appropriated, and payment thereunder shall be made within two years next after passage of such law. Accordingly, the provision of the Act quoted above does not constitute an enforceable obligation or debt of the State. See “Appropriation by Legislature.”

In the opinion of Bond Counsel, such provision of the Act for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the State Legislature, which is empowered, but is not bound or obligated, to appropriate such amount.

**Trustee**

United States Trust Company of New York has been appointed the Trustee under the General Bond Resolution. Its principal office is located at 45 Wall Street, New York, New York 10005, and its corporate trust office is located at 130 John Street, New York, New York 10038. The Trustee has accepted the duties and responsibilities imposed upon it by the Resolutions and is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to the Act. Upon the happening of an “event of default” as defined in the General Bond Resolution, the Trustee may, and in certain circumstances is required to, proceed to protect and enforce its rights and the rights of the Bondholders. See “Summary of Certain Provisions of the General Bond Resolution—Events of Default” and “Remedies.” In the performance of its duties, the Trustee is entitled to indemnification for any act which would involve it in expense or liability and will not be liable as a result of any action taken in connection with the performance of its duties except for its own negligence or default. The Trustee is protected in acting upon any direction or document believed by it to be genuine and to be signed by the proper party or parties or upon the opinion or advice of counsel. The Trustee may resign at any time upon 60 days’ written notice to the Corporation and publication thereof. Any such resignation shall take effect on the day specified in the notice, but in the event that a successor has been appointed, the resignation shall take effect immediately.

**Description of the 1975 Series B Bonds**

The 1975 Series B Bonds will be dated August 1, 1975, and will bear interest therefrom, payable semi-annually on February 1 and August 1 of each year commencing February 1, 1976, at the rates, and will mature on the dates and in the amounts, set forth on the cover page of this Official Statement.

The 1975 Series B Bonds will be issued as coupon Bonds, in the denominations of $1,000 each and $5,000 each, registrable on the books of the Corporation at the corporate trust office of the Trustee, as to principal only, or as fully registered Bonds in denominations of $1,000, $5,000 or any integral multiple of $5,000. Coupon Bonds and fully registered Bonds are interchangeable, provided that 1975 Series B Bonds in denominations of greater than $1,000 may not be exchanged for denominations of $1,000.

For every exchange or transfer of the 1975 Series B Bonds, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or
transfer. The cost of preparing each new Bond issued upon such exchange or transfer and any other expenses of the Corporation or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Corporation as an operating expense.

The 1975 Series B Bonds due February 1, 1983 are subject to redemption, in part, on February 1 in each of the years 1982 and 1983 in the respective principal amounts of $66,350,000 and $73,650,000, at 100% of the principal amount thereof, plus accrued interest to the date of redemption thereof, from mandatory “Sinking Fund Installments” (as defined in the General Bond Resolution). Redemption on February 1, 1982 will be by lot.

The Corporation may, at any time not more than 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase with monies in the Debt Service Fund, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, any Bonds of the Corporation payable from such Sinking Fund Installment and apply any Bonds so purchased as a credit against such Sinking Fund Installment.

MANAGEMENT

Under the Act, the Corporation is administered by a Board of Directors (the “Board”), consisting of nine directors. All of the directors are appointed by the Governor with the advice and consent of the State Senate; four of the directors are appointed upon written recommendation of the Mayor. The Act also provides for the appointment of representatives to the Board (the “Representatives”) by certain State or City officials or bodies politic. The Representatives are entitled to receive notice of and to attend all meetings of the Board but are not entitled to vote. In addition, the State Comptroller or his representative is entitled to attend and participate in the meetings of the Board but is not entitled to vote.

The Act provides that no director (and no Representative) may be an officer or employee of the Federal government or of the State or any political subdivision thereof.

The present members of the Board, the Representatives and the officers of the Corporation, and the expiration dates of their respective terms of office are as follows:

**Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>William M. Ellinghaus</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>John A. Coleman</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>George D. Gould</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Felix G. Rohatyn</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Donna E. Shalala</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td>December 31, 1976</td>
</tr>
</tbody>
</table>

**Representatives**

<table>
<thead>
<tr>
<th>Name</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zane Klein</td>
<td>Appointed by the City Board of Estimate</td>
</tr>
<tr>
<td>Edward M. Kreisky(2)</td>
<td>Appointed by the President Pro-Tem of the State Senate</td>
</tr>
<tr>
<td>Leonard Nadel</td>
<td>Appointed by the Speaker of the State Assembly</td>
</tr>
<tr>
<td>Arthur J. Quinn</td>
<td>Appointed by the Minority Leader of the State Assembly</td>
</tr>
<tr>
<td>Robert W. Seavey</td>
<td>Appointed by the Minority Leader of the State Senate</td>
</tr>
<tr>
<td>M. Peter Schweitzer</td>
<td>Designated representative of the State Comptroller</td>
</tr>
</tbody>
</table>

In addition, Herbert Elish has been appointed the Executive Director of the Corporation.

(1) Appointed upon the written recommendation of the Mayor.

(2) Bankers Trust Company and Wertheim & Co., Inc., with which Messrs. Ellinghaus and Kreisky, respectively, are affiliated, will act as Underwriters in connection with the issuance of the 1975 Series B Bonds.

(3) Each Representative serves at the pleasure of the appointing official or body, is eligible for reappointment and holds office until his successor has been appointed. The Vice Chairman of the City Council is also entitled to appoint a Representative to the Board. The Corporation has not received notice of the appointment of a Representative by such official.
William M. Ellinghaus, Chairman. Mr. Ellinghaus has been President of the New York Telephone Company since 1970. He is a director of Bankers Trust Company, Ball Corporation, J. C. Penney Company, Inc., Bristol-Myers Co. and Thiokol Chemical Corp. and a trustee of the Union Dime Savings Bank. He is Chairman of the Regional Plan Association, Vice Chairman of the New York Chamber of Commerce and Industry, a member of the Mayor's Council of Economic and Business Advisors and Chairman of Region 2 of the National Alliance of Businessmen. Mr. Ellinghaus, 53, is a resident of Bronxville, New York.

Francis J. Barry. Mr. Barry is President of Circle Line Sightseeing Yachts, Inc. and President of Campbell & Gardiner, a brokerage firm. He is the Chairman of the New York City Council on Port Promotion and Development, of which he has been a member since 1962. From 1967 through 1972, he served as arbitrator for the United States Division of the National Maritime Union. He was recently appointed Chairman of the Advisory Committee to the New York City Convention and Exhibition Corporation. Mr. Barry, 67, is a resident of New York City.

John A. Coleman. Mr. Coleman is a senior partner of Adler, Coleman and Company, a member of the New York Stock Exchange, Inc. He is a former Governor and Chairman of the Board of the New York Stock Exchange, Inc. He is a director of American Broadcasting Companies, Inc. and the Alfred E. Smith Memorial Foundation and a trustee of the East River Savings Bank. He is a former director of the New York Telephone Company and Manufacturers Hanover Trust Company. He was recently appointed by the Mayor to the Temporary Commission on City Finances. Mr. Coleman, 73, is a resident of New York City.

Thomas D. Flynn. Mr. Flynn is a partner in Arthur Young & Company, an international accounting firm, and is Vice Chairman of its Management Committee. He will retire from his positions with Arthur Young & Company in September 1975. He served as President of the American Institute of Certified Public Accountants (“AICPA”) from 1964 through 1965. In 1969, he served as Chairman of the AICPA Advisory Committee to the panel which was appointed by the President of the United States to investigate the Department of Defense. In 1970, he was the recipient of an AICPA Gold Medal Award for Distinguished Service to the Accounting Profession, the highest honor awarded by the AICPA. He has been elected by the Alumni to serve as a Trustee of Columbia University. He has been a director of National Bureau of Economic Research, Inc. since 1968, a member of its Executive Committee since 1969 and its Treasurer since 1970. He is also a trustee of American Savings Bank and Household Finance Corp., of which he is Chairman of the Audit Committee. Mr. Flynn, 62, is a resident of Sands Point, Long Island.

George D. Gould. Mr. Gould is Vice Chairman of the Board of Directors of Donaldson, Lufkin & Jenrette, Inc., and Chairman of the Board of Directors and Chief Executive Officer of Donaldson, Lufkin & Jenrette Securities Corporation, a member of the New York Stock Exchange, Inc. Mr. Gould, 48, is a resident of New York City.

Dick Netzer. Mr. Netzer has been Dean of the Graduate School of Public Administration of New York University since 1969. From 1964 through 1966, he was research director of the Temporary Commission on City Finances of The City of New York. He is a nationally recognized expert in the areas of state and local government finance and urban economics, and he has published extensively in each of those areas. Mr. Netzer, 47, is a resident of New York City.

Felix G. Rohatyn. Mr. Rohatyn is a general partner of Lazard Frères & Co., investment bankers. He is a former Governor of the New York Stock Exchange, Inc., and is a director of Engelhard Minerals & Chemicals Corporation, House Corporation, International Telephone & Telegraph Corporation, Owens-Illinois, Inc. and Pfizer Inc. He is a member of the Finance Committee of the Rockefeller Brothers Fund, Inc. and of the Central Market Advisory Committee of the Securities and Exchange Commission. He is also a trustee of Middlebury College. Mr. Rohatyn, 47, is a resident of New York City.

Donna E. Shalala. Dr. Shalala is an Associate Professor of Political Science, Teachers College, Columbia University. She is currently on leave from her teaching position on a Guggenheim Fellowship.
to write a book on state revenue politics. She has published extensively in the field of the financial structure of state and local governments and the subjects of her writings include the operations of pension systems, state aid to the City and the politics of state budgeting. She has been active in New York civic affairs and serves as Vice Chairwoman of the Citizens Union. Dr. Shalala, 33, is a resident of New York City.

**Robert C. Weaver.** Mr. Weaver has been Distinguished Professor of Urban Affairs at Hunter College since 1970. From 1966 through 1968 he was Secretary of the United States Department of Housing and Urban Development and from 1968 through 1970 was President of Bernard M. Baruch College. He is a trustee of the Metropolitan Life Insurance Co. and The Bowery Savings Bank, and is a former Chairman of the National Association for the Advancement of Colored People. Mr. Weaver, 67, is a resident of New York City.

**Zane Klein, Representative.** Mr. Klein has been a member of the law firm of Berlack, Israels & Liberman, New York, New York, since 1968. He is a member of the City Comptroller’s Technical Debt Management Committee and a member of the Advisory Committee to the City Office of Telecommunications. He has also served on advisory panels with respect to equity and real estate investments of the employee pension systems of the City and is active in civic and community affairs. Mr. Klein, 38, is a resident of New York City.

**Edward M. Kresky, Representative.** Mr. Kresky has been a Vice President of Wertheim & Co., Inc., investment bankers, since 1971. From 1965 through 1971 he served as Secretary to the Metropolitan Transportation Authority of the State. He is a member of the Board of the New York State Council on the Arts and the Council of the National Municipal League. In 1974 he was a member of the Governor’s Task Force on the New York State Urban Development Corp. and, in 1972 and 1973, was a member of the Governor’s Task Force on Financing Higher Education in New York State. Mr. Kresky, 50, is a resident of New York City.

**Leonard Nadel, Representative.** Mr. Nadel is Senior Vice President of Abraham & Straus, a division of Federated Department Stores, Inc. He is Chairman of the Board of Trustees of Adelphi University, an Associate Trustee of Long Island Jewish Medical Center, a director of the Downtown Brooklyn Development Association and, in 1971 and 1972, was President of the Brooklyn Chamber of Commerce. Mr. Nadel, 53, is a resident of New York City.

**Arthur J. Quinn, Representative.** Mr. Quinn has been the President and a trustee of The New York Bank for Savings since 1969 and is a director of City Title Insurance Company, New York State Medical Care Facilities Finance Agency, and Community Funding Corporation. He is a trustee of St. John’s University and Savings Bank Retirement System. Mr. Quinn, 60, is a resident of New York City.

**Robert W. Seavey, Representative.** Mr. Seavey is a member of the law firm of Seavey, Fingerit & Vogel, New York, New York. He has been the President of Neighborhood Developers Inc., a real estate development and construction firm, for the past five years. He was, from 1971 through 1974, Chairman of the Housing and Urban Development Committee of the Association of the Bar of The City of New York. Mr. Seavey, 47, is a resident of New York City.

**M. Peter Schweitzer.** Mr. Schweitzer is Chairman of the Board of Directors and Chief Executive Officer of West Chemical Products, Inc., Long Island City, New York. Prior to assuming that position in 1974, he was Vice Chairman of the Board of Directors and a member of the Executive Committee of Kimberly-Clark, Inc. Mr. Schweitzer, 64, is a resident of New York City.

**Herbert Elsh, Executive Director.** Mr. Elsh has been appointed by the Corporation as its Executive Director. In that position, he will direct the work of the Corporation’s management, financial, accounting and legal staff. Prior to his appointment, Mr. Elsh was a Vice President of the First National City Bank. From 1971 through 1973, he was employed by the City as, successively, Commissioner of Sanitation and Administrator of the Environmental Protection Administration. Mr. Elsh, 42, is a resident of New York City.
The Act provides that the directors of the Corporation, except as otherwise provided by law, may engage in private employment or in a profession or business and that they shall be deemed to be state officers for the purposes of Sections 73 and 74 of the State Public Officers Law. Notwithstanding the provisions of such law or of any other law, the Corporation or any other instrumentality of the State may purchase from, sell to, borrow from, loan to, contract with or otherwise deal with any corporation, trust, association, partnership or other entity in which any director of the Corporation has a financial interest, direct or indirect, provided that such interest or affiliation is disclosed in the minutes of the Board of Directors of the Corporation and provided further that no director having such a financial interest or affiliation shall participate in any decision of the Board authorizing or affecting such transaction.

The State Banking Law and the Federal Banking Act of 1933 prohibit any officer, director or employee of, respectively, a bank or trust company or bank holding company (as defined in the Banking Law), or a member bank of the Federal Reserve System or bank holding company controlling such a member bank, from also serving as an officer, director or employee of a corporation which is engaged primarily in the issue, underwriting or public distribution or sale of securities, unless permission is granted under State law by the State Banking Board and, in the case of the Federal law, unless such corporation is exempted by the Federal Reserve Board from the application of such statute. Mr. William M. Ellinghaus is a director of the Corporation and a director of a bank and bank holding company subject to the Banking Law. Mr. Ellinghaus is also a director of a member bank of the Federal Reserve System and a holding company controlling such member bank. Permission for Mr. Ellinghaus to serve as a director of the Corporation has been granted by the State Banking Board. The Federal Reserve Bank of New York has issued an opinion that the directors of member banks or holding companies controlling member banks may serve as directors of the Corporation.

Directors and Representatives serve without salary. Each director is entitled to reimbursement for his actual and necessary expenses incurred in the performance of his official duties as a director and a per diem allowance of $100 when rendering services as a director, subject to a maximum aggregate allowance of $5,000 in any one fiscal year. Each Representative is entitled to reimbursement for his actual and necessary expenses incurred in the performance of his official duties as a Representative, but is not entitled to a per diem allowance.

**LITIGATION**

On July 3, 1975, an individual purporting to be a taxpayer of the City brought an action against the City, the State, the Corporation and other defendants, seeking, among other things, (i) a declaratory judgment determining that the establishment of the Corporation, its sale of debt obligations and transfer of the proceeds to the City are illegal and unconstitutional procedures and (ii) an injunction prohibiting continuation of such acts. On July 4, 1975, the plaintiff served a notice of discontinuance of the action, without prejudice to his right to reinstitute his claim.

On July 18, 1975, the same individual reinstated an action, which as to the Corporation is substantially identical to his prior action. On July 29, 1975, the Corporation’s motion for summary judgment, based on the grounds that the cause of action as to the Corporation has no merit, was granted. The plaintiff’s time to appeal will expire on September 15, 1975.

Hawkins, Delafield & Wood, Bond Counsel for the Corporation, have rendered their opinion that, as to any relief sought by the plaintiff against the Corporation in the reinstated action, which in their opinion is without merit as to the Corporation, the Corporation will prevail in any final adjudication of the issues in such action, and that no final adjudication will in any way affect the validity of the Bonds of the Corporation or the pledge or application of any revenues, monies or securities provided for the payment of the Bonds of the Corporation, the existence or powers of the Corporation, or the application of the proceeds of such Bonds as contemplated by this Official Statement. Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel for the Corporation, have rendered their opinion that the reinstated complaint is without merit as to the claim therein asserted against the Corporation and that the Corporation will prevail in any final adjudication.
FUNCTIONS OF THE CORPORATION WITH RESPECT TO THE CITY

Conditions

At the time of any purchase from the City of obligations of the City, any exchange of the Corporation's bonds or notes for short-term obligations of the City or any other payment to the City of the Corporation's funds, the City is required to agree to observe and perform a number of statutory conditions, as they may be modified from time to time by the Corporation in accordance with the Act. No such modification, however, may be so substantial as effectively to constitute a waiver of the statutory conditions. The statutory conditions, as modified by the Corporation and agreed to by the City, are to remain in effect until all bonds and notes of the Corporation have been repaid or until the Corporation has accumulated in the Capital Reserve Fund provided for in the Act or otherwise an amount equal to the principal of all its outstanding bonds and notes plus accrued interest thereon. However, the State Legislature may from time to time modify the provisions of the Act which establish the conditions with which the City must comply. Failure of the City to comply with any of the statutory conditions outlined below is not a default under the Bonds pursuant to the Resolution. An event of default may, however, occur under the Resolution if the Corporation fails to notify designated officials and to disclose publicly the failure of the City so to comply. See "Summary of Certain Provisions of the General Bond Resolution—Events of Default."

The City is entitled, at any time, to pay the Corporation an amount which, when added to the Capital Reserve Fund, equals the principal of all outstanding bonds and notes and accrued interest and redemption premiums, if any. If the City makes any such payment at a time when the Corporation has outstanding bonds or notes which are not then redeemable, the City must agree to pay the Corporation on demand an amount equal to the amount, if any, by which the amount of interest on such bonds or notes exceeds the Corporation's income from the investment of its funds. In the event of any such payment by the City, it shall not thereafter be required to comply with the conditions described herein.

Subject to the foregoing, the statutory conditions that the City is required to observe and perform are as follows:

1. The City is to certify that (a) it is in compliance with such of the conditions, described below, as the Corporation may specify; (b) it is undertaking to comply with any of such specified conditions as the Corporation may then require; and (c) all local legislative and executive action then required to permit such compliance by the City has been taken.

2. The City is, within 90 days after the first agreement with the Corporation, to initiate steps to adopt as its method of accounting the accounting principles set forth in the State Comptroller's Uniform System of Accounts for Municipalities, as that system may be modified by the State Comptroller in consultation with the City Comptroller. The City is to complete the transition to such accounting method as promptly as is reasonably practicable thereafter, so that the audited financial statements (required by condition 3 below) provided to the Corporation for the City's fiscal year ending June 30, 1978 and for each subsequent fiscal year can be prepared in accordance with such accounting method. Because the City's adoption of the foregoing accounting method may result in substantial adjustments from its present method, the Corporation and the City are to consult, over the course of the introduction and adoption of the new method, in order to formulate a mutually acceptable method of phasing such adjustments into the new method over such reasonable period, not exceeding ten years, as the Corporation determines to be appropriate. The financial statements and other information to be furnished to the Corporation by the City during such period are to be prepared in accordance with such determination.

3. The City is to take such action as may be necessary to enable the State Comptroller, or at his election an independent certified public accounting firm retained by the City but satisfactory to the State Comptroller, to perform an annual audit and to furnish to the Corporation an annual report, beginning with the City's fiscal year ending June 30, 1978, and for each subsequent fiscal
year, as to the financial statements of the City. Each such report is to be prepared in accordance with the accounting method described in condition 2 above.

4. Beginning with the City's fiscal year ending June 30, 1977, the City is to deliver a proposed expense budget to the Corporation. Such delivery is to be made concurrently with the initial submission of a proposed expense budget to the Board of Estimate and the City Council but in no event later than 45 days prior to the beginning of such fiscal year. The proposed expense budget delivered to the Corporation is to be accompanied by (a) a statement setting forth the assumptions of income and expense used in its preparation, (b) a reconciliation of the differences, if any, between such proposed expense budget and the proposed expense budget submitted to the Board of Estimate and the City Council, and (c) a certificate of the Mayor stating that such assumptions are reasonable and that operation within the proposed budget is feasible (and explaining the reasons for any differences from the proposed expense budget submitted to the Board of Estimate and City Council). The City is in each of its fiscal years to adopt and maintain an expense budget in which the total of all income items equals or exceeds the total of all expenditure items. In addition, for the City's fiscal year ending June 30, 1978, and for each of its subsequent fiscal years, the total of all income items is to equal or exceed the total of all expenditure items in each expense budget adopted by the City, after any adjustments necessary to conform to the accounting method which will be required by the Corporation as described in condition 2 above. The City is also to maintain a balanced budget in accordance with such accounting method.

5. The City is, over a period of ten fiscal years beginning with its fiscal year ending June 30, 1977, to eliminate from its capital budget those expenses that are properly includable only in its expense budget, as determined in accordance with the State Comptroller's Uniform System of Accounts for Municipalities, as that system may be modified by the State Comptroller in consultation with the City Comptroller. The determination of which items are properly includable only in the City's expense budget is to be made in accordance with the aforesaid accounting principles regardless of any prior or subsequent act of the State Legislature otherwise classifying such items.

6. If after an expense budget has been adopted by the City, an increase in that budget is proposed, the Mayor is to submit such proposed increase to the Corporation concurrently with its submission to the Board of Estimate and the City Council. The City is to include in such submission to the Corporation a statement of the source of current income or other identifiable and currently available funds required for the payment of such increase.

7. Beginning as soon as the Corporation may specify but not later than December 1, 1975, the City Budget Director is to deliver to the Corporation, for each fiscal quarter of the City, an expenditure plan to implement the City's expense budget for such fiscal quarter. The City Budget Director is to deliver to the Corporation, within 30 days after the end of each such fiscal quarter, an operations report reflecting results of the City's operations for such fiscal quarter and stating whether the City has operated within the related expenditure plan.

8. The City is to comply in all material respects with the expenditure limitations in its budgets, except insofar as any noncompliance is the result of (i) such unanticipated circumstance occurring during such fiscal year that would permit the issuance of budget notes under the State Local Finance Law or (ii) a mandatory increase in expenditures by reason of State or Federal legislation enacted after the adoption of the City's budget for such fiscal year.

9. The City is not to permit the aggregate principal amount of its outstanding short-term obligations plus the aggregate principal amount of all the bonds and notes issued by the Corporation (less any bonds or notes of the Corporation which have been refunded or renewed and less any short-term obligations of the City then held by the Corporation) to exceed (i) $5,100,000,000 (hereinafter the "Base Debt Limit") plus (ii) an additional amount, not exceeding 10% of the Base Debt Limit. Notwithstanding the foregoing, during the fiscal years of the City ending
June 30, 1976 and 1977, such additional amount may not exceed 30% of the Base Debt Limit; during the fiscal year ending June 30, 1978, the additional amount may not exceed 25% of the Base Debt Limit; during the fiscal year ending June 30, 1979, the additional amount may not exceed 20% of the Base Debt Limit; and during the fiscal year ending June 30, 1980, the additional amount may not exceed 15% of the Base Debt Limit. In addition to the foregoing limitation, the City is not, at any date, to permit the aggregate principal amount of its outstanding short-term obligations (excluding bond anticipation notes) plus the aggregate principal amount of all bonds and notes issued by the Corporation (less any notes or bonds refunded or renewed and less any short-term obligations of the City then held by the Corporation and less any short-term obligations of the City issued and payable within the same fiscal year) to exceed $4,500,000,000 plus, in the discretion of the Board of Directors, an additional amount not exceeding $500,000,000.

Notwithstanding any other provision of the Act, the Corporation is not authorized to modify or waive the limitations specified in condition 9 above as to the maximum aggregate amount of short-term obligations of the City permitted to be outstanding.

Not less than 20 days prior to the issuance of any short-term obligations by the City, other than issuance to the Corporation, the City Comptroller is to notify the Corporation of the proposed issuance, specifying the amount and proposed terms thereof and the authority under which such obligations are proposed to be issued, together with the certificate of the City Budget Director specifying the proposed source of the funds for the redemption thereof. If, within ten days of such notice, the Corporation determines, after consultation with the City Comptroller and the City Budget Director, that the issuance of such obligations would violate the limitations specified above, the Corporation is to deliver to the City Comptroller a certified copy of such determination and the City Comptroller is not thereafter to issue such obligations.

Powers of the Corporation

The Act authorizes the Corporation to pay to the City part or all of such amounts as the Mayor from time to time certifies to the Corporation as the amounts required by the City to enable it to pay either the principal of and interest on, at maturity, any short-term obligations of the City or certain operating expenses of the City. In lieu of making direct payments to the City, the Corporation may purchase City obligations from the City having a maturity date not later than 15 years from the original date of issue. All amounts received by the City pursuant to any payment or purchase described in this paragraph must, in the case of amounts to be used for the payment of short-term City obligations, be held in trust for such purpose by the City and, in the case of amounts to be used for the payment of operating expenses by the City, be used to pay such operating expenses.

The Act provides that the outstanding amounts paid to the City for operating expenses in the manner described in the previous paragraph shall not exceed $1,725,000,000 and shall be evidenced by obligations issued by the City. Not more than an aggregate of $900,000,000 of such obligations shall mature in a fiscal year succeeding the fiscal year in which issued; the balance of $825,000,000 shall be payable in the fiscal year in which issued. The City is obligated to apply to welfare or public education purposes as to which State assistance advances have been or will be advanced to the City, not less than $750,000,000 of the amount received for operating expenses that are evidenced by obligations of the City maturing in a fiscal year succeeding the fiscal year in which issued.

In addition to granting the Corporation the power to make the payments and purchases described in the two immediately preceding paragraphs, the Act authorizes the Corporation to issue its bonds or notes in exchange for short-term obligations of the City as provided therein, provided that the principal amount of the Corporation's bonds or notes issued in any such exchange shall not exceed the principal amount of such short-term obligations of the City and accrued interest thereon at the stated rate to
the date of such exchange. Upon receipt of the short-term obligations of the City in any such exchange, the Corporation is permitted by the Act to deliver such short-term obligations to the City, which will thereupon cancel such obligations without making any payment of principal amount or accrued interest thereon, and the City shall have no further liability with respect to the obligations so cancelled. The Act, however, prohibits the Corporation from delivering to the City for cancellation bond anticipation notes of the City received in any such exchange unless the City pays the principal amount and accrued interest thereon or pays accrued interest and exchanges such bond anticipation notes for other bond anticipation notes of the City in equal principal amounts and at not less than the same interest rate, in refunding or renewal thereof.

The Act further prohibits the Corporation from making the payments to or purchases from or exchanging any of its bonds or notes for short-term obligations of the City, as described above, unless the City shall have agreed to observe and perform the conditions described above under the caption "Conditions", subject to such modifications as are described therein and as the Corporation may then approve. In addition, no such exchange of obligations may be made unless the Board shall have determined that the terms of such exchange will not prejudice the rights of holders of other bonds and notes of the City.

Review by the Corporation

In order to determine whether the City has taken or is taking action to comply with the conditions specified above, the Corporation is authorized to conduct a review of the records, accounts, budgets, forecasts, projections and other relevant materials of the City. The City is to make available for such review all of its books and records and is to furnish copies of all financial statements, budgets, forecasts, projections, information or corrective action taken by the City in response to any notices from the Corporation. The City is to make its officers and employees available to and is otherwise to cooperate with the persons conducting any such review for the Corporation.

Action by the Corporation

The proposed expense budgets (including related revenue estimates) and the proposed modifications thereof, the reports on expense items in the capital budget, and the expenditure plans and operations reports, all of which are to be submitted to the Corporation as set forth under the caption "Conditions", are to be reviewed by the Corporation's staff or designee promptly upon receipt.

