Savings Banks

MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

$20,850,000
1975 Series Y Bonds

Dated: November 26, 1975
Delivered: November 26, 1975
MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

1975 Series Y Bonds

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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 November 25, 1975 showing adoption of the 1975 Series Y Resolution (the "Series Resolution") of the Corporation authorizing: (i) the issuance of the 1975 Series Y Bonds (the "Bonds"); and (ii) the execution of Bond Purchase Agreements (the "Purchase Agreement") dated November 25, 1975, between the Corporation and the purchaser(s) named therein providing for the sale of the Bonds.


4. Copies of executed counterparts of the Purchase Agreements.

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 Section 3a(1)A of 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 required pursuant to 3a(1)B of Messrs. Hawkins, Delafield & Wood, Bond Counsel to the Corporation required pursuant to the Purchase Agreement together with opinion as to litigation required pursuant to Section 3a (1)E of the Purchase Agreement 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 Section 3(a)(1)D the Purchase Agreement.

10. The opinion, dated the date of Closing of the Attorney General of The State of New York required pursuant to Section 3a(1)C of the Purchase Agreement.

11. The opinion of White and Case special counsel to the Purchasers required pursuant to Section 3(a)(2) of the Purchase Agreement.

CORPORATION CLOSING DOCUMENTS


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


TRUSTEE AND PAYING AGENT DOCUMENTS

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


17. Opinion of Counsel for Trustee with Respect to the Trustee's authority to act as Trustee.


MISCELLANEOUS

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

20. Copy of final official statement with respect to Series B Bonds and supplement No. 4 therefor.
21. Certificate of the Mayor of the City of New York pursuant to Section 3(d) of the Purchase Agreement as certified by the Secretary of the Corporation.

22. Certificate of the Comptroller of the City of New York pursuant to Section 3(e).

23. Photocopy of checks.

GENERAL CERTIFICATE OF SECRETARY OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

1. 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>Felix G. Rohatyn, Chairman</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Donna E. Shalala, Treasurer</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>John A. Coleman</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>George D. Gould</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>Robert C. Weaver (one vacancy)</td>
<td>December 31, 1979</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 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 Y 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 the Supplement dated November 24, 1975 as amended (the "Supplement"), copies of which are being delivered contemporaneously herewith.
8. The General Bond Resolution of the Corporation adopted July 2, 1975 and the 1975 Series Y Resolution of the Corporation adopted November 25, 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 principal 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 Extract of Minutes of a Meeting of the Corporation held November 25, 1975 attached to this Record of Proceedings as document No. 2, is a true and correct copy of the duly adopted original thereof on file and of record in the principal 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 or record in the principal 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 form of Bond Purchase Agreement among the Corporation and certain purchasers 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 form thereof in its entirety duly approved by the Corporation and on file and of record in the principal 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 Y 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 Y Bonds of the Corporation this day delivered to the purchasers designated under the 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.

14. That the Supplement does not contain any untrue statement of any material fact or omit any statement of a material fact necessary to make the Supplement, and the statements and information therein contained, not misleading.

15. That the Official Statement, as supplemented by the Supplement, as of the date hereof does not contain any untrue statement of any material fact relating to the Bonds (as defined in the General Bond Resolution) or other securities of the Corporation or relating to the Corporation, or omit any statement of a material fact necessary to make
the Official Statement as supplemented by the Supplement and the statements and information therein contained in such respects not misleading.

16. That each of the agreements of the Corporation set forth in Section 1 of the Agreement has, as of this date, been complied with at or prior to the Closing Time.

17. That the Bonds and the Resolution conform in all material respects to the descriptions thereof in the Supplement, as such terms are defined in the Agreement.

18. That, as of the date hereof, the Corporation has sold and received payment for an aggregate principal amount of at least $18,500,000 in Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Corporation this 28th day of November, 1975

[Signature]

Secretary

(SEAL)
ICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES Y BOND

This bond is one of the bonds described in the indenture-gold advanced information of the 1977 Series Y Bonds of the ICIPAL Assistance Corporation For the City of New York.

Municipal Assistance Corporation
FOR THE CITY OF NEW YORK

UNITED STATES COURT COMPANY OF NEW YORK

By:

[Signature]

[Name]

By:

[Signature]

[Name]
Notice: The signature to this assignment must correspond with the name as it appears upon

Dated:

with full power of substitution in the premises.

To transfer the within 1975 series Y bond on the books kept for registration thereof,

Attorney

and appointees

the within 1975 series Y bond, and all rights thereto and hereby irrevocably constitute

(please print or typewrite name and address of transferee)

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

Assignment
Adoption of Various Bond Resolutions

The Chairman stated that it was necessary for the Board to adopt the 1975 Series Y Resolutions and the 1975 Series AA Resolutions in connection with the Corporation's sale and issuance of an aggregate of up to $22,850,000 of its 1975 Series Y Bonds and $150,000,000 of its 1975 Series AA Bonds (the 1975 Series Y Resolutions and the 1975 Series AA Resolutions are hereinafter collectively referred to as the "Series Resolutions" and the bonds issued pursuant to the Resolutions 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 also stated that the terms of the Bonds would be substantially as set forth below:

1975 Series Y Bonds

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Rate of Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1981</td>
<td>$22,850,000</td>
<td>10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The 1975 Series Y Bonds are to be sold to various savings banks located within the City of New York. The 1975 Series Y Bonds are not redeemable prior to maturity.
### 1975 Series AA Bonds

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Rate of Interest</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1, 1986</td>
<td>$8,970,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1987</td>
<td>$9,955,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1988</td>
<td>$11,050,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1989</td>
<td>$12,270,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1990</td>
<td>$13,615,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1991</td>
<td>$15,115,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1992</td>
<td>$16,780,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1993</td>
<td>$18,625,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1994</td>
<td>$20,675,000</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>February 1, 1995</td>
<td>$22,945,000</td>
<td>11%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Total $150,000,000

The 1975 Series AA Bonds are to be sold to the State of New York and are callable at the option of the Corporation on or after February 1, 1985, in whole at any time or in part, by lot, on any interest payment date at a price of 102%.

After discussion of each of the Series Resolutions and the terms of the Bonds, it was on motion duly made and seconded, unanimously resolved that each of the Series Resolutions, in the form presented to the meeting with the respective terms of the Bonds to be included therein, such terms to be substantially the same as those presented to the meeting, are hereby adopted and ordered filed with the minutes of the Corporation. In addition, it was on motion duly made and seconded, unanimously resolved that the terms and conditions of an additional repayment agreement, if any, with the
State shall be determined by the Finance Committee of the Corporation.

It was further unanimously resolved, on motion duly made and seconded, that the Chairman of the Board, the Treasurer, the Secretary or 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 1975 Series Y 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.

Authorization of Distribution of Supplement to Official Statement

Mrs. Thoyer then stated that, because of recent developments effecting the Corporation and the City of New York, it was necessary for the Corporation to approve the distribution of Supplement No. 4, dated November 24, 1975, (the "Supplement") to the Official Statement of the Corporation, dated August 15, 1975. Copies of the Supplement were made available to the members of the Board and ordered annexed to the minutes of the meeting.
After discussion of the Supplement it was, on motion made and seconded, unanimously resolved that the Supplement, in the form presented to the meeting, is hereby approved; and that the distribution of the Supplement to the purchasers of the Corporation's 1975 Series Y Bonds and 1975 Series AA Bonds, in substantially the same form as presented to the meeting, with any material changes therein as shall be approved by the Chairman of the Board, the Treasurer, the Chairman of the Finance Committee or the Executive Director of the Corporation, after consultation with counsel, is hereby authorized.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES Y RESOLUTION

Authorizing
$20,850,000
1975 SERIES Y BONDS

Adopted November 25, 1975
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**AUTHORIZATION, TERMS AND ISSUANCE OF 1975 SERIES Y BONDS**

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FORMS AND EXECUTION OF 1975 SERIES Y BONDS AND COUPONS


ARTICLE V
MISCELLANEOUS

Section 501. When Effective .................................................. 31.
1975 SERIES Y RESOLUTION AUTHORIZING
$20,850,000 1975 SERIES Y 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 Y 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 Y Resolution Authorizing $20,850,000 1975 Series Y Bonds, as such terms are given in said Section 101 of the General Bond Resolution.

(b) In addition, as used in this 1975 Series Y Resolution Authorizing $20,850,000 1975 Series Y Bonds, unless the context shall otherwise require, the following terms shall have the following respective meanings:

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

"1975 Series Y Bond Proceeds Fund" means the fund by that name established by Section 301 hereof.

(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 Y Resolution, refer to the 1975 Series Y Resolution.

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

AUTHORIZATION, TERMS AND ISSUANCE OF
1975 SERIES Y BONDS

SECTION 201. Authorization of 1975 Series Y Bonds, Principal Amount, Designation and Series. The 1975 Series Y Bonds are hereby authorized to be issued in the aggregate principal amount of $20,850,000 pursuant to and subject to the terms, conditions and limitations established in the Resolution and this 1975 Series Y Resolution. In addition to the title "Bonds", such Series of Bonds shall bear the additional designation of "1975 Series Y" and each as so designated shall be entitled "1975 Series Y Bond". The 1975 Series Y 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 Y 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 Y Bonds shall be dated November 26, 1975, except as otherwise provided in Section

SECTION 204. Maturities and Interest Rates. The 1975 Series Y Bonds shall mature on February 1, 1981 and shall bear interest at the rate of 10% per annum.

SECTION 205. Interest Payments. The 1975 Series Y Bonds in coupon form shall bear interest from November 26, 1975, payable in February 1, 1976 and on August 1, 1976 and semi-annually thereafter on February 1 and August 1, in each year, commencing February 1, 1976, until the Corporation's obligation with respect to the payment of the principal sum on said Series Y Bonds is discharged. Registered 1975 Series Y Bonds shall bear interest from their date, payable semi-annually 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 Series Y Bonds is discharged.

SECTION 206. Denominations, Numbers, Letters and Exchangeability. The 1975 Series Y Bonds shall be issued in the denomination of $5,000 in the case of 1975 Series Y 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 Y Bonds maturing in the year of maturity of the 1975 Series Y Bond for which the denomination is to be specified, with respect to fully registered 1975 Series Y Bonds without coupons. The 1975 Series Y Bonds in coupon form payable to bearer shall be lettered Y and the 1975 Series Y
Bonds in fully registered form without coupons shall be lettered YR, in each case followed by two digits, being the last two digits of the year in which such 1975 Series Y Bonds mature, and the number of the 1975 Series Y Bond. 1975 Series Y 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 Y 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 Y 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 Y Bonds in coupon form payable to bearer shall be payable at the corporate trust office of United States Trust Company of New York, in the Borough of Manhattan, City and State of New York, hereby appointed as a Paying Agent for the 1975 Series Y Bonds, unless registered as to principal. The interest on all registered 1975 Series Y Bonds and the principal of all registered 1975 Series Y Bonds and of all 1975 Series Y Bonds issued in coupon form payable to bearer and subsequently registered as to principal, shall be payable at the corporate office of the Trustee.

SECTION 210. Sale of 1975 Series Y Bonds. The 1975 Series Y Bonds authorized to be issued herein shall be sold to the purchasers (the "Purchasers") listed on Schedule I of the substantially identical Bond Purchase Agreements dated as of November 25, 1975 (the "Bond Purchase Agreements"), at an aggregate price of $20,850,000 and the Chairman or Treasurer of the Corporation is hereby authorized to execute the Bond Purchase Agreements in the name and on behalf of the Corporation and to deliver the same to the Purchasers.
ARTICLE III

DISPOSITION OF 1975 SERIES Y BONDS PROCEEDS AND ACCRUED INTEREST

SECTION 301. Establishment of 1975 Series Y Bonds Proceeds Fund. There is hereby established the 1975 Series Y Bonds Proceeds Fund to be held by the Trustee. There shall be deposited into such Fund the proceeds of sale of the 1975 Series Y Bonds.

SECTION 302. Payments from 1975 Series Y Bonds Proceeds Fund. The moneys deposited in the 1975 Series Y 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 con-
sideration the dates and times when moneys in such 1975 Series Y
Bonds Proceeds Fund will be required for the purposes of this 1975
Series Y Resolution) in obligations of issuers enumerated as autho-
rized 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 de-
scribed 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 Sec-
tion 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 Y BONDS AND COUPONS

SECTION 401. Form of Bonds and Coupons of 1975 Series Y
Bonds. Subject to the provisions of the Resolution, the 1975 Series
Y Bonds in coupon form and coupons to be attached thereto and the
1975 Series Y Bonds in registered form, together with the form of
assignment therefor, and the Trustee's Certificate of Authentica-
tion, shall be in substantially the following form and tenor with
such changes and modifications as are required herein:

(FORM OF COUPON 1975 SERIES Y BOND)

No. Y R __ $5,000

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
1975 SERIES Y 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, acknowl-
edges itself indebted to, and for value received, hereby promises
to pay to the bearer or, if this Bond be registered as herein pro-
vided, to the registered owner hereof, upon presentation and sur-
render of this Bond, the principal sum of FIVE THOUSAND DOLLARS
($5,000) on the first day of February, 1981 and to pay interest thereon
from the date hereof to the date of maturity or earlier redemption, of this Bond, at the rate of ten per centum (10%) 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 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 United States Trust Company of New York, 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 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 in eresc 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 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 such Municipal Assistance Tax Fund, the Special Account, the Stock Transfer Tax Fund, and the Municipal Assistance State Aid 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 Gen-
eral Bond Resolution.

This Bond is one of a series of Bonds designated "1975
Series Y Bonds" (herein called the "1975 Series Y Bonds"), issued
in the aggregate principal amount of $20,850,000 pursuant to the
General Bond Resolution and the series resolution of the Corpora-
tion adopted November 25, 1975, entitled "1975 Series Y Resolution
Authorizing $20,850,000 1975 Series Y 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 Y 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 Y Bonds with respect thereto
and the terms and conditions upon which the 1975 Series Y 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 Y 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 Y Bonds maturing in the year of maturity of the 1975 Series Y Bond for which the denomination of the 1975 Series Y Bond is to be specified. Coupon 1975 Series Y 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 Y 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 Y 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 of 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 Y Bonds, with appropriate coupons attached, or of 1975 Series Y Bonds without coupons of any other authorized denominations, of the same maturity.

The 1975 Series Y Bonds are not subject to redemption prior to maturity.

The 1975 Series Y 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 therfor, nor shall the 1975 Series Y Bonds be payable out of any funds other than those of the Corporation.
This 1975 Series Y 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 Y Bond, or of any coupon appurtenant hereto, by accepting this 1975 Series Y Bond or coupon shall be conclusively deemed to have agreed that this 1975 Series Y Bond or coupon is fully negotiable for those purposes.

Neither this 1975 Series Y 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 Y 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 Y 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 Y 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 Y 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 th day of November, 1975.

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 Y 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 ______, 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 United States Trust Company of New York in the Borough of Manhattan, City and State of New York, upon presentation and surrender of this coupon, being the interest then due on its 1975 Series Y 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>
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<th>Date of Registration</th>
<th>Name of Registered Holder</th>
<th>Authorized Signature</th>
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(FORM OF REGISTERED 1975 SERIES Y BOND)

No. YR______  $______

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES Y 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 ________, and
to pay to the registered owner hereof interest thereon from the date hereof to the date of maturity of this Bond, at the rate of ten per centum (10%) 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, at the corporate trust office in the Borough of Manhattan, City and State of New York, of the Trustee hereinafter mentioned. Both principal 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, 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, monies 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 Obliga-
tions. 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 such Municipal Assistance Tax Fund, the Special Account, the Stock Transfer tax Fund, and the Municipal Assistance State Aid 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 Y Bonds" (herein called the "1975 Series Y Bonds"), issued in the aggregate principal amount of $20,850,000 pursuant to the
General Bond Resolution and the series resolution of the Corporation, adopted November 25, 1975, entitled "1975 Series Y Resolution Authorizing $30,850,000 1975 Series Y 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 United States Trust Company of New York, in the Borough of Manhattan, 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 Y 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 Y Bonds with respect thereto and the terms and conditions upon which the 1975 Series Y 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 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 Y Bond or Bonds or, at the option of the transferee, a coupon 1975 Series Y Bond or Bonds with appropriate coupons attached, of the same aggregate principal amount and series, maturity and interest rate as the surrendered 1975 Series Y 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 Y 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 hereon and for all other purposes whatsoever.

The 1975 Series Y 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 Y Bonds maturing in the year of maturity of the 1975 Series Y Bonds for which the denomination of the 1975 Series Y Bond is to be specified. Coupon 1975 Series Y 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 Y 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 Y 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 Y Bonds, with appropriate coupons attached, or of 1975 Series Y Bonds without coupons of any other authorized denominations, of the same maturity.

The 1975 Series Y Bonds are not subject to redemption prior to maturity.

The 1975 Series Y 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 Y Bonds by payable out of any funds other than those of the Corporation.

This 1975 Series Y 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 Y 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 Y 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 Y 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 Y 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 Y 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 Y Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney
to transfer the within 1975 Series Y 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 Y Bond in every particular, without alteration or enlargement or any change whatever.

No recourse shall be had for the payment of the principal of or interest on the 1975 Series Y Bonds or for any claim based thereon or on the 1975 Series Y Resolution against any member or officer of the Corporation or any person executing the 1975 Series Y Bonds and neither the Directors of the Corporation nor any other person executing the 1975 Series Y 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 Y Bonds. Pursuant to the provisions of Section 303 of the Resolution, the Chairman of the Corporation is hereby authorized and directed to execute by his manual or facsimile signature the 1975 Series Y 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 Y Bonds.
ARTICLE V

MISCELLANEOUS

SECTION 501. When Effective. This 1975 Series Y 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

GENERAL BOND RESOLUTION

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

## GENERAL BOND RESOLUTION

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# ARTICLE XII

Defaults and Remedies

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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.
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
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 Installs.

“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
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;
(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 208, 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
rially 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 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. Refunding 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 Refunding 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 payment at the applicable Redemption Price of the Bonds to be refunded, 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 provisions of subsection 2 of Section 1401 and any moneys required pursuant to said subsection 2, which direct obligations of the
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 ex-
change 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 Feb-
uary 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 neces-
sary 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 ex-
cuted 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, en-
graved or otherwise reproduced, and attested by the manual or a fac-
simile 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
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
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-
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 denomina-
tions 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 pre-
sentation 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 cou-
pons, 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 aggre-
gate 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 sub-
ject to redemption prior to maturity pursuant to the provisions of a
Series Resolution shall be redeemable, upon published notice as pro-
vided in this Article IV, at such times, at such Redemption Prices and
upon such terms as may be specified in the Series Resolution authoriz-
ing such Series.
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 dis-
cretion, 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 denomi-
nation 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 pur-
suant 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 re-
redeemed, and, in the case of registered Bonds to be redeemed in part
only, such notice shall also specify the respective portions of the prin-
cipal amount thereof to be redeemed. Such notice shall further state
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
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 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 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
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 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. 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
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
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 163 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
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.
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.
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 apper-
taining, according to the true intent and meaning thereof, and shall
duly and punctually pay or cause to be paid all Sinking Fund Install-
ments, 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 Corpo-
ration 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 inter-
est. Nothing herein shall be deemed to limit the right of the Corpora-
tion 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 pur-
suant 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 Bor-
ough of Manhattan, City and State of New York, where Bonds may be
Bondholders, or in any way impair the rights and remedies of such
Holders until the Bonds, together with the interest thereon, with inter-
est 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 per-
formed 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 implementa-
tion 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
tion 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

(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 Resolution as theretofore in effect.

1002. Supplemental Resolutions Effective With Consent of Bondholders. The provisions of this Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with and subject 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 Supplemental 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, act 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 accompanied 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 Corporation 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
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 particular 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 amendment permitted by the provisions of Section 1101 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent 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 Supplemental 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 Corporation in accordance with the provisions of this Resolution, is authorized 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 of 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 conclusive 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
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
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
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
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
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
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 theretofore 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
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
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

1975 SERIES Y BONDS

BOND PURCHASE AGREEMENT

November 25, 1975

To the Purchaser Named in
Schedule 1 Hereto:

Subject to the terms and conditions herein, the
undersigned, Municipal Assistance Corporation For The City
of New York (the "Corporation"), hereby confirms its agree-
ment with you with respect to the purchase by you from the
Corporation of the aggregate principal amount of the Corpora-
tion's 1975 Series Y Bonds (the "Bonds") more fully described
in Schedule 1 hereto. The Bonds which you herein agree to pur-
chase are to be issued pursuant to the General Bond Resolu-
tion adopted by the Board of Directors of the Corporation on
July 2, 1975 (the "General Bond Resolution"), and the 1975
Series Y Resolution adopted by the Board of Directors of the
Corporation on November 17, 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
you that:

(a) The Corporation is a corporate governmental
agency and instrumentality of the State of New York constitu-
ting 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 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) A 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 (the "Official Statement") as supplemented by a Supplement dated November 24, 1975 (the "Supplement") and the Supplement thereto have been delivered to you.