If within 45 days after the receipt of the above information, the Board of Directors of the Corporation determines (a) that, in its judgment, the City's expense budget will not be balanced, either by its terms or because income is overestimated or expenditures are underestimated therein, or that a report of proposed modifications indicates that as a result thereof the expense budget would not be balanced, or (b) that one or more of the other conditions described above under the caption "Conditions" has not been met or will not be met, then the Corporation shall promptly notify the Mayor of such determination and shall review with him the manner in which corrective action may be taken in order to balance the expense budget or comply with such other conditions.

In the event that the Board of Directors of the Corporation (a) determines, following such review with the Mayor, that the corrective action necessary to balance the budget or cause compliance with such other conditions will not be taken, (b) determines, as a result of a review made pursuant to the authority discussed above under the caption "Review by the Corporation", that the City is not in compliance with any of the conditions specified above under the caption "Conditions" or that any representation or undertaking contained in any certificate delivered pursuant to the requirements discussed above is materially incorrect or has not been complied with in all material respects or (c) agrees to any limitation of the implementation of the requirements discussed above under the caption "Conditions", then the Corporation is to certify promptly a copy of such determination or modification to the Governor, the
State Legislature, the State Comptroller, the Mayor, the Board of Estimate, the City Council and the City Comptroller and is to disclose such determination or modification to the public.

The foregoing actions are not to be exclusive and the Corporation is to have and may exercise all other rights and remedies provided by law.

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION**

Following is a summary of certain provisions of the General Bond Resolution. The summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the General Bond Resolution, to which reference is hereby made and copies of which are available from the Corporation.

**Certain Defined Terms**

"Capital Reserve Fund" shall mean the Fund by that name established by Section 602(3) of the Resolution.

"Capital Reserve Fund Requirement" shall mean, as of any date of calculation, the amount referred to as the capital reserve fund requirement in subdivision 5 of Section 3036 of the Act, including, as provided in Section 901 of the General Bond Resolution for such purposes, any unpaid and matured amounts of principal and interest on the Bonds or such larger amounts as may hereafter be authorized pursuant to the Act as amended from time to time.

"Debt Service Fund" shall mean the Fund by that name established by Section 602(2) of the Resolution.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Notes" shall mean any obligations issued by the Corporation, other than Bonds or Other Obligations, within the limitations set forth under Section 202 (see "Additional Bonds and Notes") of the Resolution and the principal of and interest on which is payable from the Debt Service Fund.

"Operating Expenses" shall mean the Corporation's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, as then in effect, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Corporation under the provisions of the Act, as then in effect, or the Resolution or otherwise.

"Operating Fund" shall mean the Fund by that name established by Section 602(1) of the Resolution.

"Other Obligations" shall mean any obligations, other than Bonds or Notes, issued by the Corporation, in contemplation of the issuance of Bonds or Notes, within the limitations set forth under Section 202 (see "Additional Bonds and Notes") of the Resolution, the interest on which is payable from the Debt Service Fund.

"Outstanding", when used with reference to Bonds, other than Bonds referred to in Section 1105 of the Resolution, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of the Resolution, except: (i) any Bonds cancelled by the Trustee or any Paying Agent at or prior to such date, (ii) any Bonds for the payment or redemption of which monies equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article IV of the Resolution provided or provision satisfactory to the Trustee shall have been
made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106 of the Resolution, and (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401 of the Resolution.

"Paying Agent" for the Bonds of any Series shall mean the bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution and a Series Resolution or any other resolution of the Corporation adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the Resolution and the Series Resolution pursuant to which the same was issued.

"Resolution" shall mean the General Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions thereof.

"Revenues" shall mean all payments to the Corporation pursuant to Section 3036 of the Act except payments to the Corporation for credit to the Operating Fund.

"Serial Bonds" shall mean the bonds so designated in a Series Resolution.

"Series of Bonds" or "Bonds of a Series" or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

"Series Resolution" shall mean a resolution of the Corporation authorizing the issuance of a Series of Bonds in accordance with the terms and provisions thereof adopted by the Corporation in accordance with Article X of the Resolution.

"Sinking Fund Installment" shall mean as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution, pursuant to which such Bonds were issued, to be paid at all events by the Corporation on a single future February 1 for the retirement of any Outstanding Bonds of said Series which mature after said future February 1, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future February 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment.

"State" shall mean the State of New York.

"Supplemental Resolution" shall mean a resolution supplemental to or amendatory of the Resolution, adopted by the Corporation in accordance with Article X of the Resolution.

"Term Bonds" shall mean the bonds so designated in a Series Resolution and redeemable from Sinking Fund Installments.

"Trustee" shall mean United States Trust Company of New York and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to the Resolution.

Authorization of Bonds

The Resolution creates an issue of Bonds which are general obligations of the Corporation payable out of any revenues of the Corporation and are additionally secured by the pledge of the revenues of the Corporation and the moneys and securities in the Debt Service Fund and Capital Reserve Fund as described in the caption "Provisions for Payment of the Bonds."

(Resolution, Section 201)
Additional Bonds and Notes

No Series of Bonds subsequent to the 1975 Series A Bonds shall be authenticated and delivered by the Trustee and no Notes or Other Obligations will be issued by the Corporation except upon receipt by the Trustee of:

(1) A certificate by the New York State Commissioner of Taxation and Finance setting forth the most recent collections for the 12 consecutive calendar months ended not more than two months prior to the date of such certificate, of the Sales Tax and Stock Transfer Tax, and such other taxes, which as of the date of issuance of any such Series of Bonds, Notes or Other Obligations, are levied and collected by the State and are payable into the Special Account in the Municipal Assistance Tax Fund established for the Corporation.

Where the amount for such 12 consecutive calendar months is greater than the revenue expected by said Commissioner for the next succeeding 12 months from such Sales Tax, Stock Transfer Tax and such other taxes, the certificate shall set forth the estimated amount which is expected to be levied and collected in such next succeeding 12 months and paid into such Special Account. Any distortion for any such prior 12 consecutive month period occasioned by a change in payment dates, prepayments and late payments of such Sales Tax, Stock Transfer Tax or certain other taxes shall be taken into account in such certification by increasing or decreasing the estimated amount of Sales Tax, Stock Transfer Tax or such other taxes to be levied and collected. In the event the Sales Tax or such other taxes have not been in effect for 12 calendar months said Commissioner shall use, respectively, the collections of the sales and compensating use taxes previously imposed by the City or collections of the tax similarly based to the other taxes referred to above if such tax was previously imposed by the City, as the amount to be certified in lieu of actual collections of the Sales Tax or other taxes, for those months the Sales Tax or other taxes were not in effect;

(2) A certificate by an authorized officer setting forth (a) the aggregate amount of the principal on Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds not required to be paid from Sinking Fund Installments and interest on all Outstanding Bonds, including such Series, and the principal of and interest on Notes, and the interest on Other Obligations for each Fiscal Year and (b) the aggregate amount of Operating Expenses as estimated by an authorized officer for the current Fiscal Year;

(3) A certificate by an authorized officer stating that the amounts set forth pursuant to paragraph (1) above after deducting the Operating Expenses set forth pursuant to paragraph (2) (b) above, will be at least 2 times such aggregate amount set forth in 2(a) above for each Fiscal Year set forth pursuant to paragraph 2(a) above; and

(4) A certificate by an authorized officer stating that the amount of Sales Tax collections or the amount to be certified in lieu of such collections set forth pursuant to paragraph (1) above after deducting the Operating Expenses set forth pursuant to paragraph (2) (b) above, will be at least 1.5 times the aggregate amount set forth in (2) (a) above for each Fiscal Year set forth pursuant to paragraph (2) (a) above; provided further that prior to the issuance of any Notes or Other Obligations, the Trustee shall receive, in conjunction with the certificate hereinafter referred to, a certificate of an authorized officer identifying such securities as either Notes or Other Obligations, the date or dates of payment of principal and interest on the Notes and the date or dates of payment of the interest on the Other Obligations and stating that such date or dates and amounts of payments due for principal and interest on the Notes to be issued or interest on the Other Obligations to be issued have not been so scheduled as to materially adversely affect the ability of the Corporation to pay the principal of or interest on its Outstanding Bonds when due or the coverages set forth hereinbefore as affected by the quarterly payments provided for in Section 607 of the General Bond Resolution.

(Resolution, Section 202)
The Pledge Effectuated by the Resolution

The proceeds of sale of the Bonds, the Revenues, and all Funds (other than the Operating Fund) established by the Resolution, and other monies and securities referred to therein are pledged for the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes (including the payment from the Debt Service Fund of principal of and interest on Notes and the payment of interest on Other Obligations of the Corporation) and on the terms and conditions set forth in the Resolution; provided, however, nothing aforesaid shall be construed to preclude, subject to the provisions of Section 605 and Section 607, the right of the Corporation to grant an equal lien on all revenues, moneys and securities in the Debt Service Fund (other than monies, if any, paid into the Debt Service Fund from the Capital Reserve Fund) to secure the payment of principal of and interest on the Notes and interest on Other Obligations.

(Resolution, Section 601)

Establishment of Funds

The Resolution establishes the following Funds:

1. Operating Fund, which is held by the Corporation;
2. Debt Service Fund, which is held by the Trustee; and
3. Capital Reserve Fund, which is held by the Trustee.

(Resolution, Section 602)

Application of Payments

Any payment received by the Corporation in accordance with subdivision 1 of Section 3036 of the Act shall be applied to the Operating Fund, the Debt Service Fund and the Capital Reserve Fund in accordance with the certification of the Chairman of the Corporation pursuant to which such payment is made. If the amount of any payment received is less than the amount so certified, such amount shall be applied pro rata to the respective Funds on the basis of the amounts as certified.

(Resolution, Section 603)

Debt Service Fund

1. The Trustee shall on or before the business day preceding each interest payment date for any Bonds or any outstanding Notes pay, out of the amounts then held in the Debt Service Fund, to itself and the Paying Agents, the amounts respectively required for the payment of principal, Sinking Fund Installments, if any, and Redemption Price, if any, of and interest on, any such Bonds or Notes due and payable on such date, and shall at the direction of an Authorized Officer of the Corporation pay to itself or the Paying Agents or paying agents (for Other Obligations) for payment of interest on Other Obligations such amount as shall be necessary, in the opinion of the Corporation, to pay such interest on Other Obligations becoming due and payable and such amounts so paid out shall be irrevocably pledged to and applied to such payments.

2. In the event that on the business day preceding any interest payment date, the amount in the Debt Service Fund shall be less than the amounts respectively required for payment of interest on the Outstanding Bonds and for the payment of the principal and Sinking Fund Installments of the Outstanding Bonds of any Series due and payable on such interest payment date, the Trustee shall withdraw from the Capital Reserve Fund and deposit into the Debt Service Fund such amounts as will increase the amount in the Debt Service Fund to an amount sufficient to make such payment or payments.

3. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to Section 403 of the Resolution, on such
due date, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of the Term Bonds of such Series and maturity. The Trustee shall so call such Term Bonds for redemption whether or not it then has monies in the Debt Service Fund sufficient to pay the applicable principal amount thereof, together with interest thereon to the redemption date. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agents, on the day preceding each such redemption date, the amount required for the redemption of the Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

4. The Corporation may, at any time subsequent to the second day of February of any year but in no event less than 45 days prior to the succeeding first day of February on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with monies in the Debt Service Fund, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, Term Bonds of the Corporation payable from such Sinking Fund Installment and any Term Bonds so purchased prior to the first day of February shall be cancelled by the Trustee and the aggregate principal amount of the Term Bonds so purchased shall be credited against the Sinking Fund Installment due on such first day of February.

(Resolution, Section 605)

Capital Reserve Fund

1. The Corporation shall deposit into the Capital Reserve Fund: (i) all monies paid to the Corporation pursuant to subdivisions 1 and 4 of Section 3036 of the Act for the purpose of maintaining or restoring the amount in such Fund to the Capital Reserve Fund Requirement; (ii) such portion of the proceeds of sale of Bonds, if any, as shall be prescribed by a Series Resolution authorizing the issuance thereof, and (iii) any other monies which may be made available to the Corporation for the purposes of the Capital Reserve Fund from any other source or sources.

2. Monies and securities held for the credit of the Capital Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of paragraph 2 of Section 605 of the Resolution. At any time after December 31, 1980, monies and securities in the Capital Reserve Fund in excess of its Requirement, upon direction of the Corporation, may be deposited to the credit of the Debt Service Fund.

3. In order to assure the maintenance of the Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement and in compliance with the requirements of subdivision 4 of Section 3036 of the Act, the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State said Chairman's certificate stating the sum, if any, required to restore the Capital Reserve Fund to an amount equal to the Capital Reserve Fund Requirement. All monies received by the Corporation from the State pursuant to any such certification, in accordance with the provisions of subdivision 4 of Section 3036 of the Act, as amended, shall be deposited in the Capital Reserve Fund, as required by paragraph 1 of Section 606 of the Resolution.

(Resolution, Section 606)

Maintenance of Certain Funds

In order to assure the maintenance of the Operating Fund, the Debt Service Fund and the Capital Reserve Fund, not less than 120 days before the beginning of each Fiscal Year (but prior to February 12 in each calendar year) (but not later than July 1, 1975 for the Fiscal Year ending June 30, 1976), the Chairman of the Corporation shall certify to the State Comptroller and to the Mayor a schedule setting for the cash requirements of the Corporation for such Fiscal Year and the time or times when such cash is required, which certification shall be revised from time to time as required. The total
amount so certified by such Chairman for such Fiscal Year shall be equal to: (i) the amounts which are required to be deposited in the Capital Reserve Fund during such Fiscal Year in order to maintain the Capital Reserve Fund at the Capital Reserve Fund Requirement; (ii) the amounts required to be deposited in the Debt Service Fund to pay all interest on, and all payments of principal, Sinking Fund Installments, if any, and Redemption Price, if any, of Bonds and Notes maturing or otherwise coming due during such Fiscal Year and the interest on Other Obligations maturing or otherwise becoming due during such Fiscal Year; and (iii) the amounts required to be deposited in the Operating Fund as determined by the Corporation, to meet the Operating Expenses of the Corporation during such Fiscal Year. If any increase shall occur in the cash requirements specified above, or if payments are required at a time or times earlier than previously certified or if the City shall, for any reason fail to make timely payment of the principal and accrued interest due on any obligation issued by the City to the Corporation and maturing within the same Fiscal Year, such Chairman shall certify a revised schedule of cash requirements for such Fiscal Year to the State Comptroller and to the Mayor. The schedule accompanying each certification (or revision thereof) shall provide for such payment dates as the Corporation deems appropriate to assure that sufficient funds will be available to meet the obligations of the Corporation as they become due. The Chairman shall exclude from consideration in making any such certification with respect to the funds required by the Corporation for payment of principal or interest on the Bonds or Notes or interest on Other Obligations, any amounts due to be received as payment of principal or interest on obligations of the City held by the Corporation. (See "Municipal Assistance Tax Fund"). In order further to secure the obligations of the Corporation, including the Bonds, each quarterly payment (to be made on or before April 12, June 30, October 12 and January 12) by the State Comptroller to the Corporation in accordance with the certification shall be an amount, after taking into account monies then in the Debt Service Fund and available for purposes of the Debt Service Fund during such Fiscal Year, not less than the sum of (A) 50% of the interest on all outstanding Bonds, Notes or Other Obligations the interest on which is payable from the Debt Service Fund of the Corporation payable within six months after the end of the quarterly period for which such payment is made plus (B) 25% of the principal and premium, if any, on all Bonds, Notes and Sinking Fund Installments of the Corporation payable within one year after the end of the quarterly period for which such payment is made and of such amount, if any, as may be required to be paid into the Capital Reserve Fund during the Fiscal Year of the Corporation of which such quarterly period is a part.

(Resolution, Section 607)

Further Assurances

The Corporation has covenanted that it shall cause the Chairman to make and deliver the certificates referred to in Sections 606 and 607 of the Resolution.

(Resolution, Section 904)

Payment of Bonds

The Corporation shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds and in the coupons thereto appertaining, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

(Resolution, Section 901)

Office for Servicing Bonds

The Corporation shall at all times maintain an office or agency in the Borough of Manhattan, City and State of New York, where Bonds and coupons may be presented for payment, registration, transfer or exchange. The Corporation has appointed the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Resolution, Section 903)
Power to Issue Bonds and Make Pledges

The Corporation is duly authorized pursuant to law to create and issue the Bonds and to adopt the Resolution and to pledge the Revenues, and other monies, securities and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Revenues and other monies, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other monies, securities and funds pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

(Resolution, Section 905)

Agreement of the State

In accordance with the provisions of Section 3015 of the Act, the Corporation has included in the Resolution a pledge and agreement with the Holders of the Bonds that the State will not limit or alter the rights vested pursuant to the Act in the Corporation to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. See “Agreement of the State of New York.”

(Resolution, Section 906)

Creation of Liens

The Corporation shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the revenues, monies and securities in the Capital Reserve Fund and shall not create or cause to be created any lien or charge prior to the Bonds on the revenues, monies and securities in the Debt Service Fund.

(Resolution, Section 907)

Additional Obligations

The Corporation reserves the right to issue bonds, notes or any other obligations, other than Bonds, Notes or Other Obligations under another and separate resolution so long as the same are not a charge or lien or right prior or equal to the charge or lien created by, or to the rights of the Corporation and Holders of the Bonds provided by, the Resolution and the Act, or with respect to monies pledged under the Resolution or with respect to proceeds from the Sales Tax or the Stock Transfer Tax or the sources set forth in the Act.

(Resolution, Section 204)

Events of Default

The Resolution provides that it shall constitute an “event of default” if:

(a) the Corporation shall default in the payment of the principal or Sinking Fund Installments, if any, or Redemption Price of any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise; or

(b) the Corporation shall default in the payment of interest on any of the Bonds and such default shall continue for a period of thirty (30) days; or

(c) the Corporation shall fail or refuse to comply with the provisions of subdivision 1 of Section 3036 of the Act, or the State Comptroller shall fail to pay to the Corporation, as and
when required by such Section, for deposit in the Capital Reserve Fund, the Debt Service Fund or the Operating Fund any amount or amounts as shall be certified by the Chairman of the Corporation pursuant to such provisions of the Act or the Corporation shall fail or refuse to deposit in the Capital Reserve Fund or the Debt Service Fund the amount or amounts received by the Corporation for deposit in such Funds; or

(d) the Corporation shall fail or refuse to comply with the provisions of subdivisions 3 and 4 of Section 3036 of the Act, or the State shall fail to appropriate and pay to the Corporation, as and when required by such Section, for deposit in the Capital Reserve Fund any amount or amounts as shall be certified by the Chairman pursuant to such provisions of the Act or the Corporation shall fail or refuse to deposit in the Capital Reserve Fund the amount or amounts received by the Corporation for deposit in such Fund; or

(e) the Corporation shall fail or refuse to comply with the provisions of the Act, other than as provided in (c) or (d) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Holders of not less than five per centum (5%) in principal amount of the Outstanding Bonds; or

(f) the State shall for any reason fail or refuse to continue the imposition of either the Sales Tax imposed by Section 1107 of Article 28 of the Tax Law as the same may be from time to time amended or the Stock Transfer Tax imposed by Sections 270 and 270-a of Article 12 of such Law as the same may be from time to time amended or if the rates of such taxes shall be reduced to rates less than those in effect on July 2, 1975; or

(g) the State shall fail to maintain the existence of either the Special Account or the Stock Transfer Fund.

(Resolution, Section 1202)

Remedies

The Resolution vests the Trustee with all rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 3017 of the Act and the right of Bondholders to appoint a trustee pursuant to such Section of the Act is thereby abrogated in accordance with the provision of subdivision 2(g) of Section 3012 of the Act.

(Resolution, Section 1201)

Upon the happening and continuance of any event of default specified in paragraph (a) or (b) of Section 1202 of the Resolution, the Trustee shall proceed, or upon the happening and continuance of any event of default specified in paragraphs (c), (d), (e), (f) or (g) of said Section, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such one or more of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the Holders of the Bonds;
(d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; or

(e) in accordance with the provisions of the Act (including the requirement for 30 days notice to the Governor, the Corporation and the Attorney General of the State) to declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, to annul such declaration and its consequences.

In the enforcement of any remedy under the Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Corporation for principal, Redemption Price, interest or otherwise, under any provision of the Resolution or a Series Resolution or of the Bonds, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings thereunder, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

(Resolution, Section 1203)

Priority of Payments After Default

In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal, Sinking Fund Installments or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds or coupons which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Resolution, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according
to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and coupons.

(Resolution, Section 1204)

Series Resolutions and Supplemental Resolutions

A Series Resolution or Supplemental Resolution of the Corporation may be adopted at any time or from time to time, for any one or more of the following purposes: to provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which Bonds may be issued, paid or redeemed; to add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Resolution; to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Corporation which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; to surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Resolution; to confirm and further assure any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution of the Revenues, or of any other monies, securities or funds; to modify any of the provisions of the Resolution or any previously adopted Series Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions; or, with the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect.

(Resolution, Section 1001)

Any of the provisions of the Resolution hereinbefore stated may be amended by a Supplemental Resolution, with the written consent (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (c) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least two-thirds in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under Section 1101 of the Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

(Resolution, Section 1101)
Any term or provision of the Resolution and the rights and obligations of the Corporation and of the Holders of the Bonds and coupons thereunder may be modified or amended with the consent of the Holders of all of the Bonds then Outstanding.

*(Resolution, Section 1103)*

**Investment of Funds**

1. Monies in the Debt Service Fund and the Capital Reserve Fund and the proceeds of Bonds shall, as nearly as may be practicable, be invested by the Trustee upon direction of the Corporation in (a) direct obligations of the United States of America, direct obligations of the State or obligations the principal and interest of which are guaranteed by the United States of America or the State, (b) any bond, debenture, note, participation or other similar obligation issued by any of the following Federal agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, Farmers' Home Administration and Export-Import Bank, (c) if permitted by law, any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association, and (d) any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State of New York or held in the State treasury.

1975 Series B Bond proceeds may also be invested in repurchase agreements covering the obligations enumerated hereinbefore.

2. In lieu of the investments of monies in obligations authorized in paragraph (1) above, the Trustee shall, to the extent permitted by the Act then in effect, upon direction of the Corporation in writing, signed by an Authorized Officer, deposit monies from any fund or account held by the Trustee under the terms of the Resolution, in interest-bearing time deposits, or shall make other similar banking arrangements, with itself or a member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation; provided, that no monies in such funds or accounts shall be so deposited unless the recipient of such deposit shall certify in writing to the Corporation and the Trustee, upon the making of each such deposit or arrangement, that the interest to be earned thereon will be in excess of the interest, income or increment that would be earned by the investment of such monies in accordance with the requirements of paragraph (1) above in direct obligations of the United States of America or of the State or obligations the principal and interest of which are guaranteed by the United States of America or by the State at the then current market prices*; provided further, that each such interest-bearing time deposit or other similar banking arrangement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies; and provided further, that all monies in each such interest-bearing time deposit or other similar banking arrangement shall be continuously and fully secured by direct obligations of the United States of America or of the State or obligations the principal and interest of which are guaranteed by the United States of America or by the State, of a market value equal at all times to the amount of the deposit or of the other similar banking arrangement.

3. Obligations purchased as an investment of monies in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account.

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* Hawkins, Delafield & Wood, Bond Counsel for the Corporation, have advised the Corporation and the Trustee that they need not obtain the certificate described in the text above (from the recipient of a deposit or arrangement) in circumstances in which the investment to be made is of a short term nature and the obligations authorized in paragraph (1) above, with maturities corresponding to the dates when monies are required by the Corporation, are not available and, consequently, it is not practicable to make a comparison to the interest, income or increment that would be earned by the investment of monies in such obligations. Carter, Ledyard & Milburn, counsel for the Trustee, have concurred in such opinion.*
and the income or interest earned, profits realized or losses suffered by a fund or account due to the
investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

4. The Resolutions provide that the Trustee shall not be liable or responsible for the making of
any investment authorized pursuant thereto, in the manner provided therein, or for any loss resulting
from any such investment so made.

(Resolution, Sections 702 and 703, Series B Resolution, Section 302.)

Defeasance

1. If the Corporation shall pay or cause to be paid to the Holders of all Bonds and coupons then
Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the
times and in the manner stipulated therein and in the Resolution, then the covenants, agreements and
other obligations of the Corporation to the Bondholders shall be discharged and satisfied.

2. Bonds or coupons or interest installments for the payment or redemption of which monies shall
have been set aside and shall be held in trust by the Trustee or any Paying Agent (through deposit by the
Corporation of funds for such payment or redemption or otherwise) at the maturity or redemption date
thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph 1
above. All Outstanding Bonds of any Series and all coupons appertaining to such Bonds shall, prior to the
maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect
expressed in such paragraph 1 above if (a) in case any of said Bonds are to be redeemed on any date
prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable
instructions to publish as provided in Article IV of the Resolution notice of redemption on said date of such
Bonds, (b) there shall have been deposited with the Trustee either monies in an amount which shall be suf-

ficient, or direct obligations of the United States of America the principal of and the interest on which, when
due, will provide monies which, together with the monies, if any, deposited with the Trustee at the same
time, shall be sufficient to pay, when due, the principal or Redemption Price, if applicable, and interest
due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as
the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the
next succeeding 60 days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable
instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days
between publications, in an Authorized Newspaper a notice to the Holders of such Bonds and coupons
that the deposit required by (b) above has been made with the Trustee and that said Bonds and coupons
are deemed to have been paid in accordance with Section 1401 of the Resolution and stating such maturity
or redemption date upon which monies are to be available for the payment of the principal or Redemption
Price, if applicable, on said Bonds. Neither direct obligations of the United States of America or monies
deposited with the Trustee pursuant to Section 1401 of the Resolution nor principal or interest payments
on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for,
the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided
that any cash received from such principal or interest payments on such direct obligations of the United
States of America deposited with the Trustee, if not then needed for such purpose, shall, to the extent
practicable, be reinvested in direct obligations of the United States of America maturing at times and in
amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become
due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be,
and interest earned from such reinvestment as received by the Trustee, shall be paid over to the
Corporation free and clear of any trust, lien or pledge.

(Resolution, Section 1401)

AGREEMENT OF THE STATE OF NEW YORK

The State has pledged to and agreed with the Holders of the Bonds that the State will not limit or alter
the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with
holders of Bonds, or in any way impair the rights and remedies of such holders, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged and in accordance with the authority granted to the Corporation pursuant to Section 3015 of the Act, the Corporation has included such pledge in the General Bond Resolution.

Such pledge and agreement does not, among other things, bind or obligate the State to appropriate funds for the payment of principal of or premium, if any, or interest on the Bonds. See “Provisions for Payment of the Bonds—Restoration of Capital Reserve Fund.”

**LEGAL INVESTMENT**

The Bonds are legal investments, under present provisions of New York law, for all public officers and bodies of the State and political subdivisions of the State 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 may hereafter be authorized to invest in bonds or other obligations of the State. Pursuant to the Act the Bonds may be deposited with, and may be received, by all public officers and bodies of the State and all political subdivisions thereof and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

**APPROVAL OF LEGALITY**

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Hawkins, Delafield & Wood, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed on for the Corporation by its General Counsel, Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York. Certain matters will be passed upon for the Underwriters by their counsel, White & Case, New York, New York. The approving opinion of Bond Counsel to the Corporation will be in the form attached to this Official Statement as Exhibit A. The Attorney General of the State has issued an opinion that the Act has been validly enacted and has become law in accordance with the Constitution and laws of the State. Carter, Ledyard & Milburn, New York, New York, have acted as counsel for the Trustee.

**TAX EXEMPTION**

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Bonds is exempt from Federal income taxes, and at all times shall be free from State and City personal income taxes.