(c) The information concerning the Corporation in the Official Statement and the Supplement 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 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 Supplement, and the statements and information therein contained, not misleading.

(d) The Corporation will advance the proceeds from the sale of the Bonds to the City for use by the City to pay its operating expenses and such amounts, when advanced, together with all amounts previously so advanced, shall be within the limitation specified in Section 3037 of the Act.

(e) When delivered to and paid for by you in accordance with the terms of this Agreement and the Resolution, except as to the enforceability of the Resolution which may be limited by bankruptcy, moratorium or similar laws validly enacted and applicable to the rights of holders of Bonds, 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 Supplement, 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, the Official Statement, the Supplement 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, by the Official Statement or by the Supplement.

(g) The execution, delivery and receipt of the Official Statement, the Supplement, this Agreement, the Bonds and the Resolution, under the circumstances contemplated hereby or by the Official Statement and by the Supplement, 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 you shall be deemed a representation by the Corporation to you 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, except as may be limited by bankruptcy, moratorium or similar laws validly enacted and applicable to the rights of holders of the Bonds.

(j) Except for the liens created by any series of "Bonds" of the Corporation issued pursuant to and as defined in the General Bond Resolution, liens subordinated to the
liens of the 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.

(1) No authorization, consent or approval of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality is or will be necessary to the valid execution, delivery or performance by the Corporation of this Agreement, the Resolution or the Bonds, or, if necessary, such authorization, consent, approval or license has been duly obtained.

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 you, and you agree to purchase from the Corporation, at the Closing Time, the aggregate principal amount of Bonds set forth in Schedule I hereto. The Bonds shall be issued under and secured by the Resolution to the extent therein provided. The Bonds shall be dated November 25, 1975 and mature and bear the interest rate set forth in Schedule I hereto and in the Series Resolution. Payment for the Bonds shall be made by certified or official bank check or checks, in New York Clearing House 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 10005. The Closing Time shall be 4:00 P.M., New York City time, on November 25, 1975, or such other time and place as may otherwise be mutually agreed to by you and the Corporation. The Bonds delivered to you at the Closing Time shall be in definitive form, fully registered and as otherwise set forth in Schedule I hereto.
SECTION 3. **Conditions of your Obligations.**

Your 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 (A) Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel for the Corporation, in the form attached hereto as Exhibit A, (B) Hawkins, Delafield & Wood, Bond Counsel, in the forms attached hereto as Exhibits B and C, (C) the Attorney General of the State of New York, in the form attached hereto as Exhibit D, (D) the Corporation Counsel of the City, in the form attached hereto as Exhibit E, and (E) such General Counsel and such Bond Counsel, substantially to the effect set forth in the Official Statement and the Supplement under the caption "Litigation"; in each case with such changes, and with such annexed opinions of other counsel referred to therein, if any, as White & Case, your special counsel, shall reasonably approve.

2. An opinion of White & Case, your special counsel, dated the Closing Time, and satisfactory in form and substance to you with respect to the creation and existence of the Corporation, the adoption of the Series Resolution and the General Bond Resolution, the authorization and issuance of the Bonds delivered at the Closing Time, the authorization, execution and delivery by the Corporation of this Agreement, the exemption of the offering and sale of the Bonds and any resale thereof by you from the registration requirements of the Securities Act of 1933, as amended, the exemption of the Series Resolution and the General Bond Resolution from the qualification requirements of the Trust Indenture Act of 1939, as amended, and the status of Bonds as "exempted securities" within the meaning of the Securities Exchange Act of 1934, as amended; and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.
(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.

(d) The Corporation shall have received a certificate of the Mayor of the City, or a Deputy Mayor acting under a proper delegation of authority, pursuant to Section 3037 of the Act, satisfactory in form and substance to the Corporation (the "3037 Certificate"); and you shall have received a copy of such certificate certified by an appropriate officer of the Corporation (i) setting forth the amount theretofore disbursed for operating expenses of the City by the Corporation and (ii) stating that, to the extent the 3037 Certificate states an amount for operating expenses needed by the City, disbursements of such amount will, when added to the amount set forth in (i) of this Section 3(d), be within the limitation specified in Section 3037 of the Act.

(e) The Corporation shall have received a certificate, reasonably satisfactory in form and substance to the Corporation, of the Comptroller of the City, dated the Closing Time, stating that assuming receipt of (i) the proceeds from the sale of the Bonds to be sold hereunder, together with all other proceeds from the financing plan described under the heading "Use of Proceeds and Needs of the City" in the Supplement, and (ii) funds from the operations of the City (and stating that the assumption as to receipt of such funds from operations is based on assumptions believed by the Comptroller of the City to be reasonable), the City will have sufficient funds for the payment of all of its maturing obligations and operating expenses through November 30, 1975; and further stating that the City is not in default with regard to any of its short-term or long-term obligations, and you shall have received a copy of such certificate certified by an appropriate officer of the Corporation.

(f) At the Closing Time, the Corporation shall have sold and shall have received payment for a principal amount of Bonds which, when added to the principal amount of Bonds to be purchased by you, shall total $18,500,000 and you shall have received a certificate to such effect from an appropriate officer of the Corporation.

The Corporation's obligations hereunder are subject to:

(a) the performance by you of your obligations hereunder;

(b) the satisfaction of the conditions set forth above in (b), (c), (d), (e) and (f) of Section 3 hereof;

(c) the delivery at the Closing Time of the opinions described in Sections 3(a)(1) and 3(a)(2) hereof.

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 you and shall survive delivery of the Bonds to you.

SECTION 6. Payment of Expenses.

The Corporation shall pay all costs and expenses incident to the performance of its obligations under this Agreement including reimbursement of your costs and expenses (including counsel fees limited to an aggregate of $15,000 representing the fees and expenses of White & Case, your special counsel, for legal services in connection with the issuance and sale of the Bonds), all expenses incident to the delivery of the Bonds to you, the fees and expenses of Bond Counsel and General Counsel for the Corporation and the costs and expenses incident to the preparing of this Agreement, the Official Statement, the Resolution and related documents; provided, however, that the Corporation shall have no obligation to you under this Section 6 if the Corporation is not obligated under this Agreement pursuant to Section 4(a) hereof.

SECTION 7. Parties in Interest.

This Agreement has been and is made solely for the benefit of you and the Corporation and your successors and
assigns. No other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement.

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, 92-d and 92-e 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 you, shall be mailed, delivered or telegraphed and confirmed to you at the address set forth in Schedule I hereto.


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

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. Acceptance of the Agreement

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective officers thereunto duly authorized, all as of the date 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 LINCOLN SAVINGS BANK

By
SECTION II. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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 ASSURANCE CORPORATION FOR THE CITY OF NEW YORK

[SEAL]

By

ATTEST:

_________________________________

Accepted and confirmed as of the date first above written:

EMIGRANT SAVINGS BANK

By

_________________________________

(Seal)

ATTEST:

_________________________________

SVP & SECRETARY
SECTION II. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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,

[SEAL]

MUNICIPAL ASSISTANCE CORPORATION OF THE CITY OF NEW YORK

ATTEST:

[Seal]

Accepted and confirmed as of the date first above written:

DRY DOCK SAVINGS BANK

By
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

METROPOLITAN SAVINGS BANK

By__________________________

By__________________________
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective officers thereunto duly authorized, all this the day and year first above written.

Yours very truly,

[SEAL]

[Seal]

ATTEST:

[Seal]

Accepted and confirmed as of the date first above written:

FLUSHING SAVINGS BANK

By
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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

By ____________________________

[SEAL]  

ATTEST:

_______________________________________________________

Accepted and confirmed as of the date first above written:

THE NEW YORK BANK FOR SAVINGS

By ____________________________
SECTION II. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

BOWERY SAVINGS BANK

By
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

RICHMOND HILL SAVINGS BANK

By
SECTION II. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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 EAST NEW YORK SAVINGS BANK

By

(Signature)
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

FULTON SAVINGS BANK
Fulton Savings Bank, 1 King Street,

By

Chairman
President
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

CP COLLEGE POINT SAVINGS BANK

By ____________________________

By ____________________________

[SEAL]
SECTION II. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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 MANHATTAN SAVINGS BANK

By _________________________
SECTION 11. Acceptance of the Agreement.

This Agreement shall not become effective until accepted and confirmed by you.

IN WITNESS WHEREOF, the undersigned 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:

RIDGECWOOD SAVINGS BANK

By
### Schedule I

<table>
<thead>
<tr>
<th>Name and Address of Purchaser</th>
<th>Registration If Other Than as Shown</th>
<th>Principal Amount of Bonds to be Purchased by you</th>
<th>Interest Rate</th>
<th>Maturity</th>
<th>Purchase Price</th>
</tr>
</thead>
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<td>The New York Bank for Savings 1230 Avenue of the Americas New York, New York 10020</td>
<td></td>
<td>$3,000,000</td>
<td>10%</td>
<td>February 1, 1981</td>
<td>100%</td>
</tr>
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</table>
November 25, 1975

[Name and Address of Purchaser as shown on Schedule I]

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 our opinion as to the matters herein set forth in connection with the execution of a bond purchase agreement, dated November 25, 1975 (the "Agreement"), by and between the Corporation and you, and the issuance and sale to you thereunder of the Corporation's 1975 Series Y Bonds (the "Bonds") more fully described in Schedule I to the Agreement.

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 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 a Supplement dated November 24, 1975 (the "Supplement"), the By-laws of the Corporation, records of its corporate proceedings, including the General Bond Resolution and the 1975 Series Y Resolution adopted by the Board of Directors of the Corporation on July 2, 1975 and November 17, 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 and the Bonds, 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 (hereinafter called 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, except as may be limited by bankruptcy, moratorium or similar laws validly enacted and applicable to the rights of holders of the Bonds, 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, except as to the enforceability of such Resolutions which may be limited by bankruptcy, moratorium or similar laws validly enacted and applicable to the rights of holders of Bonds.