**UNDERWRITING ARRANGEMENTS**

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the 1975 Series B Bonds from the Corporation at an aggregate discount of $5,438,750 from the initial public offering prices of the 1975 Series B Bonds. The public offering prices may be changed from time to time by the Underwriters. The Corporation has agreed to indemnify the Underwriters against certain liabilities. Those Clearing House Banks that are also Underwriters hold in the aggregate approximately $89,000,000 principal amount of the August Notes, which will be paid, in part, from the proceeds of the sale of the 1975 Series B Bonds.
In addition, the Corporation has been advised by a group of 11 banks and seven non-bank dealers, 15 of whom are Underwriters, that any unsold portion of the 1975 Series B Bonds will be purchased from the underwriting syndicate at the price paid by the Underwriters for such 1975 Series B Bonds. At the request of the non-bank dealers, the 11 banks have agreed that they will not reoffer their portion of such Bonds prior to September 30, 1975. The seven non-bank dealers intend to reoffer their portion of such Bonds from time to time subject to applicable price restrictions, if any, contained in an agreement among the Underwriters.

Lazard Frères & Co., New York, N. Y., is acting without compensation as financial advisor to the Corporation. Felix G. Rohatyn, a director of the Corporation, is a general partner of such firm.

The references herein to the Act, the Tax Law, the State Finance Law and the Resolutions are summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Act, such Laws and the Resolutions for full and complete statements of such provisions. Copies of such Act, such Laws and such Resolutions are available at the office of the Corporation.

The delivery of this Official Statement has been duly authorized by the Corporation.

Municipal Assistance Corporation For The City Of New York
EXHIBIT A

Official Statement

Hawkins, Delafield & Wood
67 Wall Street, New York 10005

August 21, 1975

Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

We have examined a record of proceedings relating to the issuance of $275,000,000 1975 Series B Bonds (the "1975 Series B Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended (the "Act").

The 1975 Series B Bonds are authorized and issued under and pursuant to the Act and a General Bond Resolution of the Corporation (the "General Bond Resolution") and the 1975 Series B Resolution (the "Series Resolution"), adopted July 2, 1975 and August 15, 1975, respectively. Said resolutions are herein collectively called the "Resolutions."

The 1975 Series B Bonds are part of an issue of bonds of the Corporation (the "Bonds") which the Corporation has established and created under the terms of the General Bond Resolution and is authorized to issue from time to time for the corporate purposes of the Corporation authorized by the Act, as then in effect and without limitation as to amount except as provided in the General Bond Resolution or as may be limited by law. The 1975 Series B Bonds are being issued for the purpose of providing funds to The City of New York, New York ("The City") to enable The City to pay certain of its operating expenses and the principal of and interest on certain of its short term obligations.

The Corporation is authorized to issue Bonds, in addition to the 1975 Series B Bonds, only upon the terms and conditions set forth in the General Bond Resolution and such Bonds, when issued, shall with the 1975 Series B Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Bond Resolution.

The 1975 Series B Bonds are dated August 1, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series B Bonds and will mature on the dates and will bear interest, payable February 1, 1976 and August 1, 1976 and semi-annually thereafter on February 1 and August 1 in each year at the respective rates per annum, shown below:

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Amount Maturing</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1980</td>
<td>$70,000,000</td>
<td>10%</td>
</tr>
<tr>
<td>1981</td>
<td>65,000,000</td>
<td>10 1/4%</td>
</tr>
<tr>
<td>1983</td>
<td>140,000,000</td>
<td>11%</td>
</tr>
</tbody>
</table>
The 1975 Series B Bonds are issued either in coupon form in the denominations of $1,000 and $5,000, registrable as to principal only, or in fully registered form without coupons in the denominations of $1,000, $5,000 or an integral multiple of $5,000. Coupon and fully registered 1975 Series B Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series B Bonds in the denomination of $1,000 are lettered BM, coupon 1975 Series B Bonds in the denomination of $5,000 are lettered BV and fully registered 1975 Series B Bonds are lettered BR, in each case followed by the last two digits of the year in which each of such 1975 Series B Bonds matures and its number. Coupon 1975 Series B Bonds so lettered are numbered consecutively from one upward for each year of maturity and fully registered 1975 Series B Bonds are numbered consecutively from one upward in order of issuance for each year of maturity. The 1975 Series B Bonds shall not be subject to redemption prior to maturity.

The 1975 Series B Bonds maturing on February 1, 1983, are subject to redemption, in part, by lot and upon such notice, as provided in the Resolutions, by operation of the Debt Service Fund through application of mandatory Sinking Fund Installments as defined in the General Bond Resolution and in the amounts set forth in the Series Resolution, at the redemption price of 100% of the principal amount of each 1975 Series B Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption.

Chapters 168 and 169 of the Laws of 1975 each enacted by the People of the State, represented in Senate and Assembly of the State and signed into law by the Governor of the State (the "Enabling Legislation") provides, among other things, for the insertion of the Act in the Public Authorities Law creating the Corporation as aforesaid, suspending the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes pursuant to sections 1210 and 1212-A of Article 29 of the Tax Law, constituting Chapter 60 of such Consolidated Laws, and the taxes imposed pursuant to said sections, until all notes and bonds of the Corporation, including the 1975 Series B Bonds, and interest thereon have been fully paid and discharged, adding a new section 94-d to Article 6 of the State Finance Law constituting Chapter 56 of such Consolidated Laws, establishing a municipal assistance tax fund (the "Assistance Fund") and a special account for the Corporation within the Assistance Fund (the "Special Account"), adding a new section 1107 to Article 28 of said Tax Law imposing sales and compensating use taxes in The City at a rate of four percent (4%) on certain items therein described and at a rate of six percent (6%) on the sale of certain parking services (the "Sales Tax"), the revenues derived from which, less such amounts as the Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing such taxes, are required to be paid into the Special Account together with, after deducting such costs, such amounts, beginning with the fiscal year of the State commencing April 1, 1976, as may be required under the Enabling Legislation to be transferred from the Stock Transfer Tax Fund established by section 92-b of Article 6 of said State Finance Law, into which the revenues derived from a tax imposed by sections 270, 270-a and 270-d of Article 12 of the Tax Law (the "Stock Transfer Tax") are deposited.

We are of the opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State constituting a public benefit corporation under the laws of the State, including the Constitution of the State and the Act, with the good right and lawful authority and power to adopt the Resolutions, to issue the Bonds including the 1975 Series B Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series B Bonds. Under the laws of the State, including the Constitution of the State, the Enabling Legislation, including the Act, is valid with respect to all provisions thereof material to the subject matters of this opinion letter.

2. The Series Resolution has been duly and lawfully adopted in accordance with the provisions of the General Bond Resolution and is authorized and permitted by the General Bond Resolution. The Resolutions have been duly and lawfully adopted by the Corporation and both are in
full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for the Resolutions is required. The Resolutions create the valid pledge and lien which they purport to create of the revenues, moneys and securities in the Debt Service Fund and Capital Reserve Fund established by the General Bond Resolution, subject only to the application thereof to the purposes and on the conditions permitted by the Resolutions. The lien created by the Resolutions on such revenues, moneys and securities is and will be prior to all other liens thereon. All revenues, moneys and securities, as and when received, in the Debt Service Fund and the Capital Reserve Fund in accordance with the Resolutions, will be validly subjected to the pledge and lien created by the Resolutions.

3. The 1975 Series B Bonds have been duly and validly authorized and issued by the Corporation in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolutions. The 1975 Series B Bonds are valid and binding general obligations of the Corporation payable as provided in the Resolutions, are enforceable in accordance with their terms, respectively, and the terms of the Resolutions, and are entitled, together with additional Bonds issued under the General Bond Resolution, to the equal benefit, protection and security of the provisions, covenants and obligations of the General Bond Resolution and of the Act.

4. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State his certificate stating such sum, if any, as shall be necessary to restore the amount in such Capital Reserve Fund to an amount equal to the capital reserve fund requirement under the General Bond Resolution. Subdivision 4 of Section 3036 of the Act providing for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman, does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the Legislature of the State, which is empowered, but is not bound or obligated, to appropriate such amount.

5. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall certify to the State Comptroller and the Mayor of The City, the amounts required, pursuant to subdivision 1 of Section 3036 of the Act, for deposit in the funds established by the General Bond Resolution at the time or times and in the manner provided therein, including the amounts required for deposit in the Debt Service Fund to pay all interest and all principal and redemption premium, if any, on notes and bonds maturing or otherwise coming due and for deposit in the Capital Reserve Fund to maintain such Fund at such capital reserve fund requirement. Said subdivision provides for the State Comptroller to pay such amounts to the Corporation for deposit as aforesaid, the source of such payments being the Assistance Fund into which is paid the Sales Tax and, to the extent required, out of the Stock Transfer Tax Fund, the Stock Transfer Tax. The amount of such payments to the Corporation are subject to annual appropriation for such purpose by the Legislature of the State which is empowered, but is not bound or obligated, to appropriate the amount so certified by the Chairman, as aforesaid.

6. The 1975 Series B Bonds do not constitute a debt either of the State or The City, and neither the State nor The City shall be liable thereon, nor shall the 1975 Series B Bonds be payable out of any funds other than those of the Corporation.

7. The State has the good right and lawful authority:

(a) to suspend the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes and the taxes levied thereunder, in accordance with the Enabling Legislation;

(b) to impose and to increase or decrease the Sales Tax and the Stock Transfer Tax but the State is not bound or obligated to continue the imposition of said taxes;

3
(c) to establish the Stock Transfer Tax Fund, the Assistance Fund and the Special Account within the Assistance Fund but the State is not bound or obligated to maintain the existence of said funds or account;

(d) to provide for the appropriation of, and at least annually to appropriate to, the Corporation, from the Special Account for the Corporation in the Assistance Fund and commencing with the fiscal year of the State commencing April 1, 1976 from the Stock Transfer Tax Fund, amounts sufficient to enable the Corporation to fulfill the terms of the Resolutions and to carry out its corporate purposes, but the State is not bound or obligated to make such appropriations.

8. Neither the Corporation nor the holders of the Bonds have or will have a lien on the Stock Transfer Tax or the Stock Transfer Tax Fund, the Sales Tax, or the Special Account for the Corporation in the Assistance Fund.

9. Under existing statutes and court decisions, interest on the 1975 Series B Bonds is exempt from Federal income taxes and shall at all times be free from New York State and New York City personal income taxes.

10. No registration with, consent of, or approval by any governmental agency or commission is necessary for the execution and delivery and the issuance of the 1975 Series B Bonds.

11. The adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions and the 1975 Series B Bonds, and the execution and delivery of the 1975 Series B Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

We have examined the executed 1975 Series B Bond numbered and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

[To Be Signed, Hawkins, Delafield & Wood]
In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1975 Series W and X Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

Supplement No. 2

to

The Official Statement dated August 15, 1975

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A corporate Governmental Agency and Instrumentality of the State of New York)

1975 SERIES W AND X BONDS

Dated November 10, 1975 Due February 1, as shown on Schedule I hereto

Principal and interest on the 1975 Series W and X Bonds (payable on February 1, 1976 and semi-annually thereafter on each February 1 and August 1) payable at the corporate trust office of United States Trust Company of New York, New York, New York. The Trustee under the General Bond Resolution is United States Trust Company of New York.

See Schedule I hereto for the terms of the 1975 Series W and X Bonds.

The 1975 Series W and X Bonds are subject to redemption on or after February 1, 1985, at the election of the Corporation, in accordance with the specific redemption provisions set forth in Schedule I.

The 1975 Series W and X Bonds of the Corporation are payable out of certain revenues of the Corporation, including revenues derived from certain sales and compensating use taxes imposed by the State of New York (the "State") within The City of New York (the "City") and, under certain conditions commencing with the State's fiscal year beginning April 1, 1976, the State stock transfer tax. The State is not bound or obligated to continue the imposition of such taxes or to make the necessary appropriations of the revenues received from such taxes. The Corporation has no taxing power. The 1975 Series W and X Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal of or interest on the 1975 Series W and X Bonds.

The information herein is subject to change without notice and neither the delivery of this Supplement No. 2, Supplement November 10, 1975.
No. 1 and the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of such Corporation since the date hereof. This Supplement No. 2, Supplement No. 1 and the Official Statement are submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>POSSIBILITY OF DEFAULT AND OTHER RISK FACTORS</td>
<td>2</td>
</tr>
<tr>
<td>USE OF PROCEEDS AND NEEDS OF THE CITY</td>
<td>3</td>
</tr>
<tr>
<td>Proceeds Received Prior to November 1, 1975</td>
<td>3</td>
</tr>
<tr>
<td>City’s Needs for November</td>
<td>4</td>
</tr>
<tr>
<td>City’s Short-Term Debt After November</td>
<td>5</td>
</tr>
<tr>
<td>FACTORS AFFECTING THE NOVEMBER BONDS</td>
<td>6</td>
</tr>
<tr>
<td>FINANCIAL PLAN--RECENT DEVELOPMENTS</td>
<td>6</td>
</tr>
<tr>
<td>Cash Deficits of the City</td>
<td>6</td>
</tr>
<tr>
<td>City’s Needs After December 1, 1975</td>
<td>9</td>
</tr>
<tr>
<td>LITIGATION AFFECTING THE FINANCIAL PLAN -- RECENT DEVELOPMENTS</td>
<td>10</td>
</tr>
<tr>
<td>Lawsuits Affecting the State Pension Funds</td>
<td>10</td>
</tr>
<tr>
<td>Lawsuit Alleging the State has Loaned its Credit</td>
<td>11</td>
</tr>
<tr>
<td>Lawsuit Challenging Pension Fund Investment</td>
<td>11</td>
</tr>
<tr>
<td>in State Securities</td>
<td>11</td>
</tr>
<tr>
<td>Lawsuit Affecting the City Pension Funds</td>
<td>12</td>
</tr>
<tr>
<td>Other Litigation</td>
<td>12</td>
</tr>
<tr>
<td>RECENT DEVELOPMENTS AFFECTING THE CITY</td>
<td>12</td>
</tr>
<tr>
<td>Proposed Federal Legislation</td>
<td>12</td>
</tr>
<tr>
<td>Proposed Plans for Averting Default</td>
<td>14</td>
</tr>
<tr>
<td>Lawsuits Alleging Fraud in Sale of City Securities</td>
<td>15</td>
</tr>
<tr>
<td>Financial Emergency Legislation</td>
<td>15</td>
</tr>
<tr>
<td>PROVISIONS FOR PAYMENT OF THE BONDS--RECENT DEVELOPMENTS</td>
<td>18</td>
</tr>
<tr>
<td>Municipal Assistance Tax Fund</td>
<td>18</td>
</tr>
<tr>
<td>Estimated Amounts Available for Debt Service and Debt Service Coverage</td>
<td>18</td>
</tr>
<tr>
<td>LITIGATION AFFECTING THE CORPORATION--RECENT DEVELOPMENTS</td>
<td>21</td>
</tr>
<tr>
<td>Lawsuit Alleging Diversion of Revenues</td>
<td>21</td>
</tr>
<tr>
<td>Lawsuit Alleging Illegal Expenditures</td>
<td>22</td>
</tr>
<tr>
<td>SCHEDULE I</td>
<td></td>
</tr>
</tbody>
</table>
Supplement No. 2

to

The Official Statement dated August 15, 1975

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Corporate Governmental Agency and Instrumentality of the State of New York)

INTRODUCTION

This Supplement No. 2 to the Official Statement dated August 15, 1975 (the "Official Statement") of the Municipal Assistance Corporation For The City of New York (the "Corporation") is being provided, together with the Official Statement and with Supplement No. 1, dated September 24, 1975, to the Official Statement ("Supplement No. 1"), for the purpose of setting forth information concerning the Corporation in connection with the sale during November, 1975, of the bonds of the Corporation listed in Schedule I hereto (the "November Bonds"). This Supplement No. 2 updates certain of the information provided in the Official Statement, and in Supplement No. 1, including information with respect to the Corporation from September 24, 1975 to the date hereof, and should be read in conjunction with the Official Statement and Supplement No. 1, copies of which are provided herewith. All capitalized terms used herein without definition have the meanings specified in the Official Statement or Supplement No. 1.

The November Bonds are to be issued pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Muni-
cipal Assistance Corporation for the City of New York Act, and as
further amended at the Extraordinary Session of the Legislature
commencing September 4, 1975 by Chapters 868 and 870 of the
Laws of 1975 (the "Act"), the general bond resolution (the
"General Bond Resolution") of the Corporation and the series
resolutions of the Corporation authorizing the particular series
of Bonds included in the November Bonds (the "Series Resolutions").
The General Bond Resolution and the Series Resolutions are some-
times collectively referred to herein as the "Resolutions."

POSSIBILITY OF CITY DEFAULT AND OTHER RISK FACTORS

The Corporation believes that a default by the City in
the payment of its obligations is possible by November 21, 1975.
On that date, unless the State is able to raise certain funds,
the City may not be able to meet its payroll. See "Financial
Plan--Recent Developments" herein as to a possible inability of
the State to raise such funds. Such funds, together with the
other sources of funds described herein under "Financial Plan--
Recent Developments", would be sufficient to meet the City's cash
needs, as given to the Corporation by the City Comptroller's of-
fice, through November 30, 1975. There are no agreements at this
time by the Corporation, nor, to the knowledge of the Corporation,
by anyone else to supply funds to the City to meet its anticipated
cash deficits from and after December 1, 1975. Accordingly it is
likely that the City will default on its obligations in December
and possibly as early as on December 1, 1975. However, see
Supplement No. 2
to
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(A Corporate Governmental Agency and
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by anyone else to supply funds to the City to meet its anticipated
cash deficits from and after December 1, 1975. Accordingly it is
likely that the City will default on its obligations in December
and possibly as early as on December 1, 1975. However, see
"Recent Developments Affecting the City--Proposed Plans for Averting Default" herein as to plans under consideration as a means for the City to avoid default after November 30, 1975.

A lawsuit was commenced against the Corporation on November 3, 1975 seeking, among other things, a declaratory judgment that the Tax Law and the State Finance Law "unconstitutionally divert... and expropriate... for the benefit of the Corporation, the City's sales and use tax revenues mandated for application to payment of plaintiffs' City bonds, in violation of Article 8, § 2, of the state Constitution." See "Litigation Affecting the Corporation--Recent Developments--Lawsuit Alleging Diversion of Revenues" in this Supplement No. 2 for a description of this litigation.

USE OF PROCEEDS AND NEEDS OF THE CITY

Proceeds Received Prior to November 1, 1975

Pursuant to the Act, the Corporation is authorized to borrow up to an aggregate of $5,000,000,000. Of the amount now authorized by the Act, $2,677,335,000 aggregate principal amount of Bonds under the General Bond Resolution is now outstanding and a $250,000,000 promissory note issued to the State on September 15, 1975 (payment of which from revenues of the Corporation is subordinated to the Bonds) of the Corporation is now outstanding. Of the total proceeds (approximately $2,903,000,000) received by the Corporation from the sales of these outstanding securities, the
Corporation has advanced approximately $1,390,000,000 to the City to meet maturing short-term obligations of the City and approximately $1,461,000,000 to meet the City's operating expenses. The Corporation has remaining on deposit approximately $57,000,000 which will be applied to meet the City's needs on November 10, 1975.

**City's Needs for November**

The City has advised the Corporation that its Cash Deficit for November is $431,000,000. This Cash Deficit takes into account the commitments from certain commercial banks which are members of the New York Clearing House Association ("Clearing House Banks") that they will exchange $6,750,000 in City notes due on November 10, 1975 for a like amount of City notes maturing November 9, 1976.

The Corporation intends to issue its securities, including the November Bonds, in an amount sufficient to meet the needs of the City for the month of November. There is, however, currently no assurance that the State will be able to carry out its commitments to provide $250,000,000 by November 21, 1975, when a portion of such funds would be required by the Corporation to meet the City's Cash Deficit. Nor is there any assurance that the sources described herein under "Financial Plan--Recent Developments" to meet the City's needs in November will, in view of the recent developments with respect to the City, purchase securities from the
Corporation. See "Financial Plan--Recent Developments" and
"Recent Developments Affecting the City" in this Supplement
No. 2.

City's Short-Term Debt After November

The Corporation has been advised by the City that,
assuming the payment or exchange of the City's notes maturing on
November 10, 1975, the short-term debt of the City outstanding as
of November 11, 1975 will be as follows (excluding City notes held
by the Corporation and referred to in the next paragraph):

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Principal</th>
<th>Interest (In Millions)</th>
<th>Total</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 11, 1975</td>
<td>$400.0</td>
<td>$37.8</td>
<td>$437.8</td>
<td>RANS</td>
</tr>
<tr>
<td>December 17, 1975</td>
<td>$30.0</td>
<td>1.8</td>
<td>31.8</td>
<td>URN5</td>
</tr>
<tr>
<td>January 12, 1976</td>
<td>$620.0</td>
<td>58.1</td>
<td>678.1</td>
<td>RANS</td>
</tr>
<tr>
<td>January 13, 1976</td>
<td>$200.0</td>
<td>18.8</td>
<td>218.8</td>
<td>BANS</td>
</tr>
<tr>
<td>February 13, 1976</td>
<td>$290.0</td>
<td>21.8</td>
<td>311.8</td>
<td>RANS</td>
</tr>
<tr>
<td>March 12, 1976</td>
<td>$491.3</td>
<td>42.8</td>
<td>534.1</td>
<td>BANS</td>
</tr>
<tr>
<td>May 28, 1976</td>
<td>$220.0</td>
<td>16.0</td>
<td>236.0</td>
<td>BANS</td>
</tr>
<tr>
<td>June 10, 1976</td>
<td>$280.0</td>
<td>22.4</td>
<td>302.4</td>
<td>TANS</td>
</tr>
<tr>
<td>June 11, 1976</td>
<td>$51.5</td>
<td>4.1</td>
<td>55.6</td>
<td>BANS</td>
</tr>
<tr>
<td>October 1, 1976</td>
<td>$250.0</td>
<td>21.2</td>
<td>271.2</td>
<td>BANS</td>
</tr>
<tr>
<td>October 15, 1976</td>
<td>$59.8</td>
<td>4.5</td>
<td>64.3</td>
<td>BANS</td>
</tr>
<tr>
<td>November 10, 1976</td>
<td>$6.7</td>
<td>.5</td>
<td>7.2</td>
<td>RANS</td>
</tr>
</tbody>
</table>

$2,899.3  $249.8  $3,149.1

In addition to the indebtedness tabulated above,
the Corporation will hold as of November 11, 1975, the
following notes of the City: (i) approximately $1,480,370,000
of TANS maturing from December 11, 1975 to June 10, 1976,
and (ii) an aggregate of $297,530,000 of BANS, of which
$141,000,000 will mature on August 20, 1976, $46,000,000 will
mature on September 10, 1976, and $110,530,000 will mature on
October 15, 1976. The Corporation also holds a budget note of the City in the principal amount of $81,000,000 maturing on February 13, 1976. See "Financial Plan" in Supplement No. 1 as to the reason for the issuance of this budget note. The City will issue additional notes to the Corporation in connection with future advances to the City from the Corporation. Upon the maturity of notes which it holds, the Corporation has determined that it will, if requested to do so by the City, exchange such notes for notes of the City maturing at later dates, provided that the City is in compliance with the conditions set forth in the Act.

FACTORS AFFECTING THE NOVEMBER BONDS

See "Factors Affecting 1975 Series B Bonds" in the Official Statement and "Possible City Default and Other Risk Factors" in this Supplement No. 2. The factors described in the Official Statement could also affect the November Bonds, and, although the Bonds are not obligations of either the City or the State, financial developments with respect to the City or the State, or agencies of either, may affect the existence of a public market as well as the market price for the Bonds.

FINANCIAL PLAN--RECENT DEVELOPMENTS

Cash Deficits of the City

The Corporation has been advised by the Office of the Comptroller of the City that the Cash Deficits of the City, for
the period from November 1 to November 30, 1975, are estimated
to be $431,000,000. This estimate is subject to revision because
of unforeseen changes in, or in the timing of, the anticipated
revenues or expenses of the City. See "Use of Proceeds and Needs
of the City" in this Supplement No. 2.

It is anticipated that the City's estimated Cash
Deficits for the period from November 1 to November 30, 1975 will
be made up through approximately $57,000,000 held by the Corporation
as of November 7, 1975 and from other sources described below,
although no assurance can be given that all of such sources will
remain available. In particular, the State has not been able to
provide assurances that it will be able to provide the full amount
of funds required to fulfill its obligation under the Financial
Emergency Legislation to advance $250,000,000 to the Corporation
during November. In addition, even if all sources are available
to provide funds, no assurance can be given that they can or will
be available at the particular times during November when funds
are required by the City to avoid a default in its obligations.
As a result of this situation there exists a possibility that
the City will default in the payment of its obligations prior to
December 1, 1975. The following table sets forth the antici-
pated amounts and sources of funds for November:
<table>
<thead>
<tr>
<th>Expected Source*</th>
<th>Amount to be used on November 10, 1975</th>
<th>Amount to be used between November 11 - November 30</th>
<th>Total Amount to be used between November 1 - November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain City Pension Funds</td>
<td>$81,000,000</td>
<td>$14,500,000</td>
<td>$95,500,000</td>
</tr>
<tr>
<td>Certain City Sinking Funds</td>
<td>--</td>
<td>48,500,000</td>
<td>48,500,000</td>
</tr>
<tr>
<td>State Insurance Fund</td>
<td>35,000,000</td>
<td>--</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Advance from State to Corporation for use by the City</td>
<td>--</td>
<td>250,000,000</td>
<td>250,000,000</td>
</tr>
<tr>
<td>Certain New York Savings Banks</td>
<td>--</td>
<td>26,000,000</td>
<td>26,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$116,000,000</strong></td>
<td><strong>$339,000,000</strong></td>
<td><strong>$455,000,000</strong></td>
</tr>
</tbody>
</table>

In addition, Clearing House Banks have agreed to exchange, as described above, $6,750,000 in City notes on November 10, 1975.

Excess funds, if any, would be available to meet Cash Deficits in December.

The Financial Emergency Legislation provides that before the State advances the $250,000,000 to the Corporation, as shown in the chart above, the Director of the Budget of the State must issue a certificate of approval of availability. Such a

* None of these sources would be available in the event of a default by the City on its obligations prior to the purchase of securities by such source.
certificate may be issued only upon the certification of the Corporation and the Emergency Financial Control Board (the "Control Board") that there will be available to the City in November sufficient funds to meet the expenditures required to be made by the City in such month, as determined by the Corporation and the Control Board, after taking account of amounts of the State's advance. As no assurance can be given that all of the expected non-State sources shown above will be available, no assurance can be given as to whether such a certificate will be issued for November. Even if the certificate described above were to be issued, it is currently uncertain whether the State will be able to raise sufficient funds by the sale of State notes or otherwise to provide the full $250,000,000 to be advanced during November. See "Litigation Affecting the Financial Plan--Recent Developments - Lawsuit Challenging Pension Fund Investment in State Securities" in this Supplement No. 2.

City's Needs After December 1, 1975

Even if the plans for November, 1975 described above were to be completed, the Corporation believes that the requirements of the City after December 1, 1975 substantially exceed the City's anticipated revenues. There are no agreements at this time by the Corporation, nor to the knowledge of the Corporation by anyone else, to supply funds to the City to meet its anticipated Cash Deficits on and after December 1, 1975. It is therefore a probability that, unless assistance is received from the federal
government or from other sources prior to December 1, 1975, the City will default on its obligation in December, 1975, and possibly by December 1, 1975. See "Recent Developments Affecting the City" for a discussion of plans being considered for averting default.

In addition, under the Act, the Corporation has a limit imposed upon its advances to the City for operating expenses of $1,725,000,000. Upon completion of the Financial Plan as contemplated, the Corporation's advances will be only slightly below that limit. Unless the Act is amended to provide for a higher limit the Corporation's ability to advance funds for operating expenses in the future will be limited.

LITIGATION AFFECTING THE FINANCIAL PLAN - RECENT DEVELOPMENTS

Lawsuits Affecting the State Pension Funds.