5. The execution, delivery and receipt of the Official Statement, the Supplement, the Agreement, the Bonds and the Resolutions, under the circumstances contemplated by the Agreement and the Supplement and in 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 Supplement, 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 Official Statement, the Supplement or 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, the Official Statement or the Supplement.

7. The issuance and sale to you of the Bonds, pursuant to and as contemplated by the Agreement and the Supplement is exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and the resale of the Bonds by you would be similarly exempt from registration under the Securities Act of 1933, as amended to the Closing Time, 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. Except as set forth in the Official Statement or the Supplement, to the best of our knowledge, there is no legislation which has been enacted by the Congress or the New York State Legislature, that has as its purpose or effect the prohibition of the issuance or sale of any of the Bonds as contemplated by the Agreement or the limitation of the rights of the holders of the Bonds as set forth under the provisions thereof, the Agreement or the Resolutions.

9. To the best of our knowledge, neither the Official Statement nor the Supplement contains any untrue statement of a material fact, as of their respective dates, or omits any statement of a material fact necessary to make the Official Statement or the Supplement, and the statements and information therein contained, not misleading.

10. 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" and in the Supplement under "Recent Developments Affecting the City" are accurate statements or summaries of the statutory provisions,
documents or matters therein set forth and the descriptions of certain legislation under the headings "Recent Developments Affecting the City--Financial Emergency Legislation" and "Use of Proceeds and Needs of the City" (insofar as the text under such headings describes certain legislation relating to New York State advances of funds) are accurate descriptions of the statutory provisions so described.

[Consider other headings as appropriate]

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,
EXHIBIT B

to

Bond Purchase Agreement

[LETTERHEAD OF HAWKINS, DELAFIELD & WOOD]

November 25, 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 $22,850,000 aggregate principal amount of 1975 Series Y Bonds (the "1975 Series Y 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 Y 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 Y Resolution (the "Series Resolution"), adopted July 2, 1975 and November 17, 1975, respectively. Said resolutions are herein collectively called the "Resolutions".

The 1975 Series Y 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 Y 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.
The Corporation is authorized to issue Bonds, in addition to the 1975 Series Y Bonds, only upon the terms and conditions set forth in the General Bond Resolution and such Bonds, when issued, shall with the 1975 Series Y 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 Y Bonds are dated November 25, 1975, except as otherwise provided in the Resolutions with respect to fully registered 1975 Series Y Bonds and will mature on February 1, 1980 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 until the Corporation's obligation with respect to the principal thereof shall be discharged, but only with respect to interest due on or before the maturity of coupon 1975 Series Y Bonds according to the tenor and upon presentation and surrender of the attached coupons as they respectively become due and payable, at the rate of 10 percent per annum.

The 1975 Series Y 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 Y Bonds are interchangeable as provided in the Resolutions. Coupon 1975 Series Y Bonds are lettered Y and fully registered 1975 Series Y Bonds are lettered YR. Coupon 1975 Series Y Bonds and fully registered 1975 Series Y Bonds are numbered consecutively from one upward.

The 1975 Series Y Bonds are not subject to 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") provide, 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 Y 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 sections 270 and 270-a 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 Y Bonds thereunder, and to perform the obligations and covenants contained in the Resolutions and the 1975 Series Y 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 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 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 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 Y 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 Y 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 Y 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 Y 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.
9. 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 Tax Law of the State of New York;

(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 Municipal Assistance Tax Fund, the Special Account within the Municipal Assistance Tax Fund, and the Municipal Assistance State Aid 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 Municipal Assistance Tax Fund and commencing with the fiscal year ending March 31, 1977 from the Stock Transfer Tax Fund, and from the Municipal Assistance State Aid Fund in 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 appropriation.

10. The State has validly appropriated for its fiscal year ending March 31, 1976 and shall in the Special Account for the Corporation in the Municipal Assistance Tax Fund from such Special Account to the Corporation to the extent such amount is required to comply with payments between the Corporation and the holders of the Corporation's bonds, and for the corporate purposes of the Corporation.

11. 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 Penalties Taxes, the Special Account for the Corporation in the Municipal Assistance Tax Fund, or the Municipal Assistance State Aid Fund.
12. Under existing statutes and court decisions, interest on the 1975 Series Y 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.

13. 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 Y Bonds.

Upon review of the litigation to date and except as held in Squeglione v. Levitt and CSEA v. Levitt, I hereby confirm my opinion as to the constitutionality of chapters 868, 869 and 870 of the Laws of 1975 including the provisions thereof relating to the issues raised to date by such litigation.

By opinion dated September 15, 1975, I concluded that Revenue Anticipation Notes in the amount of $250,000,000 are legally issued and constitute binding general obligations of the State in accordance with the Constitution and statutes of the State. Such notes were issued in furtherance of an appropriation made pursuant to chapters 868 and 870 of the Laws of 1975.

After having received the pleadings and decision of Judge Helman in Wein v. The State of New York, et al. I confirm my opinion of September 15, 1975. Similarly, constitutional issues raised to date by this suit will not adversely affect my ability to render my opinion as to the validity of the issuance of additional State notes in furtherance of the appropriations made under such chapters.

Very truly yours,

[Signature]

LOUIS J. HEPFROWITZ
Attorney General
November 26, 1975

To the Purchaser named in Schedule I hereto

Dear Sirs:

We have acted as special counsel for you in connection with the several Bond Purchase Agreements dated November 25, 1975 (the "Bond Purchase Agreements") between you and Municipal Assistance Corporation For The City of New York (the "Corporation") under which you severally agree to purchase from the Corporation the aggregate principal amount of its 1975 Series Y Bonds (the "Bonds") set forth opposite your name in Schedule I hereto. The Bonds are dated the date hereof and are issued under the General Bond Resolution and the Series Y Resolution adopted by the Board of Directors of the Corporation on July 2, 1975 and November 25, 1975, respectively (the "Resolutions"). Pursuant to the Resolutions, the Corporation has designated United States Trust Company of New York as Trustee (the "Trustee").

In acting as such counsel, we have examined the originals or copies thereof certified to our satisfaction of such corporate records of the Corporation, certificates of public officials, certificates of officers of the Corporation and such other documents, records and papers as we have deemed necessary or appropriate in order to give the opinions expressed herein. We have relied upon such certificates of officers of the Corporation and other certificates with respect to the accuracy of material factual matters contained therein which were not independently established. In addition, we have, with your approval, assumed that the Bonds have been duly executed on behalf of the Corporation and duly authenticated by the Trustee, and that the signatures on all documents and instruments examined by us are genuine, which assumptions we have not independently verified.
Based upon the foregoing, it is our opinion that:

1. The Corporation is duly created and validly exists as a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation under the laws of such State.

2. The Resolutions have been duly and validly adopted by the Corporation and are in full force and effect and no further authorization for the Resolutions is required.

3. The Bonds have been duly authorized and issued by the Corporation in accordance with the laws of the State of New York and in accordance with the Resolutions.

4. The Bond Purchase Agreements have been duly authorized, executed and delivered by the Corporation.

5. The offering and sale of the Bonds by the Corporation, as contemplated by the Bond Purchase Agreements, do not require registration under the Securities Act of 1933, as amended, or qualification of the Resolutions under the Trust Indenture Act of 1939, as amended. Any resale of the Bonds by you would not require registration under the Securities Act of 1933, as presently in effect. The Bonds constitute exempted securities within the meaning of the Securities Exchange Act of 1934, as amended.

In connection with the offering of the Bonds, the Corporation prepared and authorized the distribution of a Supplement dated November 24, 1975 and a Sticker dated November 25, 1975 (collectively the "Supplement") to its Official Statement dated August 15, 1975 (the "Official Statement"). We understand that you have been furnished with copies of the Official Statement and the Supplement and that you are relying upon the opinions of Paul, Weiss, Rifkind, Wharton & Garrison and Hawkins, Delafield & Wood regarding the scope and content of the Official Statement and the Supplement and the adequacy of the disclosures set forth therein. Accordingly, we have not participated in the preparation of the Supplement and we express no opinion, directly or indirectly, as to whether the Supplement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein, or necessary to make the statements therein and in the Official Statement, in the light of the circumstances under which they were made, not misleading.

While we have not independently passed upon the validity of the Bonds, we hereby confirm that all proceedings of the Corporation and related matters, including (i) the two opinions addressed to you of Paul, Weiss, Rifkind, Wharton & Garrison, general counsel
for the Corporation (other than the portions of such opinions relating to the contents of the Official Statement or the Supplement, as to which we express no opinion as aforesaid), (ii) the four opinions of Hawkins, Delafield & Wood, bond counsel for the Corporation (other than the portions of such opinions relating to the contents of the Official Statement or the Supplement, as to which we express no opinion as aforesaid), (iii) the opinion of the Attorney General of the State of New York, and (iv) the opinion of the Corporation Counsel of The City of New York, each of even date herewith and delivered to you today, are satisfactory in form and scope to us and we believe that you and we are justified in relying thereon.

Very truly yours,

White & Case
<table>
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<th>Purchaser</th>
<th>Principal Amount of Bonds</th>
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<tr>
<td>Emigrant Savings Bank</td>
<td>$2,000,000</td>
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<tr>
<td>5 East 42nd Street</td>
<td></td>
</tr>
<tr>
<td>New York, New York 10017</td>
<td></td>
</tr>
</tbody>
</table>
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 Y 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 Y Bonds, 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 hereinafore 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 26th day of November, 1975.

Signature

[Signature]

Official Title

Treasurer

Term of Office Expires

Indefinite

[Signature]

[Official Title]

Secretary

Indefinite

(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.

Signature

[Signature]

Title

[Title]

Name of Bank

United States Trust Company of New York
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<tr>
<th>Year</th>
<th>Amount</th>
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<td>1977</td>
<td>472,162,087.50</td>
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<td>1978</td>
<td>470,662,512.50</td>
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<td>1979</td>
<td>465,738,137.50</td>
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<td>1980</td>
<td>455,187,962.50</td>
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<td>1981</td>
<td>412,615,400.00</td>
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<td>384,434,750.00</td>
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<td>1994</td>
<td>60,542,450.00</td>
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<td>1995</td>
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</table>

* This schedule was prepared on the basis of an authorized issue of $21,850,000 of 1975 Series Y Bonds of the Corporation. The amount of the 1975 Series Y Bonds actually issued was $20,850,000.
ORDER AS TO DELIVERY AND
AUTHENTICATION OF THE BONDS

November 26, 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 Y 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-
ation 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 1973 Series Y Resolution
of the Corporation adopted November 25, 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 thereof, 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 /s/ Daniel B. O'Dwyer
ARBITRAGE CERTIFICATE

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 Y Bonds of the Issuer as more fully described in Schedule X attached hereto (hereinafter called the "Bonds"), dated November 26, 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 Y Resolution adopted November 25, 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 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 26th day of November, 1975, being the date of delivery of the Bonds referred to herein.