On September 29, 1975, the Court of Appeals of the State of New York declared unconstitutional under the New York Constitution (the "Constitution") those portions of the Financial Emergency Legislation which mandated the investment by certain State pension funds of a portion of their assets in securities of the Corporation. The Court of Appeals' decision has now become final by virtue of the Court's denial of a motion for reargument by the State Attorney General, counsel for the defendant State Comptroller, and by the Corporation, as amicus curiae.
Lawsuit Alleging the State has Loaned its Credit

With respect to the suit alleging that the Financial Emergency Legislation violates Article VII, Section 8 of the Constitution by causing the State to give or loan its credit to or in aid of the City of New York, the State Attorney General, as counsel for the defendants, and the Corporation as amicus curiae, filed a motion to dismiss the action and that motion was granted on October 15, 1975. On October 21, 1975, plaintiff appealed this ruling to the Court of Appeals.


On October 17, 1975, the State Comptroller, as trustee of certain State pension funds, purchased $250,000,000 in State notes. On the same day, the State advanced $250,000,000 to the City to meet the State's obligation to make an advance to the City of New York as required by the Financial Emergency Legislation. Certain plaintiffs in the suits described under the caption "Lawsuits Affecting the State Pension Funds" had challenged the purchase of State notes but had been unsuccessful in obtaining a court order to prevent the sale from going forward. On October 17, 1975, the Court of Appeals affirmed the lower court's decision denying the plaintiffs' motion for a preliminary injunction barring that purchase. The Corporation believes that the State intends to sell $100,000,000 principal amount of its notes to one of the State pension funds in order to raise a part of the money to make its advance to the Corporation in November.
On October 29, 1975, the President of the United

Proposed Federal Legislation

Recent Developments Affecting the City

Recent developments affect the city. In this supplement No. 2. "Recent Development Affecting the Corporation - Recent Developments" and "Litigation Affecting the Corporation - Recent Developments" and of the financial emergency legislation, the plaintiffs have been filed since September 24, 1975. See certain other litigations against the Corporation and other litigations.

Filed a notice of appeal to the Court of Appeals.

Of the financial emergency legislation, the plaintiffs have securities on a voluntary basis and not pursuant to the mandate. An appeal to the Court of Appeals has been filed by the State Supreme Court after the trial making the proposed investments pursuant to the financial emergency legislation was denied by the State Supreme Court. Pursuant to the Financial Emergency Legislation, on October 17, 1975, a motion by those plaintiffs for a preliminary injunction barring the trustees of the City Pension Funds from mandating the proposed investments pursuant to the Financial Emergency Legislation. On those funds in securities of the Corporation pursuant to the Financial Emergency Legislation. On those funds in securities of the Corporation pursuant to the Financial Emergency Legislation. On those funds in securities of the Corporation pursuant to the Financial Emergency Legislation. On those funds in securities of the Corporation pursuant to the Financial Emergency Legislation.

Referring upon the decision of the Court of Appeals re-

Lawsuit Affecting the City Pension Funds
The timely manner and the President were to sign such legislation, the President and the President were to sign such legislation were enacted in a timely manner of the City. Even assuming such legislation were constituting a “ballot” that the City would veto any such legislation as constituting the President's statement creates the impression further, the President's statement would be enacted in a timely manner been given that such legislation would be enacted in a timely manner to defend the City’s cash deficiencies. No assurance has been given that such legislation could be federal government, the proceeds of which issuance could be the issuance by the Corporation of securities guaranteed by the Congress at the time of the President's announcement would permit certain legislation pending in the United States and property were materialized, the City to insure that services essential for the protection of the event of default, the federal government would work with the future City revenues, the President also stated that in the event of default the City would be entitled to a first lien on the payment of City creditors. The court would also be able to authorise additional borrowing by the City through the issuance of debt certificates that would permit the development of an orderly plan for services and permit the development of an orderly plan for a stay of creditors' suits enabling the City to maintain essential services and that acceptance of this petition by the court would result in Chapter X of the Federal Bankruptcy Act, the President stated the Federal District Court in New York under a proposed new to enable the City with state approval, to file a petition with that he was submitting to the Congress proposed legislation to prevent a default. In addition, the President announced that there was no intention to use the purpose a Federal Ballot of New York City states announced that he was prepared to veto any legislation.
maximum total annual debt service (1.82 times) by the estimated operating expenses (less operating expenses) would cover debt service 2.29 times and (11) the $803,946,273 sales and fiscal year ($4,000,000) would cover the maximum total annual corporation's estimated operating expenses for the current fiscal year.

Based on the information presented above: (i) the

<table>
<thead>
<tr>
<th>Amount</th>
<th>Year Ending June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,220,000.00</td>
<td>1995</td>
</tr>
<tr>
<td>1,809,000.00</td>
<td>1994</td>
</tr>
<tr>
<td>1,431,000.00</td>
<td>1993</td>
</tr>
<tr>
<td>1,973,000.00</td>
<td>1992</td>
</tr>
<tr>
<td>2,163,000.00</td>
<td>1991</td>
</tr>
<tr>
<td>2,221,851.00</td>
<td>1990</td>
</tr>
<tr>
<td>2,198,030.00</td>
<td>1989</td>
</tr>
<tr>
<td>2,241,800.00</td>
<td>1988</td>
</tr>
<tr>
<td>2,271,700.00</td>
<td>1987</td>
</tr>
<tr>
<td>2,710,000.00</td>
<td>1986</td>
</tr>
<tr>
<td>3,61,165,537.50</td>
<td>1985</td>
</tr>
<tr>
<td>3,50,590,387.50</td>
<td>1984</td>
</tr>
<tr>
<td>3,75,475,400.00</td>
<td>1983</td>
</tr>
<tr>
<td>3,96,467,750.00</td>
<td>1982</td>
</tr>
<tr>
<td>3,95,337,750.00</td>
<td>1981</td>
</tr>
<tr>
<td>4,23,907,962.50</td>
<td>1980</td>
</tr>
<tr>
<td>4,34,458,137.50</td>
<td>1979</td>
</tr>
<tr>
<td>4,39,382,512.50</td>
<td>1978</td>
</tr>
<tr>
<td>4,40,882,087.50</td>
<td>1977</td>
</tr>
<tr>
<td>5,119,799,440.97</td>
<td>1976</td>
</tr>
</tbody>
</table>
of bonds of the Corporation, including Clearing House banks,

consideration has been given to requiring institutional holders,

utilization of funds in the City's pension systems. In addition,

ratification of bonds by holders of the City's short-term notes and some

stages of discussion may involve an exchange offer of the corpo-

plains for such purpose. Such plans, which are in the preliminary

ber 1, 1975, officials of the Corporation are considering various

to provide funds to meet the City's cash deficits after December

Although there are no agreements at this time by the

Proposed plans for averting default

federal guarantee prior to or following a default by the City.

the Federal Government's decision as to whether to grant such a

registration may vest in a board comprised of certain officials of

suites, or otherwise, prior to December 1, 1975, further, the give-

By the State, pursuant to legislation enacted by the State legis-

is no assurance that any preconditions to such legislation to

14
In this Supplement No. 2, the City.Financial Plan is based on the assumption that such Federal guarantees will be available. It appears unlikely that such Federal guarantees will be available approximately $6,000,000 in principal amount.

The City's fiscal year ending June 30, 1978, is based upon the assumption that over the life of the Plan there are adequate budget for the City's fiscal year ending June 30, 1978. Although the City Financial plan was approved on October 20, 1975, the City Financial Plan was approved on October 20, 1975, as modified at the request of the City and the Covered Organizations as required by the Financial Emergency Legislation.

Financial Emergency Legislation

Incurred as a result of the alleged concealment, fraudulent plaintiffs' inquestors, the suits seek damages for the losses.

Material facts concerning the City's finances and in so doing disclose the sale of the City's bonds and notes, the defendants concealed the City Financial plan for the City and other, charging, in general, that in connection with the sale of the City's bonds and notes, the defendants concealed the sale of the City's bonds and notes, the defendants concealed the sale of the City's bonds and notes, the defendants concealed the sale of the City's bonds and notes, the defendants concealed the sale of the City's bonds and notes, the defendants concealed the sale of the City's bonds and notes.

Since the suits brought against the City and others developing after the sale of City Securities.
tions of covered organizations, distributions from the Fund,

- amounts relating to any outstanding bonds, notes or other obligations
- pledged to the payment of, or prorotected by, contributions or agreements

prorotected by Federal law or where such revenues are

the appropriate covered organizations, except to the extent
- the contract board fund (the "Fund") for the account of the City and
- covered organizations become revenues of the Emergency Plan.

Any revenues received by the City or any

the Emergency Period, all revenues received by the City or any

meeting on October 20, 1975, and continuing for the duration of

pursuant to the Financial Emergency Regulation, com-

direct early attention to areas of potential non-compliance,

3) a system of early warning safeguards, which will

2) monthly reports on revenues by category;

and quarterly reports on capital programs by agency;

1) monthly reports on operating programs and quarterly

out, the contract board announced that it will include:

monitoring program by the board have not yet been completely worked

plenum the City Financial Plan. Although the details of the

underwriting detail to enable the contract board to monitor and im-

the city will furnish on a regular and timely basis sufficient

announced by the contract board, the Financial Plan recommendations that

year, as well as the fiscal year ending June 30, 1977, as an-

the City Financial Plan includes detects for the current fiscal

and medicaid programs will remain constant throughout the plan.

for the duration of the plan, and that the City's costs for medica-

be no wage increases for noncoalombial workers above 1975-1976 levels

other assumptions as well, including assumptions that there will
From any such accounts, the deposit of monies into, or the distribution of monies to the pro-portionate share of monies to the Special Deputy Commissioner to promulgate restrictive direct or otherwise contror for such accounts and (iii) empowering the Special Deputy Commissioner for the City to authorize the signature of the banks to terminate such walkout; (iv) designating the signature of the accounts of the City until the Control Board notice the signature of the designation of the present signatures for the accounts of the City for certain modifications, effective October 20, 1975, including accounts of the City are maintained off-balance, subject, however, to certain agreements between the City and the banks in which the accounts were promulgated, it is elected to continue in effect the cedures in detail in the near future and that, until such pro-

cedures are adopted, the Control Board reserves that it would promulgate regulatory procedures. The adopted resolutions implementing the above requirements, the Control Board, at its meeting on October 20, 1975,

In the near future and that, until such procedures are adopted, the Control Board reserves that it would promulgate regulatory procedures. The adopted resolutions implementing the above requirements, the Control Board, at its meeting on October 20, 1975,
The Corporation believes that it is not presently posi-

\[
\text{Aggregate annual amount} \quad \$1,011,211.490
\]

ended September 30, 1975

\[
\text{Stock transfer tax for the 12 months} \quad \$203,275.177
\]

\[
\text{12 months ended September 30, 1975} \quad \$807,936.273
\]

Sales and compensating use tax for the

the 12 months ended September 30, 1975 is shown below:

The sales tax and the stock transfer tax collections for

Estimated amounts available for debt service

Assistance Fund.

Debt Service Fund from the special account in the Municipal

tion on October 14, 1975, $51,368.096.27, was deposited in the

As required by the Act and the General Bond Resolu-

Municipal Assistance Tax Fund

Provisions For Payment Of The Bonds—Recent Developments
November Bonds:

the date hereof, after giving effect to the issuance of the
each fiscal year of the Corporation for Bonds outstanding as of
Set forth below are the debt service requirements for

next 12 months.

calls or economic conditions of the State or the City during the
assumption that no material adverse change will occur in the Tfin-
test on August 1, 1975, but this feature is conditioned upon the
from the surcharge upon the stock transfer tax which went into ea-
acts amendments of 1975 will be substantially offset by increases
over the next 12 months attributable to the federal securities
be betters that the decrease in stock transfer tax collections
has been addressed by the Commissioner of Taxation and Finance that
books of a transfer agent located in the State. The Corporation
except for the fact such transfer is recorded on the
otherwise subject to the taxing jurisdiction of the State
a tax on stock transfers made outside of the State and not
Amendments of 1975 provide the imposition by the State of
securities transactions in the State. The Securities Acts
which securities market may affect the volume of taxable
of 1975 relating to the evolution of a centralized nation-
LITIGATION AFFECTING THE CORPORATION - RECENT DEVELOPMENTS

Lawsuit Alleging Diversion of Revenues

On November 3, 1975, a national bank purporting to represent all holders of the City's bonds acquired before June 10, 1975 served a summons and complaint addressed to the Corporation, the City, the State and certain officers of the City and State. The suit seeks, among other things, a declaratory judgment that the State Tax Law and the State Finance Law unconstitutionally divert and expropriate, for the benefit of the Corporation, the City's sales and use tax revenues mandated for application to payment of plaintiff's City bonds, in violation of Article 8, § 2, of the State Constitution. Bond Counsel has given its opinion to the Corporation that in a suit brought by a holder of any bonds or notes of the City, including the plaintiff in this lawsuit, asserting a right to the State Transfer Tax or the Sales Tax superior or equal to the rights of holders of Bonds of the Corporation, including the November Bonds, such holder will not prevail in the court of final jurisdiction.

The plaintiff bank in this lawsuit also seeks a declaratory judgment that the City's publicly announced plan, upon any default, "to give priority of payment from the City's revenues to certain selected City employees, selected vendors, welfare recipients and certain other selected persons"
before paying interest and principal on bonds of the City
is unconstitutional under the State Constitution and illegal
and unconstitutional under the Federal Bankruptcy Act and
the United States Constitution. The suit further asks the
court to declare unconstitutional and illegal certain other
portions of the Financial Emergency Legislation. Defendants'
answer to the complaint is not yet due.

Lawsuit Alleging Illegal Expenditures

On November 6, 1975, a New York State Senator began
an action, seeking to prevent the City Police Department from
protecting property and personnel of the United Nations and
of foreign embassies in the City, on the grounds that these
organizations are not "within the territorial limits of the
City" and therefore any expenditure of funds for such protection
is unlawful. The action seeks to direct the Corporation to
reject any budget of the City which authorizes such expenditures.
Arguments are scheduled for November 14, 1975 on whether to grant
a preliminary injunction enjoining the Corporation, the City and
other defendants from permitting any expenditure of City funds
for the purpose of maintaining such police protection.

*   *   *
The references herein to the Financial Emergency Legislation, the Act, the Tax Law, the State Finance Law and the Resolutions are summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Financial Emergency Legislation, the Act, such Laws and the Resolutions for full and complete statements of such provisions. Copies of such Legislation, the Act, such Laws and such Resolutions are available at the office of the Corporation.

The delivery of this Supplement No. 2 to the Official Statement, together with the Official Statement and Supplement No. 1, has been duly authorized by the Corporation.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

November 10, 1975.
DESCRIPTION OF NOVEMBER BONDS

SCHEDULE I - Part W

Amount and Designation: 1975 Series W Bonds of the Municipal Assistance Corporation For the City of New York, in the aggregate principal amount of $81,000,000.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Maturity Date</th>
<th>Rate of Interest</th>
<th>Aggregate Principal Amount to be Purchased</th>
<th>Price</th>
<th>Date From Which Interest Accrues</th>
<th>Redemption Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City Employees' Retirement System</td>
<td>Feb. 1, 1990</td>
<td>11%</td>
<td>$38,500,000</td>
<td>100%</td>
<td>Nov. 10, 1975</td>
<td>1/</td>
</tr>
<tr>
<td>Board of Education Retirement System of The City of New York</td>
<td>Feb. 1, 1990</td>
<td>11%</td>
<td>$2,000,000</td>
<td>100%</td>
<td>Nov. 10, 1975</td>
<td>1/</td>
</tr>
<tr>
<td>Teachers' Retirement System of The City of New York</td>
<td>Feb. 1, 1990</td>
<td>11%</td>
<td>$40,500,000</td>
<td>100%</td>
<td>Nov. 10, 1975</td>
<td>1/</td>
</tr>
</tbody>
</table>

1/ a) Callable on or after February 1, 1985, in a whole at any time or in part on any interest payment date, at a price of 102%

b) Subject to mandatory redemption by the Corporation in the amounts of $8,280,000 in 1984; $9,190,000 in 1985; $10,200,000 in 1986; $11,325,000 in 1987; $12,570,000 in 1988; $13,950,000 in 1989; and $15,485,000 at maturity.

Schedule I, page 1 of 2
SCHEDULE I - Part X

Amount and Designation: 1975 Series X Bonds of the Municipal Assistance Corporation For the City of New York, in the aggregate principal amount of $35,000,000.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Maturity Date</th>
<th>Rate of Interest</th>
<th>Aggregate Principal Amount to be Purchased</th>
<th>Price</th>
<th>Date From Which Interest Accrues</th>
<th>Mandatory Redemption Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Insurance Fund</td>
<td>Feb. 1, 1991</td>
<td>11%</td>
<td>$10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1992</td>
<td>11%</td>
<td>$10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1993</td>
<td>11%</td>
<td>$5,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1994</td>
<td>11%</td>
<td>$10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
</tbody>
</table>

Aggregate Principal Amount to be Purchased: $35,000,000

* Callable on or after February 1, 1985, in a whole at any time or in part on any interest payment date, at a price of 102%.
THE CITY OF NEW YORK

Certificate of the Mayor

I, ABRAHAM D. BEAME, Mayor of The City of New York (the "City"), pursuant to the provisions of Section 3037 of the Municipal Assistance Corporation For The City of New York Act, being Title III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date hereof, DO HEREBY CERTIFY to the Municipal Assistance Corporation For The City of New York, as follows:

That in order to pay the principal of and interest on any short-term obligations of the City as of November 10, 1975, there will be required from the Corporation the amount of $170,000,000.

WITNESS MY signature and the seal of the City this 10th day of November, 1975.

[SEAL]

Abraham D. Beame
Mayor of The City of New York

Approved as to form.

W. Bowers
Corporation Counsel of The City of New York

I hereby certify that the within Certificate is on file in the office of the City Clerk of The City of New York:

[SEAL]

City Clerk
CERTIFICATE OF THE COMPTROLLER
OF THE CITY OF NEW YORK

1. HARRISON J. GOLDIN, do hereby certify as follows to the Municipal Assistance Corporation For The City of New York (the "Corporation"):  

1. I am the Comptroller of the City of New York (the "City") and am duly authorized to execute and deliver this certificate to the Corporation.

2. If the City receives an aggregate of $431,000,000 during November, 1975, from the Corporation, and $6,750,000 from the sale of City notes maturing on November 9, 1976, there will be available to the City in November, 1975, sufficient funds to meet the expenditures required to be made by the City during such month.

WITNESS my signature this 10th day of November, 1975.

Harrison J. Goldin, Comptroller
of The City of New York

Approved as to Form

Corporation Counsel
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES X BONDS

$35,000,000

Date of Delivery: November 10, 1975
Date of Bonds : November 10, 1975
MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK
1975 Series X Bonds

TABLE OF CONTENTS

BASIC DOCUMENTS, APPROVALS AND CERTIFICATES

1. General Certificate of the Municipal Assistance Corporation For The City of New York (the "Corporation") as to Members, Officers, Terms of Office and other details of the Corporation including by-laws; minutes; certain resolutions; approval of the State Comptroller as to the terms of sale and system of accounts; and specimen bonds.

2. Extract of the Minutes of a Meeting of the Corporation held on October 27, 1975, showing adoption of the 1975 Series X Resolution (the "Series Resolution") of the Corporation authorizing: (i) the issuance of the 1975 Series X Bonds (the "Bonds"); and (ii) the execution of a Bond Purchase Agreement (the "Purchase Agreement") dated November 7, 1975, between the Corporation and the purchasers named therein providing for the sale of the Bonds.


4. Copy of an executed counterpart of the Purchase Agreement.

5. The certificate of approval of the Comptroller of the State required pursuant to Section 3012 and 3013 of the Act.


OPINIONS

7. The opinion, dated the date of Closing, of Messrs. Paul Weiss, Rifkind, Wharton & Garrison, General Counsel to
I, DANIEL B. GOLDBERG, Secretary of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State"), constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation For The City of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended (the "Act"), HEREBY CERTIFY as follows:

1. That I am a duly appointed and qualified Secretary of the Corporation, acting as such, and in such capacity I am familiar with its organization, membership and activities.

2. The members of the Board of Directors of the Corporation (the "Board"), the date of their terms' expiration, and their Corporation offices are as follows:

<table>
<thead>
<tr>
<th>Names</th>
<th>Date of Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna E. Shahala, Treasurer</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>John A. Coleman</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>George D. Gould</td>
<td>December 31, 1978</td>
</tr>
<tr>
<td>Dick L. Netzer</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Felix G. Rohatyn, Chairman</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td>December 31, 1976</td>
</tr>
</tbody>
</table>

(one vacancy)
3. Each of the said persons named in paragraph 2 is the duly elected or appointed, designated, qualified and acting Director or officer of the Corporation holding the position indicated above.

4. The firm of Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York, was appointed General Counsel to the Corporation on June 10, 1975.

5. The seal of the Corporation, an impression of which appears below, was duly adopted by the Corporation as its official seal, and is the legally adopted, proper and only official seal of the Corporation.

6. The By-Laws of the Corporation adopted June 10, 1975 are in full force and effect on the date hereof and have not been repealed, modified or amended.

7. All litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 1975 Series X Bonds (the "Bonds") or in any way contesting or affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, moneys or securities provided for the payment of the Bonds, the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Resolution is set forth in the Official Statement of the Corporation, dated August 15, 1975, with respect to the 1975 Series B Bonds of the Corporation, as supplemented by a Supplement dated September 24, 1975, and as further set forth in the Supplement dated November 10, 1975, copies of which are being delivered contemporaneously herewith.
8. The General Bond Resolution of the Corporation adopted July 2, 1975, and the 1975 Series X Resolution of the Corporation adopted October 27, 1975 (the "Resolutions"), attached to this Record of Proceedings as document No. 3, copies of each of which are being delivered contemporaneously herewith to the Trustee named in such Resolutions, which I hereby certify pursuant to Section 202 of the General Bond Resolution are true and correct copies of the duly adopted originals thereof in their entireties on file and of record in the office of the Corporation and that the same are in full force and effect on the date hereof and have not been repealed, modified or amended.

9. The Extracts of Minutes of a Meeting of the Corporation held on October 27, 1975, and a meeting of the Finance Committee of the Corporation held November 6, 1975, attached to this Record of Proceedings as document No. 2, are true and correct copies of the duly adopted originals thereof on file and of record in the office of the Corporation and that the same are in full force on the date hereof and have not been repealed, modified or amended.

10. The certificate of approval of the Comptroller of the State as to the terms of sale required pursuant to Section 3012 and as to the system of accounts required pursuant to Section 3013 of the Act attached to this Record of Proceedings as document No. 5, is a true and correct copy of the original thereof in its entirety on file and of record in the office of the Corporation and that the same is in full force on the date hereof and has not been repealed, modified or amended.
11. The Bond Purchase Agreement among the Corporation and the purchaser named therein attached to this Record of Proceedings as document No. 4 is a true and correct copy of an executed counterpart of the original thereof in its entirety duly approved by the Corporation and on file and of record in the office of the Corporation and that the same is in full force on the date hereof and has not been repealed, modified or amended.

12. A specimen of the 1975 Series X Bonds of the Corporation, attached hereto as Exhibit A, is identical in all respects, except as to number, maturity and authentication signature with the 1975 Series X Bonds of the Corporation this day delivered to the purchasers designated under the Bond Purchase Agreement with the Corporation and said specimen is substantially in the form required by the Resolution.

13. That each of the representations of the Corporation set forth in Section 1 of the Agreement is true, accurate and complete in all material respects as though made with respect to and as of the date hereof except the representation contained in Section 1(c) of the Agreement, which is true, accurate and complete in all material respects with regard to the Official Statement (as therein defined) as of August 15, 1975, with regard to Supplement No. 1 (as therein defined) as of September 24, 1975, and with regard to Supplement No. 2 (as therein defined) as of November 10, 1975.

14. That each of the agreements of the Corporation set forth in Section 1 of the Agreement to be complied with at or prior to the date hereof has been complied with as of the date hereof.
IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Corporation this 10th day of November, 1975.

[Signature]

(SEAL)
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1991</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>February 1, 1992</td>
<td>10,000,000</td>
</tr>
<tr>
<td>February 1, 1993</td>
<td>5,000,000</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Redemption: The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date of redemption.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of transferee)

the within 1975 Series X Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints ___________________________ Attorney

to transfer the within 1975 Series X Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within 1975 Series X Bond in every particular, without alteration or enlargement or any change whatever.
Adoption of Various Bond Resolutions

The Chairman stated that it was necessary for the Board to adopt the 1975 Series W Resolution and the 1975 Series X Resolution in connection with the Corporation's sale and issuance of an aggregate of approximately $81,000,000 of its 1975 Series W Bonds and $35,000,000 of its 1975 Series X Bonds. (The 1975 Series W Resolution and the 1975 Series X Resolution are hereinafter collectively referred to as the "Series Resolutions" and the 1975 Series W Bonds and the 1975 Series X Bonds are hereinafter referred to as the "Bonds.")

Mrs. Thoyer stated that the forms of the Series Resolutions with respect to the issuance of the Bonds would be substantially similar to those of earlier resolutions. Mrs. Thoyer stated that the terms of the Bonds would be substantially as set forth below.

1975 Series W Bonds

The 1975 Series W Bonds are to be sold to certain New York City pension funds in the aggregate principal amount of $81,000,000 and will bear an interest rate no greater than 11%.
1975 Series X Bonds

The 1975 Series X Bonds are to be sold to the State Insurance Fund in the aggregate principal amount of $35,000,000 and will bear an interest rate no greater than 11%.

After discussion of each of the Series Resolutions and the terms of the Bonds, it was, on motion made and seconded, unanimously resolved that each of the Series Resolutions, with the respective terms of the Bonds to be included and specified therein, such terms to be finally approved by the Finance Committee of the Corporation and to be substantially the same as those presented to the meeting, are hereby adopted and ordered filed with the minutes of the Corporation, and that the Finance Committee is hereby authorized and directed to cause such terms to be inserted in the Series Resolutions.

It was further unanimously resolved, on motion, duly made and seconded, that the Chairman of the Board, the Treasurer, the Secretary and any Assistant Secretary of the Corporation be, and each of them hereby is, authorized to execute and deliver on behalf of the Corporation such documents and other instruments as may be necessary or appropriate to complete the transactions contemplated by this resolution and the Series Resolutions, including the execution and delivery of bond purchase agreements relating to the sale of the Bonds, as described to the meeting, the execution and delivery of such documents to constitute the approval of the Board of Directors of the Corporation of the terms contained therein.
Approval of City Borrowing

The Chairman stated that, pursuant to Section 3038(9)(d) of the Financial Emergency Legislation, it was necessary for the Board to approve the issue and sale by the City on November 10, 1975, of certain Revenue Anticipation Notes (the "RAN's"), due as set forth below in the aggregate principal amount of $6,750,000. The RAN's are being issued to provide funds with which the City will meet operating expenditures during November, 1975. The terms of the RAN's will be as set forth below:

RAN's

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>New York Clearing House Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount to be issued</td>
<td>$6,750,000</td>
</tr>
<tr>
<td>Type of Issue</td>
<td>New York City Revenue Anticipation Notes for 1975-1976 Federal and State Aid</td>
</tr>
<tr>
<td>Date of Issue</td>
<td>November 10, 1975</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>November 9, 1976</td>
</tr>
<tr>
<td>Rate of Interest</td>
<td>7 1/2%</td>
</tr>
<tr>
<td>Price</td>
<td>Par</td>
</tr>
</tbody>
</table>

After discussion of the terms of the RAN's, it was, on motion duly made and seconded, unanimously resolved that the issue and sale of the RAN's on substantially the terms submitted is hereby approved and such approval ordered filed with the minutes of the Corporation.
Approval of Final Terms of the Various Bond Resolutions

The Chairman stated that it was necessary, under the terms of the Resolutions adopted by the Board of Directors of the Corporation on October 27, 1975, for the Committee to approve the final terms for the 1975 Series W Resolution and the 1975 Series X Resolution in connection with the Corporation's sale and issuance of an aggregate of approximately $81,000,000 of its 1975 Series W Bonds and $35,000,000 of its 1975 Series X Bonds. (The 1975 Series W Resolution and the 1975 Series X Resolution are hereinafter collectively referred to as the "Series Resolutions" and the 1975 Series W Bonds and the 1975 Series X Bonds are hereinafter referred to as the "Bonds.") Copies of forms of the Series Resolutions with respect to the issuance of the Bonds were made available to the members of the Committee and ordered annexed to the minutes of the meeting. The Chairman then stated that the terms of the Bonds would be substantially as set forth below:

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1990</td>
<td>$81,000,000</td>
<td>11%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The 1975 Series W Bonds are to be sold to the New York City Employees' Retirement System, Board of Education Retirement System of the City of New York and Teachers' Retirement System of the City of New York, are callable on or after February 1, 1985 at 102% and are subject to Mandatory Sinking Fund payments commencing in 1984.