[Signature]

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 "short-term" in Section 13(b)(2)(A)(i)
November 26, 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 Y Bonds of the Corporation, dated November 26, 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]

Hawkins, Delafeld & Wood
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 Y Resolution dated November 25, 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 $20,850,000 principal amount of 1975 Series Y 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 26th 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 enter 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 26, 1975

The undersigned, the Trustee, under and pursuant to the General Bond Resolution adopted July 2, 1975 and the 1975 Series Y Resolution adopted November 25, 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 $20,850,000 principal amount 1975 Series Y Bonds (the "Bonds"), in the aggregate amount of $20,850,000 for deposit in the amount of $ --0-- into the Debt Service Fund and for deposit in the amount of $20,850,000 into the 1975 Series Y Bond Proceeds Fund as established pursuant to the Resolutions and in accordance therewith.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Trustee

By [Signature]
Vice President
November 26, 1975

To the Purchasers listed on Schedule I hereto

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 Y Bonds in the aggregate principal amount of $20,850,000.

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
SCHEDULE I

The Bowery Savings Bank
The Brooklyn Savings Bank
College Point Savings Bank
The Dime Savings Bank of Williamsburgh
Dry Dock Savings Bank
The East New York Savings Bank
Emigrant Savings Bank
Flushing Savings Bank
Fulton Savings Bank
Kings County

Harlem Savings Bank
Lincoln Savings Bank
The Manhattan Savings Bank
Metropolitan Savings Bank
The New York Bank for Savings
North Side Savings Bank
Prudential Savings Bank
Queens County Savings Bank
Richmond Hill Savings Bank
Ridgewood Savings Bank
November 26, 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 $20,850,000 (the Bonds) pursuant to the 1975 Series X Resolution adopted by the Corporation on November 25, 1975 and the General Bond Resolution (the Resolutions) and sold today pursuant to the Series XV Purchase Agreements dated November 25, 1975 among the Corporation and certain savings banks.

We have examined the warranties and such other documents as are necessary in order to render this opinion.

We are of the opinion that United States Trust Company of New York is a well-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, duties and obligations as Trustee.
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 neces-
sary, 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 Y Resolution of the Corporation, adopted by the Board of Directors of the Corporation on November 25, 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 26, 1975
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

CP COLLEGE POINT SAVINGS BANK

By [Signature]

Chair
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE EAST NEW YORK SAVINGS BANK

By __________

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

RIDGEWOOD SAVINGS BANK

By [Signature]

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

HARLEM SAVINGS BANK

By: __________________________

[Signature]

[Title]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE NEW YORK BANK FOR SAVINGS

By __________________________
[Signature]
Morgan Guaranty Trust Co
RECEIPT FOR BONDS AND DOCUMENTS REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE BOWERY SAVINGS BANK

By ____________________________

_____________________
Morgan Guaranty Trust Co
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf
of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"),
acknowledges receipt from 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 Y Resolution of the
Corporation, adopted on July 2, 1975 and November 25, 1975,
respectively.

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

IN WITNESS WHEREOF, this receipt has been
executed this 26th day of November, 1975.

PRUDENTIAL SAVINGS BANK

By

Sam Primo

R. I. M.
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

FLUSHING SAVINGS BANK

By
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

NORTH SIDE SAVINGS BANK

By ____________________________

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

FULTON SAVINGS BANK
KINGS COUNTY

By _____ Signature ______
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE DIME SAVINGS BANK
OF WILLIAMSBURGH

By ____________________________

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE LINCOLN SAVINGS BANK

By [Signature]

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 25th day of November, 1975.

METROPOLITAN SAVINGS BANK

By

[Signature]

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE BROOKLYN SAVINGS BANK

By

[Signature]

[Stamp]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

EMIGRANT SAVINGS BANK

By _____________________________

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

DRY DOCK SAVINGS BANK

By [Signature]

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

RICHMOND HILL SAVINGS BANK

By [Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

QUEENS COUNTY SAVINGS BANK

By

[Signature]
RECEIPT FOR BONDS AND DOCUMENTS
REQUIRED BY BOND PURCHASE AGREEMENT

On the date hereof the undersigned on behalf of the Purchaser identified in Schedule I 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 Y Bonds of the Corporation (the "Bonds"), acknowledges receipt from 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 Y Resolution of the Corporation, adopted on July 2, 1975 and November 25, 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 26th day of November, 1975.

THE MANHATTAN SAVINGS BANK

By

[Signature]
NEW ISSUE

In the opinion of Bond Counsel, 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.

$275,000,000

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

1975 SERIES B BONDS

Dated August 1, 1975

Principal and interest on the 1975 Series B 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 Trustees under the General Bond Resolution is United States Trust Company of New York, N. Y., N. Y. Coupon bonds in the denominations of $1,000 each and $5,000 each, registrable as to principal only, or fully registered bonds in the denominations of $1,000, $5,000, or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described herein. For information which may affect the market price of the 1975 Series B Bonds, see "Factors Affecting 1975 Series B Bonds."

The 1975 Series B Bonds due 1980 and 1981 are not subject to redemption prior to maturity. The 1975 Series B Term Bonds due 1983 are not subject to redemption prior to maturity except through application of mandatory Sinking Fund Installments as described herein under the caption "Description of the 1975 Series B Bonds."

<table>
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<th>Date</th>
<th>Amount</th>
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<th>Price</th>
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<tr>
<td>1980</td>
<td>$70,000,000</td>
<td>10%</td>
<td>100%</td>
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<tr>
<td>1981</td>
<td>$65,000,000</td>
<td>10 1/2%</td>
<td>100%</td>
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$140,000,000 11% Term Bonds due February 1, 1983 @ 100%

(Accrued interest to be added)

The 1975 Series B Bonds of the Corporation are payable out of any 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 B 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 B Bonds.

The 1975 Series B Bonds are offered when, as and if issued and received by the Underwriters and subject to approval of legality by Hawkins, Delafield & Wood, New York, New York, Bond Counsel. Certain legal matters will be passed on for the Corporation by its General Counsel, Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York. Certain legal matters will be passed on for the Underwriters by their Counsel, White & Case, New York, New York. It is expected that the 1975 Series B Bonds in definitive form will be available for delivery on or about August 21, 1975.

The Chase Manhattan Bank, N.A.
First National City Bank
Morgan Guaranty Trust Company of New York
Bankers Trust Company
Goldman, Sachs & Co.
Marine Midland Municipals Co.

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Kidder, Peabody & Co. Incorporated
Salomon Brothers
Chemical Bank
Halsey, Stuart & Co. Inc.
Affiliate of Bache & Co. Incorporated

The First Boston Corporation
Manufacturers Hanover Trust Company

Smith, Barney & Co. Incorporated

August 15, 1975
No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds or any other securities of the Municipal Assistance Corporation For The City of New York by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from such Corporation and from other sources which are believed to be reliable but it is not guaranteed as to its accuracy or completeness and is not to be construed as a representation by the Underwriters. The information herein is subject to change without notice and neither the delivery of this 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 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.

IN CONNECTION WITH THE OFFERING OF THE 1975 SERIES B BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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Lazard Frères & Co.—Financial Advisor

2
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 on 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>100,000</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></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>120,000</td>
</tr>
<tr>
<td>to the City in December, 1975 and March, 1976</td>
<td></td>
</tr>
<tr>
<td>Sale to certain City pension funds of the Corporation’s 11% 1975 Series</td>
<td>165,000</td>
</tr>
<tr>
<td>F Bonds due February 1, 1986 (the “1975 Series F Bonds”) at 99 1/4% of</td>
<td></td>
</tr>
<tr>
<td>the principal amount thereof</td>
<td></td>
</tr>
<tr>
<td>Sale to certain State pension funds of the Corporation’s 1975 Series G</td>
<td>50,000</td>
</tr>
<tr>
<td>Bonds bearing interest at the rates of 8 1/4-11% and maturing February 1,</td>
<td></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% 1975 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 7½% 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</th>
<th>Interest (In Millions)</th>
<th>Total</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>RANs</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>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,440.2</strong></td>
<td><strong>$363.1</strong></td>
<td><strong>$4,803.3</strong></td>
<td></td>
</tr>
</tbody>
</table>

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 and Representatives to 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, 1973 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 RAN's 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 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 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:

1. After appropriation by State Legislature.
2. After March 31, 1976, available, if necessary.
3. After certification by the Corporation as to its requirements.
4. After appropriation by State Legislature and after payment of all amounts certified by the Corporation, if any.
5. Available, if necessary.
6. 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 on 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 of 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:

### State Collections of New York City Sales and Compensating Use Taxes*

<table>
<thead>
<tr>
<th>City Fiscal Year Ending</th>
<th>September 30</th>
<th>December 31</th>
<th>March 31</th>
<th>June 30</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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):

<table>
<thead>
<tr>
<th>Month</th>
<th>1973</th>
<th>1974</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$7,048</td>
<td>$5,127</td>
<td>$10,110</td>
</tr>
<tr>
<td>August</td>
<td>3,224</td>
<td>3,692</td>
<td>3,299</td>
</tr>
<tr>
<td>September</td>
<td>120,585</td>
<td>126,453</td>
<td>160,415</td>
</tr>
<tr>
<td>October</td>
<td>5,730</td>
<td>5,746</td>
<td>12,910</td>
</tr>
<tr>
<td>November</td>
<td>3,224</td>
<td>3,795</td>
<td>3,421</td>
</tr>
<tr>
<td>December</td>
<td>120,587</td>
<td>132,432</td>
<td>182,659</td>
</tr>
<tr>
<td>January</td>
<td>11,020</td>
<td>7,259</td>
<td>14,617</td>
</tr>
<tr>
<td>February</td>
<td>2,604</td>
<td>2,787</td>
<td>3,587</td>
</tr>
<tr>
<td>March</td>
<td>132,904</td>
<td>141,529</td>
<td>194,467</td>
</tr>
<tr>
<td>April</td>
<td>5,113</td>
<td>5,473</td>
<td>9,242</td>
</tr>
<tr>
<td>May</td>
<td>4,717</td>
<td>5,382</td>
<td>6,603</td>
</tr>
<tr>
<td>June</td>
<td>132,428</td>
<td>141,123</td>
<td>185,870</td>
</tr>
<tr>
<td>Total</td>
<td>$549,184</td>
<td>$580,798</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 $5</td>
<td>1½¢</td>
</tr>
<tr>
<td>$ 5 or more but less than $10</td>
<td>2½¢</td>
</tr>
<tr>
<td>$10 or more but less than $20</td>
<td>3½¢</td>
</tr>
<tr>
<td>$20 or more</td>
<td>5¢</td>
</tr>
<tr>
<td>Transactions Other Than Sales</td>
<td>2½¢</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.

<table>
<thead>
<tr>
<th>City Fiscal Year Ending June 30</th>
<th>September 30 (Dollars in Thousands)</th>
<th>December 31</th>
<th>March 31</th>
<th>June 30</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>$56,571</td>
<td>$70,509</td>
<td>$88,157</td>
<td>$54,732</td>
<td>$239,969</td>
</tr>
<tr>
<td>1971</td>
<td>46,563</td>
<td>59,170</td>
<td>78,864</td>
<td>79,769</td>
<td>264,366</td>
</tr>
<tr>
<td>1972</td>
<td>62,573</td>
<td>65,894</td>
<td>85,588</td>
<td>78,767</td>
<td>292,822</td>
</tr>
<tr>
<td>1973</td>
<td>59,405</td>
<td>68,993</td>
<td>64,658</td>
<td>51,731</td>
<td>244,787</td>
</tr>
<tr>
<td>1974</td>
<td>43,612</td>
<td>59,782</td>
<td>47,521</td>
<td>38,183</td>
<td>189,098</td>
</tr>
<tr>
<td>1975</td>
<td>35,756</td>
<td>40,214</td>
<td>51,363</td>
<td>58,649</td>
<td>185,982</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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>1976</td>
<td>44,671</td>
<td>37,981</td>
<td>37,981</td>
</tr>
<tr>
<td>1978</td>
<td>128,247</td>
<td>134,005</td>
<td>68,289</td>
</tr>
<tr>
<td>1979</td>
<td>128,248</td>
<td>142,165</td>
<td>60,127</td>
</tr>
<tr>
<td>1980</td>
<td>128,248</td>
<td>74,835</td>
<td>51,443</td>
</tr>
<tr>
<td>1981</td>
<td>128,248</td>
<td>70,320</td>
<td>43,959</td>
</tr>
<tr>
<td>1982</td>
<td>128,248</td>
<td>72,230</td>
<td>36,576</td>
</tr>
<tr>
<td>1984</td>
<td>128,226</td>
<td>56,660</td>
<td>19,828</td>
</tr>
<tr>
<td>1985</td>
<td>128,223</td>
<td>62,820</td>
<td>13,602</td>
</tr>
<tr>
<td>1986</td>
<td>128,227</td>
<td>60,830</td>
<td>6,691</td>
</tr>
<tr>
<td>1987</td>
<td>128,226</td>
<td>128,226</td>
<td>128,226</td>
</tr>
<tr>
<td>1988</td>
<td>128,225</td>
<td>128,225</td>
<td>128,225</td>
</tr>
<tr>
<td>1989</td>
<td>128,224</td>
<td>128,224</td>
<td>128,224</td>
</tr>
<tr>
<td>1990</td>
<td>128,227</td>
<td>128,227</td>
<td>128,227</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 $56,350,000 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:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>William M. Ellinghaus, Chairman (1) (2)</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>Francis J. Barry (1)</td>
<td>December 31, 1979</td>
</tr>
<tr>
<td>John A. Coleman (1)</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>December 31, 1977</td>
</tr>
<tr>
<td>George D. Gould (1)</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>Donn E. Shalala, Treasurer</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Representatives(3)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zane Klein</td>
<td>Appointed by the City Board of Estimate</td>
</tr>
<tr>
<td>Edward M. Kresky (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 Kresky, 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 Cambell & 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 an 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. COOLEY. 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, Howmet 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, Representative. 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 Elish, Executive Director. Mr. Elish 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. Elish 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. Elish, 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 Corporation, any exchange of the Corporation's bonds or notes for short-term obligations of the City or any other payment to the Corporation of any nature, 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 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 of 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
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) $6,100,000,000 (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 for 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, 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 hereinbefore 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.

\[\text{(Resolution, Section 605)}\]

\textbf{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.

\[\text{(Resolution, Section 606)}\]

\textbf{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 of or interest on the Bonds or Notes or interest on Other Obligations, any amounts due to be received as payment of principal of 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

(c) 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 such 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 as further assurance any pledge under and the subject 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.

---

* 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 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 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
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:

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<th>Maturity Date</th>
<th>Amount Maturing</th>
<th>Interest Rate</th>
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<tr>
<td>February 1, 1980</td>
<td>$70,000,000</td>
<td>10 %</td>
</tr>
<tr>
<td>February 1, 1981</td>
<td>65,000,000</td>
<td>10 1/4%</td>
</tr>
<tr>
<td>February 1, 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 issue 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 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-h 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;
(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]
AMENDMENT TO SUPPLEMENT NO. 4, dated November 24, 1975, to the Official Statement of The Municipal Assistance Corporation For The City of New York

Dated: November 25, 1975

The first paragraph on page 11 of Supplement No. 4 is amended to read, in its entirety, as follows:

Under the Act, the Corporation has a limit imposed upon its advances to the City for operating expenses of $1,725,000,000 (the "Operating Limit"). Upon completion of the three-month financial plan as contemplated, the Corporation's advances will be approximately $25,000,000 below the Operating Limit. In addition, 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 (the "Debt Limit"). In October, 1975, the Board of Directors raised the Debt Limit to $5,000,000,000. Upon completion of the three-month financial plan as contemplated, the outstanding short-term debt of the City plus such outstanding bonds and notes of the Corporation would exceed the Debt Limit because of the issuance of Bonds of the Corporation, and accordingly, thereafter the City would not be able to issue any additional short-term obligations. The issuance of City Obligations is required when the Corporation advances money to the City to meet operating expenses. Accordingly, unless the Act is amended to provide for both a higher Debt Limit and a higher Operating Limit, the Corporation will be unable to advance funds to the City to meet the City's operating expenses on December 1, 1975 or any later date.

On November 25, 1975, the State Legislature, at the extraordinary session now in progress, voted to amend the Act to increase the Operating Limit to $1,925,000,000 and to give the Board of Directors of the Corporation the power, in its discretion, to raise the Debt Limit to $5,100,000,000 until June 1, 1976, after which the Debt Limit will return to $5,000,000,000. The amendments have not yet been signed by the Governor. If signed by the Governor, these amendments will permit the Corporation to use the funds received to meet a portion of the City's Cash Deficit in December, 1975.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1975 Series Y 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. 4
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 Y BONDS

Dated November 25, 1975

Due February 1, 1981

Principal and interest on the 1975 Series Y Bonds (payable on February 1, 1976 and semi-annually thereafter on each February 1 and August 1) is 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, New York, New York. For information which may affect the existence of a market and the market price of the 1975 Series Y Bonds, see "Factors Affecting 1975 Series Y Bonds."

The 1975 Series Y Bonds are not subject to redemption prior to maturity. Such Bonds will bear interest at 10% and will be sold at par.

The 1975 Series Y Bonds of the Corporation are payable out of any 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 Y 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 or interest on the 1975 Series Y Bonds.

The information herein is subject to change without notice and neither the delivery of this Supplement No. 4 and the Official Statement nor any sale made hereunder shall, under any circumstances,

November 24, 1975
create any implication that there has been no change in the affairs of such Corporation since the date hereof. This Supplement No. 4 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.

November 24, 1975
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Supplement No. 4

to
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)

Relating to
up to
$22,850,000 1975 Series Y Bonds

INTRODUCTION

This Supplement No. 4 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 provided, together with the Official Statement, for the purpose of setting forth information concerning the Corporation in connection with the sale of up to $22,850,000 in aggregate principal amount of its 1975 Series Y Bonds (the "1975 Series Y Bonds"). This Supplement, which supersedes all earlier supplements issued by the Corporation since August 15, 1975, 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 Y 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, 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), and as further amended by the New York State Financial Emergency Act for the City of New York, being 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 Y Bonds (the "1975 Series Y Resolution"). The General Bond Resolution and the 1975 Series Y Resolution are sometimes collectively referred to herein as the "Resolutions."
The portion of the Act adopted at the extraordinary session of the State Legislature and signed by the Governor on September 9, 1975, constituting Chapters 868, 869 and 870 of the Laws of 1970, is referred to herein as the "Financial Emergency Legislation."

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. 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 $60,000,000 a year from the per capita aid from the State apportioned to the City. However, the Corporation does not anticipate having such revenues apply to the Bonds to be issued under the General Bond Resolution, as the Corporation expects to use such revenues for bonds to be issued under a second general bond resolution. See "Outstanding Debt of the Corporation" and "Recent Developments Affecting the City -- Proposed Exchange Offer."

OUTSTANDING DEBT OF THE CORPORATION

Pursuant to the Act, the Corporation is authorized to borrow up to an aggregate of $5,000,000,000 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.

The Corporation at present has outstanding an aggregate of $2,907,835,000 principal amount of its Bonds and expects to issue
up to an additional $122,850,000 in principal amount of Bonds, including up to $22,850,000 of Series Y Bonds, prior to December 1, 1975. In addition, the Corporation has outstanding a subordinated promissory note held by the State in the principal amount of $250,000,000 maturing September 14, 1976, and subordinated promissory notes held by certain City sinking funds in the principal amounts of $25,000,000 maturing January 15, 1976 and $23,500,000 maturing December 31, 1976. It is expected that Bonds in the aggregate principal amount of $100,000,000 issued to the State on November 21, 1975 will be refunded on or before November 25, 1975 in connection with the purchase by the State on that date of additional obligations of the Corporation in the aggregate principal amount of $150,000,000. See "Use of Proceeds and Needs of The City" as to these proposed issuances and see "Recent Developments Affecting the City -- Proposed Exchange Offer" as to other possible issuances of securities of the Corporation. 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. The Corporation has made a request of the Governor's Office that it request the State Legislature at its extraordinary session now in progress, to amend the Act so as to increase the Corporation's borrowing capacity. However, the Corporation has no assurance that such a request will be made or, if made, will be acted upon favorably.
Of the total proceeds received by the Corporation to date from the sales of its outstanding securities, the Corporation has advanced approximately $1,560,000,000 to the City to meet short-term debt obligations of the City and approximately $1,630,000,000 to meet the City's operating expenses.