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1991</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1992</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1993</td>
<td>$5,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>$10,000,000</td>
<td>11%</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$35,000,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The 1975 Series X Bonds are to be sold to the State Insurance Fund, and are callable on or after February 1, 1975 at 102%.

After discussion of each of the Series Resolutions and the terms of each of the Bonds, it was, on motion made and seconded, unanimously resolved that the terms of the respective Bonds, as presented to the meeting, are hereby approved.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES X RESOLUTION

Authorizing
$35,000,000
1975 SERIES X BONDS

Adopted October 27, 1975
# TABLE OF CONTENTS

## ARTICLE I

**DEFINITIONS AND STATUTORY AUTHORITY**

<table>
<thead>
<tr>
<th>SECTION</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>101.</td>
<td>1975 Series X Resolution</td>
<td>1</td>
</tr>
<tr>
<td>102.</td>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>103.</td>
<td>Authority for the 1975 Series X Resolution</td>
<td>2</td>
</tr>
</tbody>
</table>

## ARTICLE II

**AUTHORIZATION, TERMS AND ISSUANCE OF 1975 SERIES X BONDS**

<table>
<thead>
<tr>
<th>SECTION</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>201.</td>
<td>Authorization of 1975 Series X Bonds, Principal Amount, Designation and Series</td>
<td>3</td>
</tr>
<tr>
<td>202.</td>
<td>Purposes</td>
<td>3</td>
</tr>
<tr>
<td>203.</td>
<td>Issue Date</td>
<td>3</td>
</tr>
<tr>
<td>204.</td>
<td>Maturities and Interest Rates</td>
<td>4</td>
</tr>
<tr>
<td>205.</td>
<td>Interest Payments</td>
<td>4</td>
</tr>
<tr>
<td>206.</td>
<td>Denominations, Numbers, Letters and Exchangeability</td>
<td>4</td>
</tr>
<tr>
<td>207.</td>
<td>CUSIP Numbers</td>
<td>5</td>
</tr>
<tr>
<td>208.</td>
<td>Places of Payment and Paying Agents</td>
<td>5</td>
</tr>
<tr>
<td>209.</td>
<td>Redemption of 1975 Series X Bonds and Terms</td>
<td>6</td>
</tr>
</tbody>
</table>

## ARTICLE III

**DISPOSITION OF 1975 SERIES X BONDS PROCEEDS**

<table>
<thead>
<tr>
<th>SECTION</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>301.</td>
<td>Establishment of 1975 Series X Bonds Proceeds Fund</td>
<td>8</td>
</tr>
<tr>
<td>302.</td>
<td>Payments from 1975 Series X Bonds Proceeds Fund</td>
<td>8</td>
</tr>
</tbody>
</table>
ARTICLE IV
FORMS AND EXECUTION OF 1975 SERIES X BONDS AND COUPONS

SECTION 401. Form of Bonds and Coupons of 1975 Series X Bonds ............................................. 10
402. No Recourse on 1975 Series X Bonds ................. 34
403. Execution of 1975 Series X Bonds ...................... 34

ARTICLE V
MISCELLANEOUS

SECTION 501. When Effective .................................. 35
"1975 Series X Resolution" shall mean this 1975 Series X Resolution Authorizing $35,000,000 1975 Series X Bonds.

"Short Term Obligations" shall mean tax anticipation notes, revenue anticipation notes, bond anticipation notes, budget notes and urban renewal notes of the City.

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this 1975 Series X Resolution, refer to the 1975 Series X Resolution.

SECTION 103. Authority for the 1975 Series X Resolution. This 1975 Series X Resolution is adopted pursuant to the provisions of the Act, as amended, and the Resolution.
SECTION 210. Sale of 1975 Series X Bonds. The 1975 Series X Bonds authorized to be issued herein shall be sold to the purchasers (the "Purchasers") listed on Schedule X of the Bond Purchase Agreement, dated November 7, 1975 (the "Bond Purchase Agreement"), at an aggregate price of $34,650,000 and accrued interest, if any, on the 1975 Series X Bonds from November 10, 1975, to the date of delivery thereof and payment therefor and the Chairman or Treasurer of the Corporation is hereby authorized to execute the Bond Purchase Agreement in the name and on behalf of the Corporation and to deliver the same to the Purchasers.
ARTICLE III

DISPOSITION OF 1975 SERIES X BONDS PROCEEDS

SECTION 301. Establishment of 1975 Series X Bonds Proceeds Fund. There is hereby established the 1975 Series X Bonds Proceeds Fund to be held by the Trustee. There shall be deposited into such Fund the balance of the proceeds of sale of the 1975 Series X Bonds after deducting therefrom the amount, if any, of accrued interest received at the time of delivery of the 1975 Series X Bonds, which amount shall be deposited into the Debt Service Fund pursuant to Section 303 hereof.

SECTION 302. Payments from 1975 Series X Bonds Proceeds Fund. The moneys deposited in the 1975 Series X Bonds Proceeds Fund shall be expended by the Trustee only pursuant to the written order of the Corporation signed by an Authorized Officer for the following purposes:

(a) Payment to the City of the amount required by the City to enable it to pay, at maturity, the principal of and interest on any Short Term Obligations, as certified to the Corporation by the Mayor, a copy of which certification shall be attached to said written order; and

(b) Payment to the City of the amount required by the City to enable it to pay operating expenses of the City, as certified to the Corporation by the Mayor, a copy of which certification shall be attached to said written order together with evidence of the receipt by the Corporation of
Short Term Obligations, if required by the Act as then in effect;
provided, however, that pending expenditure of the moneys as herein directed, such moneys may be invested by the Trustee upon direction of the Corporation in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when moneys in such 1975 Series X Bonds Proceeds Fund will be required for the purposes of this 1975 Series X Resolution) in obligations of issuers enumerated as authorized for investments of moneys in the Debt Service Fund and the Capital Reserve Fund pursuant to the provisions of paragraph (1) of Section 702 of the General Bond Resolution, including repurchase agreements covering such obligations entered into with banks described in paragraph (5) of said Section 702 or securities dealers approved by an Authorized Officer of the Corporation, or as provided in paragraph (5) of said Section 702.

The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Section 302, in the manner provided in this Section 302, or for any loss resulting from any such investment.
ARTICLE IV

FORMS AND EXECUTION OF 1975 SERIES X BONDS AND COUPONS

SECTION 401. Form of Bonds and Coupons of 1975 Series X Bonds. Subject to the provisions of the Resolution, the 1975 Series X Bonds in coupon form and coupons to be attached thereto and the 1975 Series X Bonds in registered form, together with the form of assignment therefor, and the Trustee's Certificate of Authentication, shall be in substantially the following form and tenor with such changes and modifications as are required herein:
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES X BOND

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (hereinafter sometimes called the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, organized and existing under and pursuant to the laws of the State of New York, acknowledges itself indebted to, and for value received, hereby promises to pay to the bearer or, if this Bond be registered as herein provided, to the registered owner hereof, upon presentation and surrender of this Bond, the principal sum of FIVE THOUSAND DOLLARS ($5,000) on the first day of February, ______, unless redeemed prior thereto as hereinafter provided, and to pay interest thereon from the date hereof to the date of maturity or earlier redemption, of this Bond, at the rate of ______ per centum ( %) per annum, payable semi-annually on February 1 and August 1, in each year, commencing February 1, 1976, until the Corporation's obligation with respect to the payment of such principal sum shall be discharged, but only with respect to interest due on or before the maturity of this Bond according to the tenor and upon presentation and surrender of the attached coupons as they respectively become due and payable.
Both principal and redemption premium, if any, of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts, at the corporate trust office of the Trustee, in the Borough of Manhattan, City and State of New York. The principal of this Bond, if registered, is payable only at the corporate trust office of United States Trust Company of New York, in the Borough of Manhattan, City and State of New York, as trustee under the resolution of the Corporation adopted July 2, 1975, entitled "General Bond Resolution" (herein called the "Trustee"), in like coin or currency.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as its "Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, said Acts being Titles I, II and III of Article 10 of the Public Authorities Law (Chapter 43-A of the Consolidated Laws of the State of New York), as amended (herein called the "Act"), and under and pursuant to the General Bond Resolution and the series resolution authorizing each such series.

The Bonds are general obligations of the Corporation payable out of any revenues of the Corporation and are entitled to a first lien created by the pledge under the General Bond Resolution of all revenues, moneys and securities in the Debt Service Fund
amounts received by the Corporation from the State of New York as payments for deposit into the Capital Reserve Fund (pursuant to the Act by certification annually on or before December 1, of the Chairman to the Governor and the Director of the Budget of the State of New York, of the amount necessary to restore the Capital Reserve Fund to its required amount); and (iii) investment earnings of moneys in such Funds; provided, however, that pursuant to the Act, any provision therein or in the Resolutions or in any other agreement between the Corporation and the holders of Bonds or Notes, relating to said taxes and said Municipal Assistance Tax Fund, the Special Account and the Stock Transfer Tax Fund established by the State Finance Law, shall be deemed executory only to the extent of the moneys available to the State of New York in such Funds from time to time and the State of New York shall incur no liability on account thereof beyond such moneys.

As provided in the General Bond Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the General Bond Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the General Bond Resolution is not limited except as provided in the General Bond Resolution or as may be limited by law and all Bonds issued and to be issued pursuant to the General Bond Resolution are and will be equally secured by the pledges and covenants made there-
in, except as otherwise expressly provided or permitted in the 
General Bond Resolution.

This Bond is one of a series of Bonds designated "1975 
Series Bonds" (herein called the "1975 Series Bonds"), issued 
in the aggregate principal amount of $ 

pursuant to the 
General Bond Resolution and the series resolution of the Corpora-
tion adopted 
, 1975, entitled "1975 Series Resolution 
Authorizing $ 
1975 Series Bonds" (said resolutions 
being herein collectively called the "Resolutions"), for purposes 
authorized by the Act. Copies of the Resolutions are on file at 
the office of the Corporation and at the corporate trust office 
of the Trustee and reference to the Resolutions and any and all 
supplements thereto and modifications and amendments thereof and 
to the Act is made for a description of the pledges and covenants 
securing the 1975 Series Bonds, the nature, extent and manner of 
enforcement of such pledges, the rights and remedies of the bearers 
or registered owners of the 1975 Series Bonds with respect there-
to and the terms and conditions upon which the 1975 Series Bonds 
are issued and may be issued thereunder.

To the extent and in the manner permitted by the terms 
of the Resolutions, the provisions of the Resolutions or any reso-
lution amendatory thereof or supplemental thereto, may be modified 
or amended by the Corporation with the written consent of the hold-
ers of at least two-thirds in principal amount of the Bonds then 
Outstanding (as defined in the General Bond Resolution), or, in
case less than all of the series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then Outstanding, or, in case of a Sinking Fund Installment (as defined in the General Bond Resolution) change, with such consent of the holders of at least two-thirds in principal amount of the Outstanding Bonds affected thereby; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds.

This Bond is transferable by delivery except when registered as to principal otherwise than to bearer. It may be registered as to principal in the name of the owner on the books of the Corporation kept for that purpose at the corporate trust office of the Trustee, such registration to be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner in person, or by his attorney duly authorized in writing, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred to bearer, after which it shall again become transferable by delivery; and this Bond may again and from time to time be registered or discharged from registration in the same manner. Registration of this Bond shall not affect the negotiability of the coupons,
which shall continue to be payable to bearer and transferable by delivery.

The 1975 Series Bonds are issuable in the form of coupon Bonds payable to bearer in the denomination of $5,000 and in the form of registered Bonds without coupons in the denomination of $5,000 or an integral multiple thereof, not exceeding the aggregate principal amount of the 1975 Series Bonds maturing in the year of maturity of the 1975 Series Bond for which the denomination of the 1975 Series Bond is to be specified. Coupon 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee, with all unmatured coupons attached, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of registered 1975 Series Bonds of the same maturity of any of the authorized denominations, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Resolutions. In like manner, subject to such conditions and upon the payment of such charges, if any, registered 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 1975 Series Bonds, with appropriate coupons attached, or of 1975 Series Bonds without coupons of any other authorized denominations, of the same maturity.
The Corporation may, at any time not prior to 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, 1975 Series Bonds of the Corporation payable from such Sinking Fund Installment and apply any 1975 Series Bonds so purchased as a credit against such Sinking Fund Installment.

In the event that any or all of the 1975 Series Bonds are to be redeemed, notice of such redemption (a) shall be given by publication once a week for at least two (2) successive weeks in a newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, as provided in the Resolutions, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, and (b) shall be mailed, postage prepaid, not less than thirty (30) days before the redemption date to the registered owners of any 1975 Series Bonds or portions of the 1975 Series Bonds to be redeemed; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of the proceedings for the redemption of the 1975 Series Bonds. Notice of redemption having been given, as aforesaid, the 1975
liability or accountability by reason of the issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 1975 Series Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 1975 Series Bonds, together with all other indebtedness of the Corporation is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK has caused this 1975 Series Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and the interest coupons hereto attached to be executed by the facsimile signature of said Chairman, all as of the day of , 19.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By________________________________________
Chairman

Attest:

By________________________________________
Secretary

[SEAL]
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 1975 Series Bonds of the Municipal Assistance Corporation For The City of New York.

UNITED STATES TRUST COMPANY OF NEW YORK, Trustee

By_________________________
Authorized Signature

[FORM OF COUPON]

No. ____________  $__________

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK on ____________ (unless the Bond hereinafter mentioned shall have been duly called for previous redemption and payment of the Redemption Price made or duly provided for), will pay to bearer the amount shown hereon in any coin or currency of the United States of America which, on the date of payment hereof, shall be legal tender for the payment of public and private debts, at the corporate trust office of the Trustee, in the Borough of Manhattan, City and State of New York, or, at the option of the holder, at the corporate trust office of ____________, in the City of ____________, State of ____________, or, at the option of the holder, at the corporate trust office of ____________, in the City and County of ____________, upon presentation and surrender of this
coupon, being the interest then due on its 1975 Series Bond, dated 1975, No.

By Chairman, Municipal Assistance Corporation For The City of New York

Registration

(No writing below except by the Trustee as Registrar.)

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>Name of Registered Holder</th>
<th>Authorized Signature</th>
</tr>
</thead>
</table>

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES BOND

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (herein sometimes called the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, organized and existing under and pursuant to the laws of the State of New York, acknowledges itself indebted to, and for value received, hereby promises to pay to __________________________________________________________
or registered assigns, upon presentation and surrender of this Bond, the principal sum of __________________________________________________________
Dollars ($________) on the first day of ________ unless redeemed prior thereto as hereinafter provided, and to pay to the registered owner hereof interest thereon from the date hereof to the date of maturity or earlier redemption of this Bond, at the rate of ________ per centum ( %) per annum, payable semi-annually on _______ and _______ in each year, commencing ________ until the Corporation's obligation with respect to the payment of such principal sum shall be discharged, at the corporate trust office in the Borough of Manhattan, City and State of New York, of the Trustee hereinafter mentioned. Both principal and redemption premium, if any, of and interest on this Bond are payable in
between the Corporation and the holders of Bonds or Notes, relating to said taxes and such Municipal Assistance Tax Fund, the Special Account and the Stock Transfer Tax Fund established by the State Finance Law, shall be deemed executory only to the extent of the moneys available to the State of New York in such Funds from time to time and the State of New York shall incur no liability on account thereof beyond such moneys.

As provided in the General Bond Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the General Bond Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the General Bond Resolution is not limited except as provided in the General Bond Resolution or as may be limited by law and all Bonds issued and to be issued pursuant to the General Bond Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Bond Resolution.

This Bond is one of a series of Bonds designated "1975 Series Bonds" (herein called the "1975 Series Bonds"), issued in the aggregate principal amount of $ pursuant to the General Bond Resolution and the series resolution of the Corporation, adopted , 1975, entitled "1975 Series Resolution Au-

thorizing $ 1975 Series Bonds" (said resolutions being
herein collectively called the "Resolutions"), for purposes au-
thesized by the Act. Copies of the Resolutions are on file at the
office of the Corporation and at the corporate trust office of
United States Trust Company of New York, in the Borough of Man-
hattan, City and State of New York, as trustee under the General
Bond Resolution (said trustee and any successor thereto under the
General Bond Resolution being herein called the "Trustee"), and
reference to the Resolutions and any and all supplements thereto
and modifications and amendments thereof and to the Act is made
for a description of the pledges and covenants securing the 1975
Series Bonds, the nature, extent and manner of enforcement of
such pledges, the rights and remedies of the bearers or registered
owners of the 1975 Series Bonds with respect thereto and the
terms and conditions upon which the 1975 Series Bonds are issued
and may be issued thereunder.

To the extent and in the manner permitted by the terms
of the Resolutions, the provisions of the Resolutions or any reso-
lution amendatory thereof or supplemental thereto, may be modified
or amended by the Corporation with the written consent of the hold-
ers of at least two-thirds in principal amount of the Bonds then
Outstanding (as defined in the General Bond Resolution), or, in
case less than all of the series of Bonds would be affected there-
by, with such consent of the holders of at least two-thirds in prin-
cipal amount of the Bonds of each series so affected then Outstanding,
or, in case of a Sinking Fund Installment (as defined in the General
Bond Resolution) change, with such consent of the holders of at least two-thirds in principal amount of the Outstanding Bonds affected thereby; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds.

This Bond is transferable as provided in the Resolutions, only upon the books of the Corporation kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney, and thereupon the Corporation shall issue in the name of the transferee a new registered 1975 Series Bond or Bonds or, at the option of the transferee, a coupon 1975 Series Bond or Bonds with appropriate coupons attached, of the same aggregate principal amount and series, maturity and interest rate as the surrendered 1975 Series Bond, as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this 1975 Series Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal
or Redemption Price hereof and interest due hereon and for all other purposes whatsoever.

The 1975 Series Bonds are issuable in the form of coupon bonds payable to bearer in the denomination of $5,000 and in the form of registered bonds without coupons in the denomination of $5,000 or an integral multiple thereof, not exceeding the aggregate principal amount of the 1975 Series Bonds maturing in the year of maturity of the 1975 Series Bonds for which the denomination of the 1975 Series Bond is to be specified. Coupon 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee, with all unmatured coupons attached, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of registered 1975 Series Bonds of the same maturity of any of the authorized denominations, in the manner, subject to the conditions, and upon the payment of the charges, if any, provided in the Resolutions. In like manner, subject to such conditions and upon the payment of such charges, if any, registered 1975 Series Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the 1975 Series Bonds, with appropriate coupons attached, or of 1975 Series Bonds without coupons of any other authorized denominations, of the same maturity.
The Corporation may, at any time not prior to 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, 1975 Series Bonds of the Corporation payable from such Sinking Fund Installment and apply any 1975 Series Bonds so purchased as a credit against such Sinking Fund Installment.

In the event that any or all of the 1975 Series Bonds are to be redeemed, notice of such redemption (a) shall be given by publication once a week for at least two (2) successive weeks in a newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, as provided in the Resolutions, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, and (b) shall be mailed, postage prepaid, not less than thirty (30) days before the redemption date to the registered owners of any 1975 Series Bonds or portions of the 1975 Series Bonds to be redeemed; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of the 1975 Series Bonds. Notice of redemption having been given, as aforesaid, the 1975 Series
Bonds or portions thereof so called for redemption shall become due and payable at the applicable Redemption Price hereinabove provided and, from and after the date so fixed for redemption, interest on the 1975 Series Bonds, or portions thereof so called for redemption, shall cease to accrue and become payable, and the coupons for interest appertaining to coupon 1975 Series Bonds maturing subsequent to the redemption date shall be void.

The 1975 Series Bonds shall not be a debt of either the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the 1975 Series Bonds be payable out of any funds other than those of the Corporation.

This 1975 Series Bond shall not be entitled to any security, right or benefit under the Resolutions or be valid or obligatory for any purpose unless the Certificate of Authentication hereon has been duly executed by the Trustee.

Neither the Directors of the Corporation nor any person executing the 1975 Series Bonds shall be subject to any personal liability or accountability by reason of the issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 1975 Series Bond, exist, have happened and have been performed in due time, form and manner as required by
law and that the issue of the 1975 Series Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK has caused this 1975 Series Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the day of

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: ______________________________ 
Chairman

[SEAL]

Attest:

__________________________
Secretary
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 1975 Series X Bonds of the Municipal Assistance Corporation for The City of New York.

UNITED STATES TRUST COMPANY
OF NEW YORK, Trustee

By: _________________________
Authorized Signature

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned hereby sells, assigns, and transfers unto

__________________________________________
(Please print or typewrite name and address of transferee)
the within 1975 Series Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints

__________________________________________ Attorney

to transfer the within 1975 Series Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within 1975 Series Bond in every particular, without alteration or enlargement or any change whatever.
SECTION 402. No Recourse on 1975 Series X Bonds. No recourse shall be had for the payment of the principal or redemption Price of or interest on the 1975 Series X Bonds or for any claim based thereon or on the 1975 Series X Resolution against any member or officer of the Corporation or any person executing the 1975 Series X Bonds and neither the Directors of the Corporation nor any other person executing the 1975 Series X Bonds of the Corporation shall be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 403. Execution of 1975 Series X Bonds. Pursuant to the provisions of Section 303 of the Resolution, the Chairman or Treasurer of the Corporation is hereby authorized and directed to execute by his manual or facsimile signature the 1975 Series X Bonds in the name of the Corporation and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary or an Assistant Secretary of the Corporation is hereby authorized and directed to attest by his manual or facsimile signature the execution of the 1975 Series X Bonds.
ARTICLE V

MISCELLANEOUS

SECTION 501. When Effective. This 1975 Series X Reso-
lution shall become effective immediately upon the filing with
the Trustee of a copy thereof certified by an Authorized Officer.
The State Insurance Fund  
199 Church Street  
New York, New York  10007  

Gentlemen:

Subject to the terms and conditions herein, the undersigned, Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby confirms its agreement with you (the "Purchaser") with respect to the purchase by you from the Corporation of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds, more fully described in Schedule X hereto (the "Bonds"). The Bonds which the Purchaser herein agrees to purchase are to be issued pursuant to the General Bond Resolution adopted by the Board of Directors of the Corporation on July 2, 1975 (the "General Bond Resolution"), and the 1975 Series X Resolution adopted by the Board of Directors of the Corporation on October 27, 1975 (the "Series Resolution"; the General Bond Resolution and the Series Resolution being herein sometimes collectively called the "Resolution").
SECTION 1. Representations and Agreements of the Corporation.

The Corporation hereby represents to and agrees with the Purchaser that:

(a) The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created and validly existing under the provisions of the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (herein as so amended to the date hereof referred to as the "Act"), its corporate purposes being to assist the City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City; and the Act has been validly adopted and is in full force and effect.

(b) The applicable specimen Bond, a copy of this Agreement executed by the Corporation, a copy of the Series Resolution and the General Bond Resolution certified by an appropriate officer of the Corporation and a definitive copy of the Official Statement of the Corporation with respect to the 1975 Series B Bonds, dated August 15, 1975 (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975, and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), shall be delivered to you at or prior to the Closing Time (hereinafter defined).

(c) The information concerning the Corporation in the Official Statement and the Supplements was true as of the respective dates thereof in all material respects and with respect to the Corporation, the Official Statement as of its date and the Supplements as of their dates did not contain any untrue statement of any material fact (or omit any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, as of the respective dates thereof, not misleading).

(d) The Corporation will apply the proceeds from the sale of the Bonds substantially as set forth in the Resolution.
(e) When delivered to and paid for by the Purchaser in accordance with the terms of this Agreement and the Resolution, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and legally binding direct and general obligations of the Corporation enforceable in accordance with their terms and the terms of the Resolution and will be entitled to the benefits of the Resolution.

(f) Except as set forth in the Official Statement or the Supplements, there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending (or to the knowledge of the Corporation threatened) against the Corporation, wherein an unfavorable decision, ruling or finding might in any material respect adversely affect the transactions contemplated by this Agreement or the Resolution, or which in any way might adversely affect provisions for the payment of principal of or interest on the Bonds or the validity of the Bonds, the Resolution, this Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated hereby.

(g) The execution, delivery and receipt of this Agreement, the Bonds and the Resolution, under the circumstances contemplated hereby, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation a breach of, or a default under, any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.

(h) Any certificate signed by any officer of the Corporation and delivered to the Purchaser shall be deemed a representation by the Corporation to the Purchaser as to the truth of the statements therein made.

(i) The execution, delivery and performance of this Agreement and the Bonds provided for herein have been duly authorized by proper proceedings and will not contravene any provisions of law or regulation or By-laws of the Corporation or any agreement, decree or instrument binding upon the Corporation or any of its property. This Agreement constitutes a legal, valid and binding agreement of the Corporation enforceable in accordance with its terms.
(j) Except for liens created by the issuance of any series of "Bonds" of the Corporation pursuant to and as defined in the General Bond Resolution or liens subordinated to the lien of such Bonds or other liens created by the General Bond Resolution, there is no lien on the revenues or property of the Corporation.

(k) By adoption of the Series Resolution the Corporation has duly authorized the execution, delivery and performance of this Agreement and the issuance of the Bonds. The Corporation hereby agrees to pay punctually the Bonds and the interest thereon when the same shall become due. To that end the Corporation covenants and warrants that it will take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under this Agreement, the Resolution and the Bonds and in order to provide for and to assure payment of the Bonds at maturity.

(l) All authorizations, consents, licenses or approvals of, or filings or registrations with, any court or governmental department, commission, board, bureau, agency or instrumentality, which are or will be necessary to the valid execution, delivery or performance by the Corporation of this Agreement, the Resolution or the Bonds, will have been duly obtained by the Closing Time. All acts, conditions and things required by the Constitution and statutes of the State of New York and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, exist, have happened and have been performed in due time, form and manner as required by law.

SECTION 2. Purchase, Sale and Delivery of the Bonds.

On the basis of the representations and agreements herein contained, and subject to the terms and conditions herein set forth, the Corporation agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Corporation, at the Closing Time, Bonds in the aggregate principal amount set forth opposite the Purchaser's name in Schedule X hereto at the purchase price set forth opposite the Purchaser's name in Schedule X hereto, plus accrued interest from the dates set forth on Schedule X hereto to the date of payment and delivery. The Bonds shall be issued under and secured by the Resolution to the extent therein provided. The Bonds shall mature and bear interest as set forth in Schedule X hereto and in the Series Resolution and shall be redeemable if so provided in the Series Resolution. Payment for the Bonds shall be made by certified or official bank check or checks, in immediately available funds, payable to the order of the Corporation,
at the Closing Time, at the offices of Hawkins, Delafield & Wood, 67 Wall Street, New York, New York. The Closing Time shall be 10:00 A.M., New York City time, on November 10, 1975, or such other time and place as may otherwise be mutually agreed to by the Purchaser and the Corporation. The Bonds delivered to the Purchaser at the Closing Time shall be in definitive form, fully registered and in the respective principal amounts set forth opposite the Purchaser's name in Schedule X hereto.

SECTION 3. Conditions of the Purchaser's Obligations.