FACTORS AFFECTING 1975 SERIES Y BONDS

The Corporation believes that, in addition to being affected by general conditions in the bond market, and notwithstanding the fact that the Bonds do not constitute obligations or debts of the City, the existence of a market for as well as the market prices of the 1975 Series Y Bonds may be affected by developments with respect to the City's financial condition. Since their issuance in July, Bonds have generally traded substantially below their initial offering prices and there can be no assurance that there will exist any market for the 1975 Series Y Bonds at or near the levels of their initial offering price.

Although plans for a three-year financial plan, which would attempt to provide a solution to the City’s financial crisis, have been proposed and are being discussed among the Corporation, the New York City commercial banks who are members of the New York Clearing House ("Clearing House Banks"), the City pension systems and others, 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 after December 1, 1975. It is
"Litigation - Lawsuit Alleging the State Has Loaned its Credit" in this Supplement.

If the State does not carry out the second part of its appropriation, the savings banks shown above will not be obligated to purchase Bonds.

When the transactions described above are completed and the net proceeds thereof delivered to the City, the three-month financial plan covering September, October and November, 1975, will be complete. See "Three-Month Financial Plan" for a summary of the sources of funds received during September, October and November, 1975. Any amounts received from the transactions described above, but not required by the City during November, will be available to meet a small portion of the City's Cash Deficits during December. See "Three-Month Financial Plan - City's Needs After November 30, 1975" and Recent Developments Affecting the City - Proposed Plans for Averting Default" in this Supplement.

THREE-MONTH FINANCIAL PLAN

Source of Funds

When the transactions described above under "Use of Proceeds and Needs of the City" are completed and the proceeds thereof turned over to the City, the City will have received approximately $1,860,000,000 from the following sources between September 1, 1975 and November 30, 1975:
<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certain City Pension Funds</td>
<td>$ 500,000,000</td>
</tr>
<tr>
<td>Certain City Sinking Funds</td>
<td>180,000,000</td>
</tr>
<tr>
<td>State Insurance Fund</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Clearing House Banks</td>
<td>150,285,000</td>
</tr>
<tr>
<td>Certain Corporations and Savings Banks</td>
<td>86,050,000</td>
</tr>
<tr>
<td>State of New York</td>
<td>750,000,000</td>
</tr>
<tr>
<td>Exchanges of City notes for new notes</td>
<td>66,625,000</td>
</tr>
<tr>
<td>Savings Banks (1975 Series Y Bonds)</td>
<td>up to 22,850,000</td>
</tr>
<tr>
<td></td>
<td><strong>$1,855,810,000</strong></td>
</tr>
</tbody>
</table>

Of this amount, approximately $100,000,000 will be available for use by the City to meet a small portion of its Cash Deficits in December, 1975. See "City's Need After November 30, 1975" in this Supplement.

Litigation Affecting the Three-Month Financial Plan

There have been several lawsuits challenging portions of the Financial Emergency Legislation and the three-month financial plan. See "Litigation" in this Supplement for a summary of these lawsuits.

City's Needs After November 30, 1975

Even if the plans for November, 1975 described above were to be completed, the Corporation believes that the requirements of the City after November 30, 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 after November 30, 1975, although, as noted above, the Corporation expects to have approximately $100,000,000 to meet a small portion of the City's Cash Deficits in December, 1975. It is therefore probable that, unless assistance is received from the federal government or from other sources for the period after November 30, 1975, the City will default on its obligations in early December, 1975. See "Recent Developments Affecting the City - Proposed Plans for Averting Default" in this Supplement.

The Corporation may utilize approximately $39,000,000 of the proceeds not needed for November to provide the City with funds to meet the interest that will be due on City notes scheduled to mature on December 11, 1975 and December 17, 1975. The Corporation believes that the City will have sufficient other funds, because of the prepayment of certain real estate taxes, together with the remaining proceeds held by the Corporation, to meet the Cash Deficits of the City through December 3, 1975. However, see below for a discussion as to the need for an amendment to the Act. Any Cash Deficits after December 3, 1975 would be met only if the plans described herein under "Recent Developments Affecting The City - Proposed Plans for Averting Default" were to become effective in time, or some other arrangements (not known to the Corporation) were to be made.
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 three-month financial plan as contemplated, the Corporation's advances will be approximately $25,000,000 below that limit. Unless the Act is amended to provide for a higher limit, the Corporation will be unable to advance sufficient funds to meet the City's operating expenses on December 1, 1975 or any later date. The Corporation has requested the Governor's office to propose that the State Legislature, at the extraordinary session now in progress, amend the Act to increase this limit; there is no assurance that such a proposal will be made or, if made, acted upon favorably. The Act does not limit the amount that the Corporation may deliver to the City for payment of principal or interest on short-term obligations and, accordingly, the amount described above that may be paid to the City for interest on the notes scheduled to mature in December could be paid.

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 (In Millions)</th>
<th>Interest (In Millions)</th>
<th>Total (In Millions)</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>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>
<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 shown above, the Corporation holds as of November 24, 1975, short-term City notes in an aggregate principal amount of $2,027,300,000. As required by the Act, the City will issue additional notes to the Corporation in connection with future advances made by the Corporation to meet the City's operating expenses. Upon the
maturity of the City notes that 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.

RECENT DEVELOPMENTS AFFECTING THE CITY

Moratorium and Litigation

On November 15, 1975, the State Legislature enacted at an extraordinary session and the Governor signed the New York State Moratorium Act for The City of New York (the "Moratorium Act"). In the legislative findings accompanying the Moratorium Act, the Legislature stated that there is imminent danger that the City will be unable to pay its outstanding short-term indebtedness and even to provide those basic services essential to the health, safety and welfare of its inhabitants and the continuation of orderly government in the City. It further stated:

"The Legislature recognizes and insists that the pledge of the 'faith and credit' of the city to the payment of its obligations must be respected. The legislature further recognizes that in the current financial crisis, this pledge can be honored only if the viability and resources of the city are preserved and that the continuation of essential services is vital to such preservation. The preservation of the city, the honoring of its obligations and the restoration of public confidence in the agencies of the state and of the state itself are all matters of imperative state concern and require the extraordinary exercise of the state's essential reserve and emergency powers set out in this Act to protect the vital interests of the people by sustaining the public credit and maintaining local government."
The Moratorium Act defines short-term obligations as tax anticipation notes, bond anticipation notes, budget notes and urban renewal notes of the City, which are outstanding on the effective date of the Moratorium Act. Such definition would include the City notes for which the Corporation is considering an exchange offer as described herein under "Proposed Exchange Offer." The Moratorium Act provides as follows:

§3. Enforcement of judgments and liens on account of short-term obligations suspended. During the moratorium period, and notwithstanding any inconsistent provisions of any law, general, special or local, or of any agreement or short-term obligation, no act shall be done, and no action or special proceeding shall be commenced or continued in any court in any jurisdiction, seeking to apply or enforce against the city, or any political subdivision, agency, instrumentality or officer thereof, or their funds, property, receivables or revenues, any order, judgment lien, set-off or counterclaim on account of any short-term obligation, or the indebtedness or liability evidenced thereby, or seeking the assessment, levy or collection of taxes by or for the city or the application of any funds, property, receivables or revenues of the city on account of any such short-term obligation, or the indebtedness or liability evidenced thereby, although the payment of such short-term obligation may be due by the terms thereof or any general or special or local law or agreement.

§4. Actions upon short-term obligations suspended. During the moratorium period, and notwithstanding any inconsistent provisions of any law, general, special or local, or of any agreement or short-term obligation, no action or special proceeding shall be commenced or continued upon any short-term obligation, or the indebtedness or liability evidenced thereby, although the payment of such short-term obligation may be due by the terms thereof or any general or special or local law or agreement.
The term "moratorium period" is defined in the Moratorium Act to mean the period expiring three years from the effective date of the Moratorium Act unless shortened by act of the Legislature. The Legislature may, by a subsequent amendment of the Moratorium Act, extend the moratorium period if it deems such an extension necessary. The Moratorium Act further provides that a court shall, upon the application of a person who would otherwise have the right to do the acts or commence or continue the acts suspended by the Moratorium Act, terminate such suspensions if it finds that either of the following two conditions shall not have been met:

(A) That, either before the date of maturity of the short-term obligation held by such person or not later than sixty days after such date of maturity, an offer shall have been made to exchange such short-term obligation for a bond, note or other obligation of the Corporation having a date of maturity no more than twenty years after the date of maturity of such short-term obligation and bearing interest, payable at least annually, at a rate of not less than 6% per annum; and

(B) That interest on the short-term obligation held by such person, who does not accept the offer, shall be paid to such person at the rate stated in such short-term obligation to the date of its maturity and, thereafter, at least annually, at a rate of not less than 6% per annum and not less than the interest rate payable to any holder of such short-term obligations who has entered into an agreement with
the city pursuant to section six or which provides for the extension of the maturity of the short-term obligations held by such holder. This rate of interest shall continue to be paid until the principal of such short-term obligation is paid or otherwise discharged.

The Moratorium Act further provides that the statute of limitations for the commencement of actions on short-term notes of the City shall not run during the time period when the suspensions described above are in effect.

A suit entitled Flushing National Bank v. The City of New York, et al. was filed on November 17, 1975 in the State Supreme Court in which the plaintiff demands, among other things, judgment declaring and adjudicating that the Moratorium Act is unconstitutional under the State Constitution and the United States Constitution.

In the event that the constitutionality of the Moratorium Act is sustained by a court of final jurisdiction, such judicial determination could support the constitutionality of similar legislative enactments which may adversely affect certain terms and conditions of the Bonds and the Resolutions, including the payment of principal and interest thereon, and the enforceability thereof.