The Purchaser's obligations hereunder shall be subject to the performance by the Corporation of its obligations and agreements to be performed hereunder at or prior to the Closing Time, to the accuracy of and compliance with the representations and agreements of the Corporation contained herein, as of the date hereof and as of the Closing Time, and to the following further conditions:

(a) At the Closing Time, you shall receive:

(1) Opinions, dated the Closing Time, of (i) Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel for the Corporation, in the form attached hereto as Exhibit A, (ii) Hawkins, Delafield & Wood, Bond Counsel, in the form attached hereto as Exhibits B and C; and (iii) such General Counsel and Bond Counsel, substantially to the effect set forth in the Official Statement under the caption "Litigation" and Supplement No. 1 dated September 24, 1975 under the caption "Opinions and Litigation-Recent Developments"; in each case with such changes, and with such annexed opinions of other counsel referred to therein, if any, as counsel for the Purchaser shall reasonably approve.

(2) A certificate, reasonably satisfactory in form to you, of an appropriate officer of the Corporation reasonably satisfactory to you, dated the Closing Time, to the effect that (i) each of the representations of the Corporation set forth in Section 1 hereof is true, accurate and complete in all material respects as though made with respect to and as of the Closing Time except the representation contained in Section 1(c) hereof, which is true, accurate and complete
in all material respects with regard to the Official Statement as of August 15, 1975, with regard to the Supplements as of September 24, 1975 and November 10, 1975, respectively, and (ii) each of the agreements of the Corporation set forth in Section 1 hereof to be complied with at or prior to the Closing Time has been complied with as of such time.

(3) Such additional certificates, instruments and other documents as you may reasonably request to evidence the truth and accuracy, as of the Closing Time, of the representations of the Corporation herein contained, and the due performance and satisfaction by the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it in connection with the transactions contemplated hereby.

(b) No order, decree or injunction of any court of competent jurisdiction, and no order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, and no legislation shall have been enacted by the Congress, with the purpose or effect of prohibiting the issuance or sale of any of the Bonds as contemplated hereby.

(c) The Comptroller of the State of New York shall have approved in writing the sale of the Bonds and the terms thereof as provided in this Agreement.


The Corporation's obligations hereunder are subject to:

(a) the performance by the Purchaser of its obligations hereunder;

(b) the satisfaction of the conditions set forth above in (b), (c), and (d) of Section 3 hereof;

(c) the receipt at the Closing Time of the opinions described in Sections 3(a)(1) hereof; and
(d) the receipt of an opinion of the Attorney General of the State of New York in the form attached hereto as Exhibit D.

(e) the receipt of a certificate of the Comptroller of the City to the effect that if the City receives an aggregate of $481,000,000 during November, 1975, from the Corporation, and $6,750,000 through exchanges of City notes maturing during November for the new City notes, there will be available to the City in November, 1975, sufficient funds to meet the expenditures required to be made by the City during such month.

SECTION 5. Representations and Agreements to Survive Delivery.

All representations and agreements of the Corporation shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Purchaser and shall survive delivery of the Bonds to the Purchaser.

SECTION 6. Payment of Expenses.

The Corporation shall pay all costs and expenses incident to the performance of its obligations under this Agreement including all expenses incident to the delivery of the Bonds to the Purchaser, the fees and expenses of Bond Counsel and General Counsel for the Corporation, the costs and expenses incident to the preparing of this Agreement, the Official Statement, the Supplement, the Resolution and related documents; it being understood that the Purchaser will pay all its own costs and expenses including fees and expenses of its counsel.

SECTION 7. Parties in Interest.

This Agreement has been and is made solely for the benefit of the Purchaser and the Corporation, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms "successors" and "assigns" shall not include any purchaser of Bonds from the Purchaser merely because of such purchase.

Any provisions of Article 10 of the Public Authorities Law of the State of New York or in this Agreement which relate to taxes imposed under Article 12 or Section 1107 or 1108 of Article 28 of the Tax Law of the State of New York or to the funds created by Sections 92-b and 92-d of
(d) the receipt of an opinion of the Attorney General of the State of New York in the form attached hereto as Exhibit D.

(e) the receipt of a certificate of the Comptroller of the City to the effect that if the City receives an aggregate of $481,000,000 during November, 1975, from the Corporation, and $6,750,000 through exchanges of City notes maturing during November for the new City notes, there will be available to the City in November, 1975, sufficient funds to meet the expenditures required to be made by the City during such month.

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The Corporation shall pay all costs and expenses incident to the performance of its obligations under this Agreement including all expenses incident to the delivery of the Bonds to the Purchaser, the fees and expenses of Bond Counsel and General Counsel for the Corporation, the costs and expenses incident to the preparing of this Agreement, the Official Statement, the Supplement, the Resolution and related documents; it being understood that the Purchaser will pay all its own costs and expenses including fees and expenses of its counsel.

SECTION 7. Parties in Interest.

This Agreement has been and is made solely for the benefit of the Purchaser and the Corporation, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms "successors" and "assigns" shall not include any purchaser of Bonds from the Purchaser merely because of such purchase.

Any provisions of Article 10 of the Public Authorities Law of the State of New York or in this Agreement which relate to taxes imposed under Article 12 or Section 1107 or 1108 of Article 28 of the Tax Law of the State of New York or to the funds created by Sections 92-b and 92-d of
the State Finance Law of the State of New York shall be
dee med executory only to the extent of the moneys available
to the State of New York in such funds from time to time
and no liability on account thereof shall be incurred by
the State of New York beyond the moneys available in such
funds.

SECTION 8. Notice.

All communications hereunder shall be in writing
and, if sent to the Corporation, shall be mailed, delivered
or telegraphed and confirmed to it at 2 World Trade Center,
New York, New York 10047, with a copy to Paul, Weiss, Rifkind,
Wharton & Garrison, 345 Park Avenue, New York, New York 10022,
and, if sent to the Purchaser, shall be mailed, delivered or
telegraphed and confirmed to it at 199 Church Street, New York,
New York 10007.


This Agreement shall be governed by the laws of the
State of New York and may not be assigned by the Corporation
or the Purchaser.

SECTION 10. Execution in Counterparts.

This Agreement may be executed in any number of
counterparts, all of which taken together shall constitute
one and the same instrument, and any of the parties hereto
may execute this Agreement by signing any such counterpart.

SECTION 11. Successors and Assigns.

This Agreement shall be binding upon and enure
to the benefit of the Corporation and the Purchaser and
their respective successors and assigns.

SECTION 12. Acceptance of the Agreement.

This Agreement shall not become effective until
accepted and confirmed by the Purchaser.

IN WITNESS WHEREOF, the Corporation and the Pur-
chaser have caused this Agreement to be duly executed by
their respective officers thereunto duly authorized, all as of the day and year first above written.

Yours very truly,

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

[SEAL]

By

ATTEST:

__________________________________________

Accepted and confirmed as of the date first above written:

THE STATE INSURANCE FUND

By

__________________________________________
November 10, 1975

Commissioner Harold V. Gleason  
Chairman, board of Commissioners  
The State Insurance Fund  
199 Church Street  
New York, New York 10007

Dear Commissioner Gleason:

We have been requested by our client, 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"), to furnish you our opinion as to the matters herein set forth in connection with the execution of a bond purchase agreement, dated November 7, 1975 (the "Agreement"), by and between the Corporation and you as purchaser, and the issuance and sale to you thereunder of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds (the "Bonds").

In this connection, we have examined the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (the "Act"), the Official Statement of the Corporation, dated August 15, 1975, with respect to the 1975 Series B Bonds (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), the By-laws of the Corporation, records of its corporate proceedings, including the General Bond Resolution and the 1975 Series X Resolution adopted by the Board of Directors of the Corporation on July 2, 1975, and October 27, 1975, respectively (the "Resolutions"), and the Agreement and the exhibits attached
thereto, and have made such further examination of law and fact as we considered necessary in order to form the opinions herein expressed.

Based on the foregoing, we are of the opinion that:

1. The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, duly created by and validly existing under the Act, with the right and power under the Act to execute and deliver and to perform its obligations under the Agreement, to adopt the Resolutions and to issue and sell the Bonds thereunder.

2. Under the Act, it is a purpose of the Corporation to assist The City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City.

3. The execution and delivery of, and the performance of the obligations under, the Agreement and the issuance of the Bonds have been duly authorized by proper corporate proceedings of the Corporation. The Agreement constitutes the legal, valid and binding agreement of the Corporation enforceable in accordance with its terms. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for, or filing or recording of, the Resolutions is required.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute legal, valid, binding, direct and general obligations of the Corporation and are entitled to the benefits of the Resolutions.

5. The execution, delivery and receipt of the Agreement, the Bonds and the Resolutions, under the circumstances contemplated by the Agreement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation, a breach of, or a default under any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.
6. Except as set forth in the Official Statement or the Supplements to the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or threatened against the Corporation wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by the Agreement, or which in any way would adversely affect provisions for the payment of principal or interest on the Bonds or the validity of the Bonds, the Resolutions, the Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated by the Agreement.

7. The issuance and sale to you of the Bonds, pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended. The Bonds constitute exempted securities within the meaning of the Securities Exchange Act of 1934, as amended.

8. To the best of our knowledge, neither the Official Statement nor the Supplements, as of their respective dates, contained any untrue statement of a material fact or, as of such respective dates, omitted any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, not misleading as of such respective dates.

9. The statements set forth in the Official Statement under the headings "Functions of the Corporation with Respect to the City" and "Agreement of the State of New York" are accurate statements or summaries, as of the dates of the Official Statement and the Supplements, of the statutory provisions, documents or matters therein set forth.

All opinions rendered herein relating to the effect of the Constitution of the State of New York, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Agreement or the Bonds
November 10, 1975

Municipal Assistance Corporation
For The City of New York
2 World Trade Center
New York, New York 10047

Dear Sirs:

We have examined a record of proceedings relating to the issuance of $35,000,000 aggregate principal amount of 1975 Series X Bonds (the "1975 Series X Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended to the date hereof (the "Act").

The 1975 Series X Bonds are authorized and issued under and pursuant to the Act and a General Bond Resolution of the Corporation (the "General Bond Resolution") and the 1975 Series X Resolution (the "Series Resolution"), adopted July 2, 1975 and October 27, 1975, respectively. Said resolutions are herein collectively called the "Resolutions".

The 1975 Series X Bonds are part of an issue of bonds of the Corporation (the "Bonds") which the Corporation has established and created under the terms of the General Bond Resolution and is authorized to issue from time to time for the corporate purposes of the Corporation authorized by the Act, as then in effect and without limitation as to amount except as provided in the General Bond Resolution or as may be limited by law. The 1975 Series X Bonds are being issued for the purpose of providing funds to The City of New York, New York ("The City") to enable The City to pay certain of its operating expenses or the principal of and interest on certain of its short term obligations.

The Corporation is authorized to issue Bonds, in addition to the 1975 Series X Bonds, only upon the terms and conditions set forth in the General Bond Resolution and
such Bonds, when issued, shall with the 1975 Series X Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Bond Resolution.

The 1975 Series X Bonds are dated November 10, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series X Bonds and will mature on the dates and will bear interest payable February 1, 1976 and August 1, 1976 and semi-annually thereafter on February 1 and August 1 in each year at the respective rates per annum shown below:

<table>
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<tr>
<th>February 1</th>
<th>Amount Maturing</th>
<th>Interest Rate</th>
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</table>

The 1975 Series X Bonds are issued either in coupon form in the denomination of $5,000, registrable as to principal only, or in fully registered form without coupons in the denomination of $5,000 or an integral multiple of $5,000. Coupon and fully registered 1975 Series X Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series X Bonds are lettered XR, in each case followed by the last two digits of the year in which each of such 1975 Series X Bonds matures and its number. Coupon 1975 Series X Bonds are numbered consecutively from one upward for each year of maturity and fully registered 1975 Series X Bonds are numbered consecutively from one upward in order of issuance for each year of maturity.

The 1975 Series X Bonds are [ADD PROVISION ON REDEMPTION].

Chapters 168 and 169 of the Laws of 1975 each enacted by the People of the State, represented in Senate and Assembly of the State and signed into law by the Governor of the State (the "Enabling Legislation") provides, among other things, for the insertion of the Act in the Public Authorities Law creating
the Corporation as aforesaid, suspending the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes pursuant to sections 1210 and 1212-A of Article 29 of the Tax Law, constituting Chapter 60 of such Consolidated Laws, and the taxes imposed pursuant to said sections, until all notes and bonds of the Corporation, including the 1975 Series X Bonds, and interest thereon have been fully paid and discharged, adding a new section 92-d to Article 6 of the State Finance Law constituting Chapter 56 of such Consolidated Laws, establishing a municipal assistance tax fund (the "Assistance Fund") and a special account for the Corporation within the Assistance Fund (the "Special Account"), adding a new section 1107 to Article 28 of said Tax Law imposing sales and compensating use taxes in the City at a rate of four percent (4%) on certain items therein described and at a rate of six percent (6%) on the sale of certain parking services (the "Sales Tax"), the revenues derived from which, less such amounts as the Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing such taxes, are required to be paid into the Special Account together with, after deducting such costs, such amounts, beginning with the fiscal year of the State commencing April 1, 1976, as may be required under the Enabling Legislation to be transferred from the Stock Transfer Tax Fund established by section 92-b of Article 6 of said State Finance Law, into which the revenues derived from a tax imposed by Article 12 of the Tax Law (the "Stock Transfer Tax") are deposited.

We are of the opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State constituting a public benefit corporation under the laws of the State, including the Constitution of the State and the Act, with the good right and lawful authority and power to adopt the Resolutions, to issue the Bonds including the 1975 Series X Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series X Bonds. Under the laws of the State, including the Constitution of the State, the Enabling Legislation, including the Act, is valid with respect to all provisions thereof material to the subject matters of this opinion letter.
2. The Series Resolution has been duly and lawfully adopted in accordance with the provisions of the General Bond Resolution and is authorized and permitted by the General Bond Resolution. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for the Resolutions is required. The Resolutions create the valid pledge and lien which they purport to create of the revenues, moneys, securities and funds held or set aside under the Resolutions, subject only to the application thereof to the purposes and on the conditions permitted by the Resolutions. The lien created by the Resolutions on such revenues, moneys and securities is and will be prior to all other liens thereon. All revenues, moneys and securities, as and when received, in the Debt Service Fund and the Capital Reserve Fund in accordance with the Resolutions, will be validly subjected to the pledge and lien created by the Resolutions.

3. The 1975 Series X Bonds have been duly and validly authorized and issued by the Corporation in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolutions. The 1975 Series X Bonds are valid and binding general obligations of the Corporation payable as provided in the Resolutions, are enforceable in accordance with their terms, respectively, and the terms of the Resolutions, and are entitled, together with additional Bonds issued under the General Bond Resolution, to the equal benefit, protection and security of the provisions, covenants and obligations of the General Bond Resolution and of the Act.

4. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State his certificate stating such sum, if any, as shall be necessary to restore the amount in such Capital Reserve Fund to an amount equal to the capital reserve fund requirement under the General Bond Resolution. Subdivision 4 of Section 3036 of the Act providing for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman, does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the Legislature of the State, which is empowered, but is not bound or obligated, to appropriate such amount.
5. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall certify to the State Comptroller and the Mayor of the City, the amounts required, pursuant to subdivision 1 of Section 3036 of the Act, for deposit in the funds established by the General Bond Resolution at the time or times and in the manner provided therein, including the amounts required for deposit in the Debt Service fund to pay all interest and all principal and redemption premium, if any, on notes and bonds maturing or otherwise coming due and for deposit in the Capital Reserve Fund to maintain such Fund at such capital reserve fund requirement. Said subdivision provides for the State Comptroller to pay such amounts to the Corporation for deposit as aforesaid, the source of such payments being the Assistance Fund into which is paid the Sales Tax and, to the extent required, out of the Stock Transfer Tax Fund, the Stock Transfer Tax. The amount of such payments to the Corporation are subject to annual appropriation for such purpose by the Legislature of the State which is empowered, but is not bound or obligated, to appropriate the amount so certified by the Chairman, as aforesaid.

6. The 1975 Series X Bonds do not constitute a debt either of the State or the City, and neither the State nor the City shall be liable thereon, nor shall the 1975 Series X Bonds be payable out of any funds other than those of the Corporation.

7. The State has the good right and lawful authority:

(a) to suspend the power of the City to adopt local laws for the imposition of certain sales and compensating use taxes and the taxes levied thereunder, in accordance with the Enabling Legislation;

(b) to impose and to increase or decrease the Sales Tax and the Stock Transfer Tax but the State is not bound or obligated to continue the imposition of said taxes;

(c) to establish the Stock Transfer Tax Fund, the Assistance Fund and the Special Account within the Assistance Fund but the State is not bound or obligated to maintain the existence of said funds or account;

(d) to provide for the appropriation of, and at least annually to appropriate to, the Corporation, from the Special Account for the Corporation in the Assistance Fund and
commencing with the fiscal year of the State commencing April 1, 1976 from the Stock Transfer Tax Fund, amounts sufficient to enable the Corporation to fulfill the terms of the Resolution and to carry out its corporate purposes, but the State is not bound or obligated to make such appropriations.

8. Neither the Corporation nor the holders of the Bonds have or will have a lien on the Stock Transfer Tax or the Stock Transfer Tax Fund, the Sales Tax, or the Special Account for the Corporation in the Assistance Fund.

9. Under existing statutes and court decisions, interest on the 1975 Series X Bonds is exempt from Federal income taxes and shall at all times be free from New York State and New York City personal income taxes.

10. No registration with, consent of, or approval by any governmental agency or commission is necessary for the execution and delivery and the issuance of the 1975 Series X Bonds.

11. The adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions and the 1975 Series X Bonds, and the execution and delivery of the 1975 Series X Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

We have examined the executed 1975 Series X Bond numbered and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

[To be signed: HAWKINS, DELAFIELD & WOOD]
November 10, 1975

Commissioner Harold V. Gleason
Chairman, board of Commissioners
The State Insurance Fund
199 Church Street
New York, New York 10007

Dear Commissioner Gleason:

We are bond counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's 1975 Series X Bonds, dated November 7, 1975 and authorized by the General Bond Resolution, adopted by the Corporation on July 2, 1975, and the 1975 Series X Bond Resolution, adopted October 27, 1975. The Opinion is being rendered in connection with the delivery of the Bonds to you pursuant to the Bond Purchase Agreement for the Bonds (the "Bond Purchase Agreement") by and between you and the Corporation.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Bond Purchase Agreement, were present at various meetings in connection therewith and have participated with others in the preparation of various parts of the Official Statement with respect to the 1975 Series B Bonds dated August 15, 1975 (the "Official Statement") as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements").

In connection with the sale of certain Bonds including the 1975 Series X Bonds, at the request of the Corporation, we participated and assisted as bond counsel in the preparation of the Official Statement and the Supplements and have reviewed
the information and representations contained therein. Rendering such assistance involved, among other things, discussions and inquiries concerning various and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with the board of directors of the Corporation and its officers, agents and employees, the State Comptroller and his deputy, and Paul, Weiss, Rifkind, Wharton & Garrison, general counsel for the Corporation, at which the contents of the Official Statement and the Supplements and related matters were discussed and revised.

The statements set forth in the Official Statement or Supplement No. 1 dated September 24, 1975 ("Supplement No. 1") under the headings PROVISIONS FOR PAYMENT OF THE BONDS (other than the statistical and financial information and other information under the headings "State Collections of New York City Sales and Compensating Use Taxes", "State Collections of Stock Transfer Tax" and "Estimated Amounts Available for Debt Service and Debt Service Coverage"), DESCRIPTION OF 1975 SERIES B BONDS, SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION, and AGREEMENT OF THE STATE OF NEW YORK and the statements set forth in Supplement No. 1 under the headings INTRODUCTION, DESCRIPTION OF THE 1975 SERIES M BONDS, PROVISIONS FOR PAYMENT OF BONDS - RECENT DEVELOPMENTS (other than the statistical and financial information and other information under the heading "Estimated Amounts Available for Debt Service and Debt Service Coverage") and NOTE ISSUED TO STATE are accurate statements or summaries of the statutory provisions, documents or matters therein set forth.

In the course of the preparation of the Official Statement and the Supplements and in rendering the Opinion and this opinion we have received and relied upon the certificate of no-litigation of the Corporation including statements to the effect that, except as noted therein, there is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, moneys or securities provided for the payment of the Bonds or the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Official Statement and the Supplements. In such connection, we have also received and relied upon the opinion of Paul, Weiss, Rifkind, Wharton & Garrison, dated the date hereof, with respect to the absence of litigation against the Corporation. In so acting, we have necessarily
assumed the correctness and completeness of the statements and material set forth therein. While, except as above stated with respect to information under certain specific headings, we have not undertaken to verify independently and take no responsibility for the correctness or completeness of the statements made in the Official Statement and the Supplement (or in the statistical and financial information and other information set forth in the headings excluded above, as to which we express no opinion) we can and do advise you that in the course of our participation in the preparation of the Official Statement and the Supplements in our review thereof in the light of the discussions, inquiries and conferences, referred to above, nothing has come to our attention which would lead us to believe, and we do not believe, that either the Official Statement or the Supplements contained, as of the dates thereof any untrue statement of a material fact or as of their respective dates omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are further of the opinion that the Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a binding agreement of, the Corporation, enforceable in accordance with its terms.

We are further of the opinion that the issuance and sale to you of the Bonds pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended; and the Bonds constitute "exempted securities" within the meaning of the Securities Exchange Act of 1934, as amended.

We are further of the opinion that the 1975 Series X Bonds are legal investments, under present provisions of New York law, for all public officers and bodies of the State and political subdivisions of the State 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 may hereafter be authorized to invest in bonds or other obligations of the State.

Very truly yours,

[To be signed: HAWKINS, DELAFIELD & WOOD]
November 10, 1975

Hon. Daniel B. Goldberg,
Secretary
Municipal Assistance Corporation
For The City of New York
2 World Trade Center
New York, New York 10047

Dear Mr. Goldberg:

This is to acknowledge receipt of your letter of October __, 1975, enclosing the draft of a proposed Bond Purchase Agreement between the Municipal Assistance Corporation For The City of New York (the "Corporation") and The State Insurance Fund (the "Purchaser") together with other related documents.

You have requested my opinion, on behalf of the Purchaser, regarding the validity of the Bond Purchase Agreement (the "Agreement") dated November 7, 1975, between the Corporation and the Purchaser as well as other subsidiary and collateral questions, all of which are covered below.

I have examined the Constitution and statutes of The State of New York, the Agreement and the provisions therein for the purchase of certain bonds (the "Bonds") by the Purchaser, and have made such other examinations of law and fact as I deemed necessary for the opinions set forth herein.

Based upon the foregoing, it is my opinion that:

1. The execution and delivery of, and the performance of the obligations under, the Agreement by the Purchaser have been duly authorized by all necessary action by the Purchaser and The State of New York.
2. The Agreement has been duly and validly executed and delivered by the Purchaser and constitutes the legal, valid and binding agreement of the Purchaser enforceable in accordance with its terms.

3. The execution, delivery and receipt of the Agreement and the Bonds by the Purchaser under the circumstances contemplated by the Agreement and compliance by the Purchaser with the provisions thereof will not conflict with or constitute on the part of the Purchaser a breach of, or a default under, existing law.

Very truly yours,

[To be signed: LOUIS J. LEFKOWITZ, Attorney General]
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
2 WORLD TRADE CENTER
NEW YORK, NEW YORK

November 6, 1975

Honorable Arthur Levitt
Comptroller of the State of New York
Alfred E. Smith Building
Albany, New York

Dear Mr. Comptroller:

We have negotiated the sale of bonds of the Municipal Assistance Corporation For The City of New York, 1975 Series W (the "Bonds"), with the Purchaser in the aggregate amount and on the terms set forth in Schedule X attached hereto.

Your approval of this sale, pursuant to Section 3012(1)(e) of the Municipal Assistance Corporation Act, as amended, is respectfully requested.

We further hereby respectfully request your approval, pursuant to Section 3013(4) of the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation For The City of New York Act, being Title I, II and III of Article 10 of the Public Authorities Law, of the system of accounts of the Corporation to the extent same are prescribed in the General Bond Resolution adopted by the Corporation on July 2, 1975 and the 1975 Series W Bond Resolution of the Corporation, adopted by the Corporation on October 27, 1975.

Your approval is respectfully requested.

Very truly yours,

[Signature]

The sale of the above described bonds of the Municipal Assistance Corporation For The City of New York upon the terms above described and the system of accounts of the Corporation to the extent same are prescribed in the General Bond Resolution adopted by the Corporation on July 2, 1975 and the 1975 Series W Bond Resolution of the Corporation, adopted by the Corporation on October 27, 1975, are hereby approved.

[Signature]

Arthur Levitt, Comptroller of the State of New York
Subject to mandatory sinking fund payments commencing in 1984.

All certificates, on or after February 1, 1982, in a whole or any time or in part

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<th>Purchase Price</th>
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Afferent & principal amount of $81,000,000

Corporation for the City of New York in the
Amount and Destination: 1975 Series W Bonds of the Municipal Assistance

Schedule X
CERTIFICATE OF THE COMMISSIONER
OF TAXATION AND FINANCE

I, James H. Tully, Jr., Commissioner of Taxation and Finance of the State of New York, do HEREBY CERTIFY as follows:

A. Reference is made to the General Bond Resolution (the "Resolution") adopted July 2, 1975 by the Municipal Assistance Corporation for the City of New York (the "Corporation"). All terms defined in the Resolution are used in this certificate with the meanings ascribed to them at the indicated page in the Resolution.

B. 1. The most recent collections for the 12 consecutive calendar months ended September 30, 1975 of the sales and compensating use taxes imposed by the City of New York prior to July 1, 1975 and imposed by the State of New York subsequent thereto pursuant to Section 1107 of the Tax Law was $807,936,273.

2. The most recent collections for the 12 consecutive calendar months ended September 30, 1975 of the Stock Transfer Tax (p. 5) was $203,275,177.

3. The most recent collections for the 12 consecutive calendar months ended September 30, 1975 of other taxes which, as of the date hereof, are levied and collected by New York State and are payable into the special account in the Municipal Assistance Tax Fund described in Section 92-d of the State Finance Law established for the Corporation was $0.

Total of $1,011,211,450.
C. 1. The total amount of $807,936,273 for the twelve (12) consecutive calendar months ended September 30, 1975, set forth at clause 1 of paragraph B above is not greater than the revenue expected by me, taking into account, the statement set forth in paragraph D below, for the next succeeding twelve (12) months from the Sales Tax (p. 4).

2. The total amount of $203,275,177 set forth at clause 2 of paragraph B above is not greater than the revenue expected by me, taking into account, the statement set forth in paragraph D below, for the next succeeding twelve (12) months from the Stock Transfer Tax. In arriving at this determination, the effect of the Federal Securities Acts Amendments of 1975 was taken into consideration.

D. The undersigned believes that it is not presently possible to predict the effect of a future material adverse change in the economic and/or financial conditions of the State of New York and/or the City of New York upon the Sales Tax and the Stock Transfer Tax revenues and accordingly, the undersigned as of this date, has no reasonable basis upon which to form a conclusion that the revenues for the next succeeding twelve (12) consecutive calendar months from the Sales Tax and Stock Transfer Tax will be less than the amounts shown above.

The foregoing figures take into account any distortion for the twelve (12) consecutive month period ended September 30, 1975, occasioned by a change in payment dates, pre-payments and late payments of the taxes set forth in clauses 1, 2 and 3 of paragraph B above.

IN WITNESS WHEREOF, I have hereto set my hand this 6th day of November, 1975.

[Signature]

Commissioner of Taxation and Finance

To: United States Trust Company of New York as Trustee under the Resolution (as defined above).
November 10, 1975

Commissioner Harold V. Gleason
Chairman, board of Commissioners
The State Insurance Fund
199 Church Street
New York, New York 10007

Dear Commissioner Gleason:

We have been requested by our client, 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"), to furnish you our opinion as to the matters herein set forth in connection with the execution of a bond purchase agreement, dated November 7, 1975 (the "Agreement"), by and between the Corporation and you as purchaser, and the issuance and sale to you thereunder of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds (the "Bonds").

In this connection, we have examined the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, and as further amended by Chapters 868 and 870 of the Laws of 1975 (the "Act"), the Official Statement of the Corporation, dated August 15, 1975, with respect to the 1975 Series B Bonds (the "Official Statement"), as supplemented by Supplement No. 1 dated September 24, 1975 and Supplement No. 2 dated November 10, 1975 (collectively the "Supplements"), the By-laws of the Corporation, records of its corporate proceedings, including the General Bond Resolution and the 1975 Series X Resolution adopted by the Board of Directors of the Corporation on July 2, 1975, and October 27, 1975, respectively (the "Resolutions"), and the Agreement and the exhibits attached.
thereto, and have made such further examination of law and fact as we considered necessary in order to form the opinions herein expressed.

Based on the foregoing, we are of the opinion that:

1. The Corporation is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, duly created by and validly existing under the Act, with the right and power under the Act to execute and deliver and to perform its obligations under the Agreement, to adopt the Resolutions and to issue and sell the Bonds thereunder.

2. Under the Act, it is a purpose of the Corporation to assist the City of New York (the "City") in providing essential services to its inhabitants without interruption and in creating investor confidence in the soundness of the obligations of the City.

3. The execution and delivery of, and the performance of the obligations under, the Agreement and the issuance of the Bonds have been duly authorized by proper corporate proceedings of the Corporation. The Agreement constitutes the legal, valid and binding agreement of the Corporation enforceable in accordance with its terms. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for, or filing or recording of, the Resolutions is required.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute legal, valid, binding, direct and general obligations of the Corporation and are entitled to the benefits of the Resolutions.

5. The execution, delivery and receipt of the Agreement, the Bonds and the Resolutions, under the circumstances contemplated by the Agreement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Corporation, a breach of, or a default under any existing law, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the Corporation is subject or by which it is bound.
6. Except as set forth in the Official Statement or the Supplements to the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or threatened against the Corporation wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by the Agreement, or which in any way would adversely affect provisions for the payment of principal or interest on the Bonds or the validity of the Bonds, the Resolutions, the Agreement, or any agreement or instrument to which the Corporation is a party which is used or contemplated for use in connection with consummation of the transactions contemplated by the Agreement.

7. The issuance and sale to you of the Bonds, pursuant to and as contemplated by the Agreement is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or any indenture with respect to the Bonds pursuant to the Trust Indenture Act of 1939, as amended. The Bonds constitute exempted securities within the meaning of the Securities Exchange Act of 1934, as amended.

8. To the best of our knowledge, neither the Official Statement nor the Supplements, as of their respective dates, contained any untrue statement of a material fact or, as of such respective dates, omitted any statement of a material fact necessary to make the Official Statement and the Supplements, and the statements and information therein contained, not misleading as of such respective dates.

9. The statements set forth in the Official Statement under the headings "Functions of the Corporation with Respect to the City" and "Agreement of the State of New York" are accurate statements or summaries, as of the dates of the Official Statement and the Supplements, of the statutory provisions, documents or matters therein set forth.

All opinions rendered herein relating to the effect of the Constitution of the State of New York, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Agreement or the Bonds
are rendered in reliance upon the opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation, of even date herewith addressed to the Corporation and delivered to you in accordance with the Agreement, and, although we have made no independent investigation with respect thereto, such opinion is in form and substance satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

[Signature]

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
November 10, 1975

Commissioner Harold V. Gleason  
Chairman, Board of Commissioners  
The State Insurance Fund  
199 Church Street  
New York, New York 10007

Dear Commissioner Gleason:

We are General Counsel to Municipal Assistance Corporation for The City of New York (the "Corporation"), and in this capacity have examined a summons and complaint served upon the Corporation on July 18, 1975. It appears therefrom that the action was commenced in the Supreme Court of the State of New York, County of New York and entitled "Robert Sasso v. The City of New York, et al."

The Corporation has authorized us to represent it in this litigation.

On July 29, 1975, the Corporation's motion for summary judgment, based on the grounds that the cause of action as to the Corporation has no merit, was granted. On September 10, 1975 the plaintiff served notice of appeal to
the Appellate Division from the order granting the Corporation's motion for summary judgment. On September 12, 1975, the plaintiff in the action served a further notice of appeal directly to the Court of Appeals from such order.

We are of the opinion that:

(1) The complaint is without merit as to the claim therein asserted against the Corporation.

(2) The Corporation will prevail in any final adjudication of the claim asserted in the complaint against the Corporation.

(3) No final adjudication of the claim asserted in the complaint will result in a judgment enjoining the issuance, sale, execution or delivery of the Series X Bonds of the Corporation proposed to be issued and sold on November 10, 1975 or in any way affecting the validity of such Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, monies or securities provided for the payment of such Bonds, the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Series Resolution adopted by the Corporation in connection with such Bonds.

(4) Such final adjudication would not in any way contravene any of the matters to which our opinion letter, to which this opinion letter is annexed, relates.

Very truly yours,

[Signature]

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
November 10, 1975

United States Trust Company of New York
130 John Street
New York, New York

Gentlemen:

We have delivered to the Chairman of the board of Commissioners of The State Insurance Fund an opinion dated the date hereof, with respect to the issuance of 1975 Series X Bonds of the Corporation, a copy of which is annexed hereto. You are entitled to rely on said opinion as if the same were addressed to you.

Very truly yours,

Paul, Weiss, Rifkind, Wharton & Garrison

Paul, Weiss, Rifkind, Wharton & Garrison
November 10, 1975

Commissioner Harold V. Gleason
Chairman, Board of Commissioners
The State Insurance Fund
199 Church Street
New York, New York

Dear Commissioner Gleason:

We are bond counsel to the Municipal Assistance Corporation for the City of New York (the "Corporation") and are this day rendering our final approving opinion (the "Opinion") relating to the authorization and issuance of the Corporation's 1975 Series X Bonds (the "Bonds"), dated November 10, 1975 and authorized by the General Bond Resolution, adopted by the Corporation on July 2, 1975, and the 1975 Series X Bond Resolution, adopted October 27, 1975. The Opinion is being rendered in connection with the delivery of the Bonds to the Purchaser named in the Bond Purchase Agreement for the Bonds (the "Bond Purchase Agreement") by and between you and the Corporation.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Corporation in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Corporation relating to the authorization, execution and delivery of the Bond Purchase Agreement, were present at various meetings in connection therewith and have participated with others in the preparation of various parts of the Official Statement with respect to the 1975 Series B Bonds dated August 15, 1975 (the "Official Statement") as supplemented by Supplement No. 1 (the "Supplement No. 1") dated September 24, 1975 and Supplement No. 2 (the "Supplement No. 2") dated November 10, 1975 (collectively the "Supplements").

In connection with the sale of the 1975 Series B Bonds and the 1975 Series X Bonds, at the request of the Corporation, we participated and assisted as bond counsel in the preparation of the Official Statement and the Supplements and have reviewed the information and representations contained therein. Rendering such assistance involved, among other things, discussions and inquiries concerning various and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with the board of directors of the Corporation and its officers, agents and employees, the State Comptroller and his deputy, Paul Weiss, Riskind, Wharton & Garrison, general counsel for the Corporation, the Underwriters of the 1975 Series B Bonds and their counsel,
White & Case, at which the contents of the Official Statement and the Supplement and related matters were discussed and revised.

The statements set forth in the Official Statement under the headings PROVISIONS FOR PAYMENT OF THE BONDS (other than the statistical and financial information and other information under the headings "State Collections of New York City Sales and Compensating Use Taxes", "State Collections of Stock Transfer Tax" and "Estimated Amounts Available for Debt Service and Debt Service Coverage"), DESCRIPTION OF THE 1975 SERIES B BONDS, SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION, and AGREEMENT OF THE STATE OF NEW YORK and the statements set forth in Supplement No. 1 under the heading NOTE ISSUED TO STATE and the statements set forth in Supplement No. 2 under the headings INTRODUCTION, DESCRIPTION OF THE NOVEMBER BONDS AND PROVISIONS FOR PAYMENT OF THE BONDS—RECENT DEVELOPMENTS (other than the statistical and financial information and other information under the heading "Estimated Amounts Available For Debt Service And Debt Service Coverage") are accurate statements or summaries of the statutory provisions, documents or matters therein set forth.

In the course of the preparation of the Official Statement and the Supplements and in rendering the Opinion and this opinion we have received and relied upon the certificate of no-litigation of the Corporation including statements to the effect that, except as noted therein, there is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, moneys, securities or funds provided for the payment of the Bonds or the existence or powers of the Corporation, or the application of the proceeds of the sale of such Bonds as contemplated by the Official Statement and the Supplements. In such connection, we have also received and relied upon the opinion of Paul, Weiss, Rifkind, Wharton & Garrison dated the date hereof, with respect to the absence of litigation against the Corporation. In so acting, we have necessarily assumed the correctness and completeness of the statements and material set forth therein. While, except as above stated with respect to information under certain specific headings, we have not undertaken to verify independently and take no responsibility for the correctness or completeness of the statements made in the Official Statement and the Supplement (or in the statistical and financial information and other information set forth in the headings excluded above, as to which we express no opinion) we can and do advise you that in the course of our participation in the preparation of the Official Statement and the Supplements in our review thereof in the light of the discussions, inquiries and conferences, referred to above, nothing has come to our attention which would lead us to believe, and we do not believe,
that the Official Statement or the Supplements contained, as of the
date thereof, any untrue statement of a material fact or omitted,
as of such date, to state any material fact required to be stated
therein or necessary to make the statements therein in light of the
circumstances under which they were made, not misleading.

We are further of the opinion that the Bond Purchase
Agreement has been duly authorized, executed and delivered by,
and constitutes a binding agreement of, the Corporation, en-
forceable in accordance with its terms.

We are further of the opinion that the issuance and
sale to you of the Bonds pursuant to and as contemplated by
the Agreement is exempt from registration under the Securities
Act of 1933, as amended, and there is no requirement for the
qualification of the Resolutions or any indenture with respect
to the Bonds pursuant to the Trust Indenture Act of 1939, as
amended; and the Bonds constitute "exempted securities" within
the meaning of the Securities Exchange Act of 1934, as amended.

We are further of the opinion that the 1975 Series X
Bonds are legal investment -, under present provisions of New
York law, for all public officers and bodies of the State and
political subdivisions of the State 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 fiduc-
iaries, and all other persons whatsoever who are now or may here-
after be authorized to invest in bonds or other obligations of
the State.

Very truly yours,

[Signature]

[Name]
November 10, 1975

Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

We have examined a record of proceedings relating to the issuance of $35,000,000 aggregate principal amount of 1975 Series X Bonds (the "1975 Series X Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State, including the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the City of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended to the date hereof (the "Act").

The 1975 Series X Bonds are authorized and issued under and pursuant to the Act and a General Bond Resolution of the Corporation (the "General Bond Resolution") and the 1975 Series X Resolution (the "Series Resolution"), adopted July 2, 1975 and October 27, 1975, respectively. Said resolutions are herein collectively called the "Resolutions".

The 1975 Series X Bonds are part of an issue of bonds of the Corporation (the "Bonds") which the Corporation has established and created under the terms of the General Bond Resolution and is authorized to issue from time to time for the corporate purposes of the Corporation authorized by the Act, as then in effect and without limitation as to amount except as provided in the General Bond Resolution or as may be limited by law. The 1975 Series X Bonds are being issued for the purpose of providing funds to the City of New York, New York ("The City") to enable The City to pay certain of its operating expenses and the principal of and interest on certain of its short term obligations.
The Corporation is authorized to issue Bonds, in addition to the 1975 Series X Bonds, only upon the terms and conditions set forth in the General Bond Resolution and such Bonds, when issued, shall with the 1975 Series X Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Bond Resolution.

The 1975 Series X Bonds are dated November 10, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series X Bonds and will mature on the dates and will bear interest payable February 1, 1976 and August 1, 1976 and semi-annually thereafter on February 1 and August 1 in each year at the rate of eleven per centum (11%) per annum, shown below:

<table>
<thead>
<tr>
<th>February 1</th>
<th>Amount Maturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>1992</td>
<td>10,000,000</td>
</tr>
<tr>
<td>1993</td>
<td>5,000,000</td>
</tr>
<tr>
<td>1994</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

The 1975 Series X Bonds are issued either in coupon form in the denomination of $5,000, registrable as to principal only, or in fully registered form without coupons in the denomination of $5,000 or an integral multiple of $5,000. Coupon and fully registered 1975 Series X Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series X Bonds are lettered X and fully registered 1975 Series X Bonds are lettered XR, in each case followed by the last two digits of the year in which each of such 1975 Series X Bonds matures and its number. Coupon 1975 Series X Bonds are numbered consecutively from one upward for each year of maturity and fully registered 1975 Series X Bonds are numbered consecutively from one upward in order of issuance for each year of maturity.

The 1975 Series X Bonds are subject to redemption at the election of the Corporation on and after February 1, 1985, as a whole at any time, and in part by lot as provided in the Resolutions on any interest payment date, at 102% of the principal amount thereof, plus accrued interest to the date of redemption.

Chapters 168 and 169 of the Laws of 1975, as amended to the date hereof, each enacted by the People of the State, represented in Senate and Assembly of the State and signed into law by the Governor of the State (the "Enabling Legislation") provides, among other things, for the insertion of the Act in the
Public Authorities Law creating the Corporation as aforesaid, suspending the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes pursuant to sections 1210 and 1212-A of Article 29 of the Tax Law, constituting Chapter 60 of such Consolidated Laws, and the taxes imposed pursuant to said sections, until all notes and bonds of the Corporation, including the 1975 Series X Bonds, and interest thereon have been fully paid and discharged, adding a new section 92-d to Article 6 of the State Finance Law constituting Chapter 56 of such Consolidated Laws, establishing a municipal assistance tax fund (the "Assistance Fund") and a special account for the Corporation within the Assistance Fund (the "Special Account"), adding a new section 1107 to Article 28 of said Tax Law imposing sales and compensating use taxes in The City at a rate of four percent (4%) on certain items therein described and at a rate of six percent (6%) on the sale of certain parking services (the "Sales Tax"), the revenues derived from which, less such amounts as the Commissioner of Taxation and Finance determines to be necessary for reasonable costs in administering, collecting and distributing such taxes, are required to be paid into the Special Account together with, after deducting such costs, such amounts, beginning with the fiscal year of the State commencing April 1, 1976, as may be required under the Enabling Legislation to be transferred from the Stock Transfer Tax Fund established by section 92-b of said State Finance Law, into which the revenues derived from a tax imposed by Article 12 of the Tax Law (the "Stock Transfer Tax") are deposited.

We are of the opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State constituting a public benefit corporation under the laws of the State, including the Constitution of the State and the Act, with the good right and lawful authority and power to adopt the Resolutions, to issue the Bonds including the 1975 Series X Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series X Bonds. Under the laws of the State, including the Constitution of the State, the Enabling Legislation, including the Act, is valid with respect to all provisions thereof material to the subject matters of this opinion letter.

2. The Series Resolution has been duly and lawfully adopted in accordance with the provisions of the General Bond Resolution and is authorized and permitted by the General Bond Resolution. The Resolutions have been duly and lawfully adopted by the Corporation and both are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms, and no other authorization for the Resolutions is required. The Resolutions create the valid pledge and lien which they purport to create of the revenues, moneys, securities and funds held or set aside under the Resolutions, subject
only to the application thereof to the purposes and on the conditions permitted by the Resolutions. The lien created by the Resolutions on such revenues, moneys, securities and funds in the Debt Service Fund and the Capital Reserve Fund is and will be prior to all other liens thereon. All revenues, moneys, securities and funds as and when received, in the Debt Service Fund and the Capital Reserve Fund in accordance with the Resolutions, will be validly subjected to the pledge and lien created by the Resolutions.

3. The 1975 Series X Bonds have been duly and validly authorized and issued by the Corporation in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolutions. The 1975 Series X Bonds are valid and binding general obligations of the Corporation payable as provided in the Resolutions, are enforceable in accordance with their terms, respectively, and the terms of the Resolutions, and are entitled, together with additional Bonds issued under the General Bond Resolution, to the equal benefit, protection and security of the provisions, covenants and obligations of the General Bond Resolution and of the Act.

4. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State his certificate stating such sum, if any, as shall be necessary to restore the amount in such Capital Reserve Fund to an amount equal to the capital reserve fund requirement under the General Bond Resolution. Subdivision 4 of Section 3036 of the Act providing for the appropriation and payment to the Corporation for deposit in the Capital Reserve Fund of such sum as shall be so certified by the Chairman, does not constitute an enforceable obligation or debt of the State, the amount of such sum being subject to annual appropriation for such purpose by the Legislature of the State, which is empowered, but is not bound or obligated, to appropriate such amount.

5. Pursuant to the Act and the General Bond Resolution, the Corporation has validly covenanted that the Chairman of the Corporation shall certify to the State Comptroller and the Mayor of The City, the amounts required, pursuant to subdivision 1 of Section 3036 of the Act, for deposit in the funds established by the General Bond Resolution at the time or times and in the manner provided therein, including the amounts required for deposit in the Debt Service Fund to pay all interest and all principal and redemption premium, if any, on notes and bonds maturing or otherwise coming due and for deposit in the Capital Reserve Fund to maintain such Fund at such capital reserve fund requirement. Said subdivision provides for the State Comptroller to pay such amounts to the Corporation for deposit as aforesaid, the source of such payments being the Assistance Fund into which
is paid the Sales Tax and, to the extent required, out of the Stock Transfer Tax Fund, the Stock Transfer Tax. The amount of such payments to the Corporation are subject to annual appro- priation for such purpose by the Legislature of the State which is empowered, but is not bound or obligated, to appropriate the amount so certified by the Chairman, as aforesaid.

6. The 1975 Series X Bonds do not constitute a debt either of the State or The City, and neither the State nor The City shall be liable thereon, nor shall the 1975 Series X Bonds be payable out of any funds other than those of the Corporation.

7. The State has the good right and lawful authority:

(a) to suspend the power of The City to adopt local laws for the imposition of certain sales and compensating use taxes and the taxes levied thereunder, in accordance with the Enabling Legislation;

(b) to impose and to increase or decrease the Sales Tax and the Stock Transfer Tax but the State is not bound or obligated to continue the imposition of said taxes;

(c) to establish the Stock Transfer Tax Fund, the Assistance Fund and the Special Account within the Assistance Fund but the State is not bound or obligated to maintain the existence of said funds or account;

(d) to provide for the appropriation of, and at least annually to appropriate to, the Corporation, from the Special Account for the Corporation in the Assistance Fund and commencing with the fiscal year of the State commencing April 1, 1976 from the Stock Transfer Tax Fund, amounts sufficient to enable the Corporation to fulfill the terms of the Resolution and to carry out its corporate purposes, but the State is not bound or obligated to make such appropriations.

8. Neither the Corporation nor the holders of the Bonds have or will have a lien on the Stock Transfer Tax or the Stock Transfer Tax Fund, the Sales Tax, or the Special Account for the Corporation in the Assistance Fund.

9. Under existing statutes and court decisions, in- terest on the 1975 Series X Bonds is exempt from Federal income taxes and shall at all times be free from New York State and New York City personal income taxes.

10. No registration with, consent of, or approval by any governmental agency or commission is necessary for the execu- tion and delivery and the issuance of the 1975 Series X Bonds.
11. The adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions and the 1975 Series X Bonds, and the execution and delivery of the 1975 Series X Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

We have examined the executed 1975 Series X Bond numbered XR86-1 and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

[Signature]

[Name]
Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

You have asked us to supplement our opinions concerning bonds issued under the General Bond Resolution referred to in our opinions rendered to the Municipal Assistance Corporation For The City of New York (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, created and existing under and pursuant to the Constitution and statutes of the State.

Supplementing paragraph 8 of such opinions, we are of the opinion that no holder of any bonds or notes of The City of New York has a lien on the Stock Transfer Tax, the Stock Transfer Tax Fund, the Sales Tax or the Special Account for the Corporation in the Assistance Fund, which Taxes and Funds are defined in such opinions.

We are further of the opinion that, in any suit, action or other proceeding brought by the holder of any bonds or notes of The City of New York (whether under Chapter 9 of the Federal Bankruptcy Act or otherwise) asserting a right to any such Taxes, such Stock Transfer Tax Fund or such Special Account superior or equal to the rights of holders of bonds issued under said General Bond Resolution, including so much of the allegation in respect thereof stated in the complaint in the recently instituted action entitled FLUSHING NATIONAL BANK v. THE CITY OF NEW YORK, et al., pending in the Supreme Court of the State of New York in the County of New York, such holder will not prevail in the court of final jurisdiction.

Very truly yours,

[Signature]
United States Trust Company of New York
130 John Street
New York, New York 10038

Dear Sirs:

We have delivered to the Municipal Assistance Corporation For The City of New York our approving opinion with respect to the $35,000,000 1975 Series X Bonds of the Corporation together with an opinion delivered to the purchaser of such 1975 Series X Bonds named under the Bond Purchase Agreement dated November 7, 1975, both such opinions being dated the date hereof, copies of which are annexed hereto.

You are entitled to rely on said opinions as if the same were addressed to you.

Very truly yours,

[Hawkins, Delafield & Wood]
Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

You have requested us to advise you with respect to an action instituted pursuant to a summons and complaint, both dated July 18, 1975, in the Supreme Court of the State of New York, County of New York, entitled Robert Sasso v. The City of New York, et al., as it relates to the Corporation, and to the proposed sale and delivery of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds (the "Bonds"). On July 29, 1975, the Corporation's motion for summary judgment, based on the grounds that the cause of action as to the Corporation has no merit, was granted. On September 10, 1975, plaintiff served notice of appeal.

We are of the opinion that the Corporation, as to any relief sought by the plaintiff against the Corporation in such action which is without merit as to the Corporation, would prevail in any final adjudication of the issues in such action. We are further of the opinion that no final adjudication of the issues in such action would result in the enjoining of the issuance, sale, execution or delivery of the Bonds, or in any way affecting the validity of the Bonds, any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any revenues, monies or securities provided for the payment of the Bonds, or the existence or powers of the Corporation, or the application of the proceeds of the sale of the Bonds as contemplated by the Series X Resolution of the Corporation adopted in connection with the Bonds, nor would such final adjudication in any way contravene any of the matters to which our approving opinion of even date herewith relates.

Very truly yours,

[Signature] Delafeld Wood
November 10, 1975

Honorable Felix Rohatyn
Chairman
Municipal Assistance Corporation
For The City of New York
Two World Trade Center
New York, New York

Dear Mr. Rohatyn:

This is to acknowledge receipt of the letter dated November 6, 1975, from Daniel B. Goldberg, Secretary of the Corporation, enclosing the draft of a proposed bond purchase agreement between The Municipal Assistance Corporation For The City of New York (the "Corporation") and The State Insurance Fund (the "Purchaser") together with other related documents.

You have requested my opinion on behalf of the purchaser, regarding the validity of the Bond Purchase Agreement (the "Agreement") dated November 7, 1975 between the Corporation and the Purchaser as well as other subsidiary and collateral questions, all of which are covered below.

I have examined the Constitution and statutes of The State of New York, specifically Article 6 of the Workmen's Compensation Law, including sections 87 and 87-a thereof, the Agreement and the provisions therein for the purchase of certain bonds (the "Bonds") by the Purchaser, and have made such other examinations of law and fact as I deemed necessary for the opinions set forth herein.
Based upon the foregoing, and upon the assumption that the Purchaser has not adopted rules and regulations to the contrary, it is my opinion that:

1. The execution and delivery of, and the performance of the obligations under, the Agreement by the Purchaser have been duly authorized by all necessary action by the Purchaser and The State of New York.

2. The Agreement has been duly and validly executed and delivered by the Purchaser and constitutes the legal, valid and binding agreement of the Purchaser enforceable in accordance with its terms.

3. The execution, delivery and receipt of the Agreement and the Bonds by the Purchaser under the circumstances contemplated by the Agreement and compliance by the Purchaser with the provisions thereof will not conflict with or constitute on the part of the Purchaser a breach of, or a default under existing law.

Very truly yours,

LOUIS J. LEFROWITZ
Attorney General
CERTIFICATE OF THE CORPORATION AS TO
SIGNATURES, NO DEFAULTS AND DEBT SERVICE

We, the undersigned Treasurer and Secretary of the Municipal Assistance Corporation for The City of New York (herein called the "Corporation"), HEREBY CERTIFY AS FOLLOWS:

1. The 1975 Series X Bonds of the Corporation (herein called the "Bonds"), which Bonds are more fully described in Schedule X annexed hereto and by this reference made a part hereof, have been duly and completely executed in the name of the Corporation and on its behalf by the affixing thereon of the facsimile signature of Donna E. Shalala, Treasurer of the Corporation, who did, and does hereby adopt such signature, and by the affixing thereon of the official seal of the Corporation attested by the facsimile signature of Daniel B. Goldberg, Secretary of the Corporation, who did, and does hereby adopt such signature.

2. At the time of the signing and execution of the Bonds and on the date hereof we were and are the duly chosen, qualified and acting officers of the Corporation authorized to execute the Bonds, and held and now hold the respective offices indicated by the official titles set opposite our signatures below.

3. The aggregate amount of the principal on Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds not required to be paid from Sinking Fund Installments and interest on all Outstanding Bonds, including the 1975 Series X Bonds, and including delivery of the 1975 Series Y and W Bonds on November 7, 1975, and the principal of and interest on the Notes, and the interest on Other Obligations (the "Debt Service") for each Fiscal Year is as set forth in Schedule Y affixed hereto and by this reference made a part hereof.

4. The aggregate amount of Operating Expenses as estimated for the Fiscal Year ending June 30, 1976 is $4,000,000.

5. The amount set forth in the certificate of the New York State Commissioner of Taxation and Finance, a copy of which is attached to this Transcript of Proceedings as document No. 6 (the "Commissioner's Certificate"), as representing the Sales Tax and Stock Transfer Tax, and such other taxes, which as of this date, are levied and collected by New York State and are payable into the special account in the Municipal Assistance Tax Fund, less the Operating Expenses set forth in 4 hereof, before is at least two (2) times the amount of Debt Service for each Fiscal Year as set forth in Schedule Y.
The amount of Sales Tax Collections or amount certified in lieu of such collections in the Commissioner's Certificate less the Operating Expenses set forth in 4 hereinbefore is at least one and a half (1.50) times the amount of Debt Service for each Fiscal Year as set forth in Schedule Y.

6. The seal, an impression of which appears below, has been imprinted on the Bonds and it is the legally adopted, proper and only official corporate seal of the Corporation.

7. The Corporation is not in default in the performance of any of the covenants, conditions, or provisions contained in the Resolution as defined in the General Bond Resolution of the Corporation adopted July 2, 1975.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 10 day of November, 1975.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Official Title</th>
<th>Term of Office Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna E. Skelley</td>
<td>Treasurer</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Deirdre E. Connely</td>
<td>Secretary</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

(SEAL)

I HEREBY CERTIFY that the signatures of the officers of the Municipal Assistance Corporation For The City of New York, which appear above are true and genuine and that I know said officers and know them to hold said offices set opposite their signatures.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Name of Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vice President</td>
<td>United States Trust Company of New York</td>
</tr>
</tbody>
</table>
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1991</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>February 1, 1992</td>
<td>10,000,000</td>
</tr>
<tr>
<td>February 1, 1993</td>
<td>5,000,000</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Redemption: The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date of redemption.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$119,799,400.97</td>
</tr>
<tr>
<td>1977</td>
<td>440,882,087.50</td>
</tr>
<tr>
<td>1978</td>
<td>439,382,512.50</td>
</tr>
<tr>
<td>1979</td>
<td>434,458,137.50</td>
</tr>
<tr>
<td>1980</td>
<td>423,907,962.50</td>
</tr>
<tr>
<td>1981</td>
<td>359,485,400.00</td>
</tr>
<tr>
<td>1982</td>
<td>355,339,750.00</td>
</tr>
<tr>
<td>1983</td>
<td>356,467,575.00</td>
</tr>
<tr>
<td>1984</td>
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<td>1985</td>
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</tr>
<tr>
<td>1986</td>
<td>361,185,537.50</td>
</tr>
<tr>
<td>1987</td>
<td>271,239,712.50</td>
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<td>1988</td>
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<tr>
<td>1992</td>
<td>19,973,000.00</td>
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<td>1993</td>
<td>-14,312,000.00</td>
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<tr>
<td>1994</td>
<td>18,091,000.00</td>
</tr>
<tr>
<td>1995</td>
<td>2,220,000.00</td>
</tr>
</tbody>
</table>
ORDER AS TO DELIVERY AND
AUTHENTICATION OF THE BONDS

November 10, 1975

United States Trust Company
of New York
130 John Street
New York, New York

Gentlemen:

We have heretofore delivered to you, duly printed
and executed, the 1975 Series X Bonds, in definitive form
(the "Bonds"), of the Municipal Assistance Corporation For
The City of New York, a corporate governmental agency, con-
stituting a public benefit corporation of the State of New
York (the "Corporation"), created by the New York Municipal
Assistance Corporation Act, as amended by the Municipal
Assistance Corporation For The City of New York Act, being
Titles I, II and III of Article 10 of the Public Authorities
Law, constituting Chapter 43-A of the Consolidated Laws of
the State of New York, as amended (the "Act"), and authorized
pursuant to the General Bond Resolution of the Corporation
adopted July 2, 1975 (herein called "General Resolution"),
and the 1975 Series X Resolution of the Corporation adopted
October 27, 1975, all otherwise as described in the Bond
Purchase Agreement attached to this transcript of proceed-
ings as document No. 4.

You are hereby requested, authorized and ordered to
authenticate the Bonds and when so authenticated to deliver
them, upon receipt of the documents and opinions which with
this order constitute all the conditions precedent to the
delivery of the Bonds pursuant to the General Resolution and
payment of the purchase price therefor, to or in accordance
with the order of the Purchasers identified in the Bond Purchase
Agreement.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By /s/ David B. Kelly
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

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</tbody>
</table>

Redemption: The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date of redemption.

November 10, 1975

Municipal Assistance Corporation
For The City of New York
New York, New York

Dear Sirs:

We have reviewed the accompanying arbitrage certificate of Donna E. Shalala, Treasurer 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 (hereinafter called the "Corporation"), relating to the reasonable expectation as of the date of issuance of the 1975 Series X Bonds of the Corporation, dated November 10, 1975 (hereinafter called the "Bonds"), that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(d)(2) of the Internal Revenue Code of 1954, as amended.

Based upon our examination of law and review of such certification, it is our opinion that the facts, estimates and circumstances set forth in such certification are sufficient to satisfy the criteria which are necessary under said Section 103(d), and Sections 1.103-13 and 1.103-14 of the proposed regulations thereunder, published in the Federal Register of May 3, 1973, to support the conclusion that the Bonds will not be "arbitrage bonds" within the meaning of said Section of the Code. No matters have come to our attention which, in our opinion, make unreasonable or incorrect the representations made in such certification.

Very truly yours,

[Signature]
I, DONNA E. SHALALA, being the Treasurer 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 existing under the laws of the State of New York (hereinafter called the "Issuer") DO HEREBY CERTIFY with respect to the issuance of the 1975 Series X Bonds of the Issuer as more fully described in Schedule X attached hereto (hereinafter called the "Bonds"), dated November 10, 1975 (a) that this certification is made in accordance with Section 1.103-13(a)(2)(ii) of the proposed regulations published in the Federal Register on May 3, 1973 relating to "arbitrage bonds" under Section 103(d) of the Internal Revenue Code of 1954, as amended, and is executed and delivered as part of the record of proceedings and accompanying certificates with respect to and on the date of issue of the Bonds, and unless a different meaning clearly appears from the context, each word or term which is herein used and underlined shall have the meaning ascribed thereto by the applicable section of said proposed regulations as set opposite such word or term in Schedule X attached hereto, and (b) that I am one of the officers of the Issuer charged by the General Bond Resolution adopted on July 2, 1975 and the 1975 Series X Resolution adopted October 27, 1975 of the Issuer with responsibility for issuing the Bonds and as such I am such an official as is referred to in Section 1.103-13(a)(2)(ii) of said proposed regulations whose certification may be relied upon as the certification of the Issuer, and I DO HEREBY FURTHER CERTIFY and reasonably expect as of the date of issue of the Bonds that:

1) The proceeds of the Bonds will be used for one or both of the following: (i) to purchase from the City of New York (the "City") certain short-term obligations of the City, all of which obligations are obligations described in Section 103(a)(1) of the Internal Revenue Code of 1954, as amended, and (ii) to pay to the City part or all of such amounts as the Mayor of the City from time to time certifies to the Issuer as the amounts required by the City to enable it to pay either the principal of and interest on, at maturity, any short-term obligations of the City or certain operating expenses of the City;

2) All of the original proceeds of the Bonds, except for accrued interest on the Bonds, will be expended within three months of the day received and the balance, if any, will be expended on February 1, 1976;

3) The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the Bond issue;
(4) The obligations acquired from the City will not be sold or otherwise disposed of prior to their maturity, in whole or in part, prior to the maturity or prepayment of the Bonds; and

(5) Funds received from the City in respect of maturing short-term obligations of the City acquired by the Issuer will, within six months of the receipt of such funds, be used for one or more of the purposes set forth in clauses (i) or (ii) of paragraph (l) above, or to pay principal of or interest on the Bonds.

On the basis of the foregoing it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" under Section 103(d) of the Internal Revenue Code of 1954, as amended, and the regulations prescribed under that section. To the best of my knowledge and belief there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 10th day of November, 1975, being the date of delivery of the Bonds referred to herein.

[Signature]
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1991</td>
<td>$10,000,000</td>
</tr>
<tr>
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<td>10,000,000</td>
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<td>5,000,000</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Redemption:
The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date of redemption.

Purchaser:
TRUSTEE'S ACCEPTANCE AND CERTIFICATE

The undersigned, United States Trust Company of New York, Trustee (the "Trustee"), appointed by the Municipal Assistance Corporation for The City of New York (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation of the State of New York, under and pursuant to the General Bond Resolution dated July 2, 1975 and the 1975 Series X Resolution dated October 27, 1975 of the Corporation, (collectively, the "Resolutions") HEREBY CERTIFIES that:

1. The Trustee hereby accepts the duties and obligations of Trustee under the Resolutions.

2. The Trustee is duly empowered by law to do and to perform all acts and things required of it by the Resolutions.

3. Pursuant to the provisions of the Resolutions, the Trustee has authenticated and delivered $35,000,000 principal amount of 1975 Series X Bonds (the "Bonds") of the Corporation.

4. Each person who authenticated the Bonds was duly elected or appointed, qualified and acting as an officer of the Trustee and empowered to perform such
act, and the attached copy of an excerpt of the By-Laws of the Trustee conferring such authority is a true and correct copy of the original thereof on file in the principal office of the undersigned Trustee and said document as of the date hereof is in full force and effect in accordance with its tenor.

5. The Trustee has this day received from the Corporation copies of the Resolutions, certified to by an Assistant Secretary of the Corporation, as required by Section 202 of the General Bond Resolution.

IN WITNESS WHEREOF, United States Trust Company of New York has caused this certificate to be executed by the officers thereunto duly authorized this 12th day of November, 1975.

UNITED STATES TRUST COMPANY OF NEW YORK

By

Malcolm J. Hood, Vice President

(SEAL)

Attest:

Assistant Secretary
Section 10. Execution of Checks and Other Documents. Any officer except the Auditor shall have authority to sign checks on behalf of the Company, to certify checks against funds on deposit with the Company, and to endorse checks, drafts, notes and any orders payable to the Company.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall have authority to transfer stocks, mortgages and personal securities owned by the Company or in its custody in any capacity and to execute deeds of real estate owned by the Company or in its custody in any capacity.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall have authority to execute on behalf of the Company indentures and all other instruments under which the Company is to act in a fiduciary capacity, and to execute on behalf of the Company all contracts, releases, forms, assignments, security documents and agreements relating thereto.

The Chairman of the Board, the President, a Vice Chairman of the Board, or any Executive Vice President, Senior Vice President, the Treasurer or any Vice President or Assistant Vice President shall, to the extent permitted by law, have authority to execute any agreements, contracts or other documents pertaining to the commitment, investment, or loaning of funds of the Company, or as agent for funds in its custody.

Any officer except the Auditor shall have authority to authenticate, execute, countersign or certify on behalf of the Company bonds, debentures and other evidences of indebtedness, coupons, certificates, warrants and proxies with respect to which the Company is trustee, registrar, transfer agent, or fiscal agent, depositary and agent as the case may be and to certify as to the incumbency and specimen signature of any of the officers of the Company. The President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may from time to time designate clerks who shall be authorized, for and under the supervision of an officer of the Company, to authenticate, execute, countersign or certify such bonds, debentures, other evidences of indebtedness, coupons, certificates or warrants and proxies and to certify checks, using the title "Authorized Officer" or "Authorized Signature." The President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may also from time to time designate clerks who may, for and under the supervision of an officer of the Company, and subject in each case to such conditions or limitations as the President or a Vice Chairman of the Board or an Executive Vice President or such Senior Vice Presidents as may be authorized by the Executive Committee may prescribe, sign advices, receipts, and other documents in connection with the transfer, receipt, delivery, subscription, redemption or exchange of securities, guarantee signatures upon sale, transfer or assignment of stock and bonds, and erasures in connection therewith, execute assignments or endorsement of subscription warrants, and execute attestations required with respect to securities issued by the United States of America, using the title "Authorized Officer" or "Authorized Signature." The President or a Vice Chairman of the Board shall report all such designations of clerks to the Executive Committee for approval.

The Executive Committee may authorize the use of facsimile signatures on any instrument to be authenticated, executed, countersigned or certified on behalf of the Company.
CERTIFICATE OF TRUSTEE AS TO RECEIPT
OF CERTAIN AMOUNTS OF PROCEEDS OF SALE

November 10, 1975

The undersigned, the Trustee, under and pursuant
to the General Bond Resolution adopted July 2, 1975 and
the 1975 Series X Resolution adopted October 27, 1975
(the "Resolutions") of the Municipal Assistance Corporation
for The City of New York (the "Corporation"), hereby,
acknowledges receipt from the proceeds of sale of the
$35,000,000 principal amount 1975 Series X Bonds (the
"Bonds"), in the aggregate amount of $34,650,000 for
deposit in the amount of $ -0- into the Debt Service
Fund and for deposit in the amount of $34,650,000 into
the 1975 Series X Bond Proceeds Fund as established pur-
suant to the Resolutions and in accordance therewith.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Trustee

By ______________________________
Vice President
November 10, 1975

Commissioner Harold V. Gleason
Chairman, Board of Commissioners
The State Insurance Fund
199 Church Street:
New York, New York 10007

Dear Commissioner Gleason:

We have acted as counsel to United States Trust Company of New York, as Trustee, in connection with the issuance today by the Municipal Assistance Corporation for The City of New York (the Corporation) of the 1975 Series X Bonds in the aggregate principal amount of $35,000,000.

We are delivering to you herewith our opinion dated today rendered to the Corporation. You are authorized to rely upon this opinion as fully and to the same extent as if it had been addressed to you.

Very truly yours,

Carter, Ledyard & Milburn

RGMcC:ch
November 10, 1975

Municipal Assistance Corporation
for The City of New York
New York, New York

Dear Sirs:

Our client, United States Trust Company of New York, has requested that we furnish you with our opinion as to its authority to act as Trustee pursuant to its appointment by the Municipal Assistance Corporation for The City of New York (the Corporation) in the General Bond Resolution adopted by the Corporation on July 2, 1975 and as to its due authentication and delivery of the Corporation's 1975 Series X Bonds issued today in the aggregate principal amount of $35,000,000 (the Bonds) pursuant to the 1975 Series X Resolution adopted by the Corporation on October 27, 1975 and the General Bond Resolution (the Resolutions) and sold today pursuant to the Series X Bond Purchase Agreement dated November 7, 1975 between the Corporation and The State Insurance Fund.

We have examined the Resolutions and such other documents as we have deemed necessary in order to render this opinion.

We are of the opinion that United States Trust Company of New York is a duly organized and existing corporation having the powers of a trust company under the laws of the State of New York and is authorized to act as Trustee under the Resolutions and to exercise all of the rights, powers and obligations as Trustee.

We have examined the certificate dated today.
of the Trustee as to the due authentication and delivery of the Bonds and, relying upon said certificate and such other material as we deem necessary, it is our opinion that the Trustee has duly authenticated and delivered the Bonds.

Very truly yours,

[Signature]

Carter, Ledyard & Milburn

RGMcc:ch
ACCEPTANCE OF DUTIES AS PAYING AGENT

The undersigned hereby accepts the duties and obligations of a Paying Agent imposed upon the undersigned by the General Bond Resolution adopted by the Board of Directors of the Municipal Assistance Corporation for The City of New York (the "Corporation") on July 2, 1975 and the 1975 Series W and X Resolutions of the Corporation, each adopted by the Board of Directors of the Corporation on October 27, 1975. The undersigned has taken all necessary corporate action to authorize its acceptance of the appointment as Paying Agent for the Bonds pursuant to the Resolutions referred to above.

UNITED STATES TRUST COMPANY OF NEW YORK

By: [Signature]
Vice President

Attest:

[Signature]
Assistant Secretary

Dated: November 10, 1975
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser(s) identified in Schedule X annexed hereto and by this reference made a part hereof and pursuant to the Bond Purchase Agreement with the Municipal Assistance Corporation For The City of New York (the "Corporation"), for the 1975 Series X Bonds of the Corporation (the "Bonds"), acknowledges receipt from the United States Trust Company of New York, as Trustee, of the Bonds in definitive form as described in such Schedule issued pursuant to the General Bond Resolution and the 1975 Series X Resolution of the Corporation, adopted on July 2, 1975 and October 27, 1975 respectively.

In connection with the purchase of the Bonds, the undersigned acknowledges receipt of all of the documents required to be delivered to the undersigned pursuant to such Bond Purchase Agreement.

IN WITNESS WHEREOF, this receipt has been executed this 10th day of November, 1975.

By [Signature]
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

February 1, 1991    $10,000,000
February 1, 1992    10,000,000
February 1, 1993    5,000,000
February 1, 1994    10,000,000

Redemption: The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date of redemption.

RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser(s) identified in Schedule X annexed hereto and by this reference made a part hereof and pursuant to the Bond Purchase Agreement with the Municipal Assistance Corporation For The City of New York (the "Corporation"), for the 1975 Series X Bonds of the Corporation (the "Bonds"), acknowledges receipt from the United States Trust Company of New York, as Trustee, of the Bonds in definitive form as described in such Schedule issued pursuant to the General Bond Resolution and the 1975 Series X Resolution of the Corporation, adopted on July 2, 1975 and October 27, 1975 respectively.

In connection with the purchase of the Bonds, the undersigned acknowledges receipt of all of the documents required to be delivered to the undersigned pursuant to such Bond Purchase Agreement.

IN WITNESS WHEREOF, this receipt has been executed this 10th day of November, 1975.

By [Signature]
SCHEDULE X

$35,000,000

1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York

Amount: 35,000,000
Interest Rate: 11%
Purchase Price: 99%
Dated: November 10, 1975

Maturity Dates and Amounts:

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<td>10,000,000</td>
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<td>February 1, 1994</td>
<td>10,000,000</td>
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Redemption: The 1975 Series X Bonds are redeemable on or after February 1, 1985, at the election of the Corporation as a whole, at any time, or in part on any interest payment date at a redemption price of 102% of the principal amount plus interest accrued to the date or redemption.

See Document No. 18

In 1975 Series W Bonds

For Official Statement and Supplements
THE CITY OF NEW YORK

Certificate of the Mayor

J. ABRAHAM D. BEAME, Mayor of The City of New York (the
"City"), pursuant to the provisions of Section 3037 of the Municipal
Assistance Corporation For The City of New York Act, being Title III
of Article 10 of the Public Authorities Law, Chapter 43-A of the Con-
solidated Laws of the State of New York, as amended to the date hereof,
DO HEREBY CERTIFY to the Municipal Assistance Corporation For
The City of New York, as follows:

That in order to pay the principal of and interest on any short-term
obligations of the City as of November 10, 1975, there will be required from
the Corporation the amount of $170,000,000.

WITNESS MY signature and the seal of the City this

10th day of November, 1975.

[SEAL]

Abraham D. Beame
Mayor of The City of New York

Approved as to form.

Corporation Counsel of
The City of New York

I hereby certify that the within Certificate is on file in the office
of the City Clerk of The City of New York.

City Clerk
CERTIFICATE

November 10, 1975

The undersigned hereby certifies that the Resolutions of the Emergency Financial Control Board (the "Board") attached hereto are true and correct copies of the duly adopted Resolutions of the Board and that the same are in full force and effect on the date hereto and have not been repealed, modified or amended.

Arthur Levitt

Member of the Emergency Financial Control Board
RESOLVED, that the following schedule with respect to purchases of bonds (the "Bonds") of the Municipal Assistance Corporation For The City of New York (the "Corporation") required by Section 87-a of the Workmen's Compensation Law (the "Law") and not heretofore scheduled is hereby established:

The State Insurance Fund shall purchase $35,000,000 principal amount of Bonds on or about November 10, 1975.

RESOLVED, that the terms and conditions of the purchases of the Bonds on or about November 10, 1975, referred to in the immediately preceding resolution, including the rates of interest thereon, as determined by the Corporation, after consultation with the commissioners of The State Insurance Fund, as set out in Schedule X annexed hereto, are hereby found to be fair and reasonable.
**SCHEDULE X**

**Amount and Designation:** 1975 Series X Bonds of the Municipal Assistance Corporation For The City of New York, in the aggregate principal amount of $35,000,000.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Maturity Date</th>
<th>Rate of Interest</th>
<th>Aggregate Principal Amount to be Purchased</th>
<th>Price</th>
<th>Dates from Which Interest Accrues</th>
<th>Mandatory Redemption Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Insurance Fund</td>
<td>Feb. 1, 1991</td>
<td>11%</td>
<td>$10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1992</td>
<td>11%</td>
<td>10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1993</td>
<td>11%</td>
<td>5,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
<tr>
<td></td>
<td>Feb. 1, 1994</td>
<td>11%</td>
<td>10,000,000</td>
<td>99%</td>
<td>Nov. 10, 1975</td>
<td>None*</td>
</tr>
</tbody>
</table>

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*Aggregate Principal Amount to be Purchased: $35,000,000

---

*Callable on or after February 1, 1985, in whole at any time or in part on any interest payment date, at a price of 102%.*
Certificate of the Chairman of the board of Commissioners of
The State Insurance Fund

I, HAROLD V. GLEASON do hereby certify as follows:

1. I am the Chairman of the board of Commissioners of The State Insurance Fund (the "Fund") and am authorized to execute and deliver this Certificate on behalf of the Fund; and

2. Albert J. Millus, Executive Director of the Fund, is hereby authorized to execute and deliver on behalf of the Fund certain bond purchase agreement between the Fund and the Municipal Assistance Corporation for the City of New York (the "Corporation"), dated November 10, 1975, pertaining to the purchase by the Fund of $35,000,000 of the Corporation's 1975 series X bonds.

Harold V. Gleason
Board of Commissioners
The State Insurance Fund

November 6, 1975
The State Insurance Fund

Specialists in Workmen's Compensation and Disability Benefits Insurance

INVESTMENT FOR THE STATE INSURANCE FUND

To the Superintendent of Insurance
State of New York:

Approval is requested of the following purchase of securities for The State Insurance Fund:

$35,000,000 par - 11% Municipal Assistance Corporation Bonds, dated November 10, 1975 at a price of 99 as follows:

$10,000,000 maturing February 1, 1991
$10,000,000 maturing February 1, 1992
$5,000,000 maturing February 1, 1993
$10,000,000 maturing February 1, 1994

This request is made pursuant to Section 87a of the Workmen's Compensation Law (as amended by Chapters 868 and 870 of the Laws of 1975), mandating the purchase of securities of the Municipal Assistance Corporation for the City of New York in the aggregate principal amount of $100,000,000; provided however that the City of New York has not defaulted in the payment of any of its outstanding bonds. Terms and conditions of such bonds purchased including the rates of interest shall be determined by agreement between The State Insurance Fund and the Municipal Assistance Corporation for the City of New York. Section 87a finds and declares that obligations of the Municipal Assistance Corporation for the City of New York are reasonable, prudent, proper and legal investments for The State Insurance Fund.

This purchase is made pursuant to a Bond Purchase Agreement dated November 7, 1975 between the Municipal Assistance Corporation for the City of New York and The State Insurance Fund for purchase of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds.

This is to certify that at a meeting of the Commissioners of The State Insurance Fund held in New York City September 29, 1975, it was unanimously resolved that subject to the approval of the Superintendent of Insurance of the City of New York, funds of The State Insurance Fund available for investment may be invested in securities eligible for investment under Section 87a of the Workmen's Compensation Law, including the reinvestment or roll-over of such funds at the best available market price at the time such reinvestment or roll-over is made for the purpose of meeting requirements of working funds or for other statutory and/or lawful purposes and/or pending FHA loans subject to closing and/or betterment of portfolio.

Date 6-9-75

Chairman of the Commissioners

* * * * * * * * * *
Approval of Superintendent of Insurance:

The foregoing purchase as authorized and approved by the Commissioners of The State Insurance Fund in accordance with Section 87a of the Workmen's Compensation Law is hereby approved.

Date _____________________________  Superintendant of Insurance

Bond House: Municipal Assistance Corporation

Date: November 5, 1975
Hon. Albert J. Millus  
Executive Director  
The State Insurance Fund  
199 Church Street  
New York, N. Y. 10037  

Dear Mr. Millus:

We are in receipt of a letter from Arthur D. Plotnick, Investment Officer & Assistant Secretary, attaching a certification dated November 6, 1975 signed by Harold Gleason, Chairman of the Commissioners of The State Insurance Fund.

It appears from the resolution that in accordance with the provisions of Section 87-a of the Workman's Compensation Law, inter alia mandating the purchase by the Fund of securities of the Municipal Assistance Corporation for the City of New York in the aggregate principal amount of $100 million in accordance with a schedule to be established by the New York State Emergency Financial Control Board. The State Insurance Fund and the Municipal Assistance Corporation have entered into an agreement pursuant to such law for the purchase by the State Insurance Fund of $35,000,000 aggregate principal amount of the Corporation's 1975 Series X Bonds. Such purchase is in accordance with a resolution by the Commissioners of The State Insurance Fund dated November 6, 1975 attesting that at a meeting held on September 29th the Commissioners unanimously resolved to purchase Municipal Assistance Corporation Bonds. The following Bonds are to be purchased:

$35,000,000 par - 11% Municipal Assistance Corporation Bonds, dated November 10, 1975 at a price of 99 as follows:

- $10,000,000 maturing February 1, 1991
- $10,000,000 maturing February 1, 1992
- $ 5,000,000 maturing February 1, 1993
- $10,000,000 maturing February 1, 1994
Hon. Albert J. Millus

November 6, 1975

Said purchases are made in accordance with the mandate of Section 87-a of the Workmen's Compensation Law and the timetable established thereunder by the New York State Financial Control Board.

I have reviewed the documents submitted and note that the actions taken conform with the requirements of Section 87-a of the Workmen's Compensation Law for authorized purchases of The State Insurance Fund.

In addition, we have approved:

1. The combined sale and purchase of the following for the account of The State Insurance Fund:

   **SALE** - $1,500,000 par - 6.90% Federal National Mortgage Association Debentures of December 10, 1984 at a price of 93.

   **PURCHASE** - $1,500,000 par - 8.10% Federal Home Loan Bank Bonds maturing November 25, 1985 at par.

2. The purchase for the account of The State Insurance Fund of the following:

   **$6,000,000 par - 8.10% Federal Home Loan Bank Bonds maturing November 25, 1985 at par.**

We are returning 2 copies of the various certifications in relation to the foregoing and retaining 2 copies for our files.

Very truly yours,

Thomas A. Harnett
Superintendent of Insurance

Encs.

cc: Mr. Arthur D. Plotnick
On recommendation of the Chairman, and motion by Commissioner Hendrickson, duly seconded by Commissioner Tollefsen, it was unanimously

RESOLVED that low-interest U.S. Treasury Bonds, 3-1/4% to 4-1/8%, be sold to provide funds to purchase an additional $75 million of MAC securities as mandated by Section 87a of the Workmen's Compensation Law and that this transaction be done on a private negotiated basis as soon as possible, and it is further

RESOLVED that the sale of $16,000,000 par - 3-1/4% U.S. Treasury Bonds of June 15, 1983-78, $9,135,000 par - 3-1/4% U.S. Treasury Bonds of May 15, 1985 and $3,000,000 par - 3-1/2% U.S. Treasury Bonds of November 15, 1993, and the purchase of $25,000,000 par - 11% Municipal Assistance Corporation Bonds be and hereby is approved and it is further

RESOLVED that the Executive Director be and is hereby authorized to sign all documents and commitments relating to the required purchase
CERTIFICATE OF THE COMPTROLLER
OF THE CITY OF NEW YORK

I, HARRISON J. GOLDIN, do hereby certify as follows to the Municipal Assistance Corporation For The City of New York (the "Corporation"): 

1. I am the Comptroller of the City of New York (the "City") and am duly authorized to execute and deliver this certificate to the Corporation. 

2. If the City receives an aggregate of $431,000,000 during November, 1975, from the Corporation, and $6,750,000 from the sale of City notes maturing on November 9, 1976, there will be available to the City in November, 1975, sufficient funds to meet the expenditures required to be made by the City during such month.

WITNESS my signature this 10th day of November, 1975.

[Signature]
Harrison J. Goldin, Comptroller
of The City of New York

Approved as to Form

[Signature]
Corporation Counsel
CERTIFICATE OF THE MAYOR AND COMPTROLLER
OF THE CITY OF NEW YORK AS TO CONDITIONS ON
EXTENSION OF BENEFITS TO THE CITY

WE, the undersigned, ABRAHAM D. BEAME, Mayor of The City
of New York (the "City"), and HARRISON J. GOLDIN, Comptroller of the
City, pursuant to the provisions of Municipal Assistance Corporation
For The City of New York Act, being Title III of Article 10 of the Public
 Authorities Law, Chapter 43-A of the Consolidated Laws of the State of
New York (the "State"), as amended to the date hereof (the "Act"), DO
HEREBY (a) represent that the aggregate total outstanding amounts paid
by the Municipal Assistance Corporation For The City of New York (the
"Corporation") to the City for operating expenses pursuant to clause (i)
and clause (ii) of Section 3037 of the Act and not repaid by the City to the
Corporation prior to the date of this Certificate is $1,461,370,157.82
and said amount has been or will be expended to pay operating expenses of
the City, (b) represent pursuant to subdivision 1 of Section 3038 of the Act
that the City has initiated steps pursuant to subdivision 2 of said Section
to adopt as the City's methods of accounting the accounting principles set
forth in the New York State Comptroller's Uniform System of Accounts for
Municipalities, as modified for application to the City by the State Comptroller's
Accounting Systems Directives No. 1 and No. 2, issued to the City on
August 8 and 15, respectively; (c) represent pursuant to subdivision 1 of
Section 3038 of the Act that the Mayor and City Comptroller, on November
10, 1975, certified, pursuant to subdivision 5(a) of said Section and a
resolution of the Corporation adopted November 6, 1975, to the Corporation, a list, to the best of their information, of the expense items in the City's capital budget for the fiscal year ending June 30, 1976, and the amount of each item; (d) represent that the City is in compliance with the conditions described in Section 3038 of the Act as the Corporation may specify; (e) undertake and agree on behalf of the City to comply with any of such specified conditions as the Corporation may require; and (f) represent that all local legislative and executive action required to permit such compliance by the City has been taken.

WITNESS our signatures and the seal of the City this 10th day of November, 1975.

[SEAL]

Approved as to form.

[SEAL]

I hereby certify that the within Certificate is on file in the office of the City Clerk of The City of New York.