**Proposed Exchange Offer**

The Corporation expects to make an exchange offer (the "Exchange Offer") commencing during the week of November 24, 1975, to holders of outstanding short-term obligations of the
City ("City Notes"). The Exchange Offer fulfills one of the conditions described in paragraph (A) under "Moratorium and Litigation" and will be made to holders of the City's Notes maturing on or prior to November 10, 1976. Persons electing to exchange their City Notes pursuant to the Exchange Offer will receive bonds of the Corporation to be issued under a second general bond resolution (the "Exchange Bonds"). Although the Exchange Offer will be made to all holders of City Notes, the Corporation will enter into agreements prior to making the Exchange Offer, with Clearing House Banks, City pension and sinking funds and certain other institutional investors that such holders will not tender their City Notes for exchange but will instead hold such City Notes pursuant to conditions described under paragraph (B) in "Moratorium and Litigation".

The principal of and interest on Exchange Bonds will be payable from certain per capita State aid revenue and, to the extent not required for payment of the Bonds issued under the General Bond Resolution, revenues derived from the Sales Tax and, under certain conditions commencing with the State's fiscal year beginning April 1, 1976, the Stock Transfer Tax. Accordingly, the Exchange Bonds will not be on a parity with Bonds issued under the General Bond Resolution. The Exchange Bonds will not constitute an enforceable obligation or a debt of either the State or the City and neither the State nor the City will be liable thereon.
Proposed Plans for Averting Default

Although there are no agreements at this time by the Corporation, or to the Corporation's knowledge by anyone else, to provide funds to meet the City's cash deficits after November 30, 1975, officials of the Corporation are actively engaged in discussions with Clearing House Banks, City pension systems and sinking funds and certain other institutions, as well as with Federal and State officials, leading towards a three-year plan to meet the City's cash needs after November 30, 1975. See "City Financial Plan." The Exchange Offer, described above under "Proposed Exchange Offer" is part of such a three year financial plan. In addition, such a plan will probably include a substantial utilization of funds in the City pension systems, a voluntary restructuring of the outstanding Bonds of the Corporation held by Clearing House Banks, City pension systems and sinking funds and certain other institutions to extend the maturities of such Bonds in some cases and to reduce the interest on the Bonds as a means of lessening the debt service costs to the City. The Corporation does not intend to request that the 1975 Series Y Bonds be changed as part of this plan; however, no decision has been made as to whether the purchasers of 1975 Series Y Bonds will be asked to extend the maturities or
reduce the interest on other Bonds held by them. In any event, any such restructuring would be voluntary. The three year financing plan is expected also to include a means for meeting the substantial seasonal borrowing needs of the City after November 30, 1975, but it is expected that such aspect of the plan would be dependent upon federal guarantees or direct federal loans.

With respect to the possibility that federal guarantees or loans would be available for this purpose, the President of the United States on November 19, 1975 made the following statement:

"I am gratified that the leaders of New York appear to have accepted primary responsibility for solving the financial problems of the city and are proceeding in the direction of a long-term solution in accordance with the State Constitution and laws. I am impressed with the seriousness of their intentions as described by Governor Carey in his letter to Secretary Simon, and await further concrete actions by the state and the other parties concerned.

"The bailout bill now before the House of Representatives is irrelevant, because it does not address the current situation, and I would veto it."
"I am convinced that if New York continues to move toward fiscal responsibility, all parties concerned can look forward to satisfactory resolution despite the current obstacles.

"If they continue to make progress, I will review the situation early next week to see if any legislation is appropriate at the Federal level.

"In the meantime, should New York leaders fail to implement their intentions, New York City could still be forced into legal default. Therefore I am asking the Congress once again to enact special amendments to the Federal bankruptcy laws which would ensure that such a default, if it occurs, would be orderly."

The State legislature is now in extraordinary session to consider certain new taxes and other action that may be necessary before the President would be willing to sign federal legislation relevant to borrowing for seasonal needs. With the impending recess of Congress, however, it is possible that no Federal legislation would be passed in time to avert a default in December.

As of the date hereof, the President had not made any further announcement regarding possible federal legislation.
City Financial Plan

As a part of the Financial Emergency Legislation the State Legislature provided for the creation of 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 E. 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 fiscal years ended June 30, 1976, 1977 and 1978 for the City and so-called "covered organizations,"

* (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 "covered organizations" 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.
As required by the Financial Emergency Legislation, the City submitted the City Financial Plan to the Control Board on October 15, 1975. As modified at the request of the Control Board, the City Financial Plan was approved on October 20, 1975. Although the City Financial Plan does provide for a balanced budget for the City's fiscal year ending June 30, 1978, the plan is based upon the assumption that over the life of the plan there will be available approximately $6,000,000,000, in cash or cash savings, from sources not committed at the time of its adoption. The City Financial Plan is based on other assumptions as well, including (i) that the State will continue certain advances to the City, (ii) that there will be no wage increases for municipal workers for the duration of the plan above 1975-1976 levels, and (iii) that the City's cost for welfare and medicaid programs will remain constant throughout the plan period. In addition, the City Financial Plan does not address the questions concerning accrual and funding of the City's pension plans, pending recommendations from the Mayor's Management Advisory Board headed by Richard Shinn. It is expected that such study will show an under-accrual in the pension plans, which may require increased funding of the pension system. The City Financial Plan includes deficits for the current fiscal year as well as the fiscal year ending June 30, 1977.

The discussions described under "Proposed Plans for Averting Default" have as their purpose the development of plans to provide the approximately $6,000,000,000 in cash or cash savings required by the City Financial Plan. These cash
needs are in addition to seasonal cash needs of the City created by timing differences between the dates of receipt of anticipated revenues and taxes and the dates on which expenditures must be made. The Corporation believes such seasonal needs may exceed $2,000,000,000 a year.

The Control Board may, upon the request of the City, allow (a) an increase in the expense budget (other than for certain required amounts described below) 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 Financial Emergency Legislation, 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. The required amounts are those required to pay debt service, pension costs, public assistance and care, and such other amounts as the Control Board determines are required by law.

As announced by the Control Board, the City Financial Plan contemplates that the City will furnish on a regular and timely basis sufficient underlying detail to enable the Control Board to monitor and implement the City Financial Plan. Although the details of the monitoring program by the Board have not yet been completely worked out, the Control Board announced that its
monitoring plan will include:

(1) monthly reports on operating programs and quarterly reports on capital programs by agency;

(2) monthly reports on revenues by category; and

(3) a system of early warning safeguards, which will direct early attention to areas of potential non-compliance.

Pursuant to the Financial Emergency Legislation, commencing on October 20, 1975, the effective date of the City Financial Plan, and continuing for the duration of the emergency period, all revenues received by the City or any covered organization became revenues of the Emergency Financial Control Board Fund (the "Fund") and are for the account of the City and the appropriate covered organizations,* except to the extent expressly prohibited by federal law or where such revenues or funds and accounts are pledged to the payment of, or prohibited by covenants or agreements relating to any outstanding bonds, notes or other obligations of covered organizations. Disbursements from the Fund are made by the Control Board in accordance with the City Financial Plan. In addition, the Financial Emergency Legislation provides that the Control Board shall establish and adopt procedures with respect to the deposit of revenues in the Fund, the investment of monies therein and the disbursement of monies from the Fund.

* The Control Board has the power to exempt revenues, funds or accounts from these requirements but has not done so to date.
The Control Board, at its meeting on October 20, 1975, adopted certain resolutions implementing the above requirements. The Control Board resolved that it was its intention to promulgate regulatory procedures in detail in the near future and that, until such procedures were promulgated, it elected to continue in effect the existing agreements between the City and the banks in which the accounts of the City are maintained (the "Banks"), subject, however, to certain modifications, effective October 20, 1975, including (i) continuing the validity of the present signatories for the accounts of the City until the Control Board notifies the Banks to terminate such validity, (ii) designating the signature of any member of the Control Board plus the signature of the Special Deputy Comptroller for the City of New York (the "Special Deputy Controller") as alternative signatories for such accounts and (iii) empowering the Special Deputy Controller to prohibit, restrict, direct or otherwise control the deposit of monies into, or the disbursement of monies from, any such accounts.

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.

**State Legislation Regarding Default**

Prior to the adoption of the Moratorium Act and as part of the Financial Emergency Legislation, the Legislature adopted certain amendments to the Local Finance Law constituting Title 6-A of such law ("Title 6-A") pursuant to which, if the City is unable to pay its debts or obligations as they mature, the City or, in the event the City refuses to do so, the Control Board may file in the State Supreme Court in any county within the City a petition which shall operate for a period of ninety days to prohibit the doing of any act and to stay the commencement or continuation of any action seeking to apply or enforce against the City or its funds, property, receivables or revenues, any order, judgment, lien, set-off or counterclaim relating to any contract, debt or obligation of the City, including the City Notes, or seeking the assessment, levy or collection of taxes by or for the City or the application of any funds, property, receivables or revenues of the City. Title 6-A further provides
that upon the filing of such a petition, a repayment plan (the "Repayment Plan") may be filed by the City or, in the event the City refuses to file such a plan, by the Control Board. Title 6-A provides that upon the filing of the Repayment Plan the court shall enter an order approving the Repayment Plan and extending any stay then in effect as against all creditors of the City for such additional period of time as is required to carry out fully all of the terms and provisions of the Repayment Plan with respect to those creditors who accept the Repayment Plan or any benefits thereunder if the court finds: (a) that the Repayment Plan provides for the eventual satisfaction of all debts and obligations of the City, including the City Notes; (b) that, giving due regard to the financial condition of the City and to the necessity for the City to expend monies for services and purposes determined to be necessary by the Control Board, the Repayment Plan provides as prompt payment to all creditors affected thereby, on a fair and equitable basis, as is practicable in the circumstances; (c) that the Repayment Plan preserves any applicable priorities among creditors or classes of creditors; and (d) that the Repayment Plan was approved by the Control Board. In the event that the court is unable to make such findings as to the Repayment Plan, Title 6-A provides that the court shall enter an order disapproving the Repayment Plan and vacating the stay then in effect, which order shall become effective within ten days from its entry unless, prior thereto, an amended Repayment Plan is filed with the court. Upon the filing of the first such amended Repayment
Plan, Title 6-A provides that the court shall extend and, in its discretion, upon the filing of any further amended Repayment Plans it may extend the stay then in effect for such additional period of time as is required to permit the court to enter an order containing the findings described above with respect to the amended Repayment Plan.

Title 6-A provides that the Repayment Plan may, with court approval, be modified by the City or the Control Board and that any order extending the stay may be vacated or modified if, upon motion of any creditor affected thereby, the court finds that the City has failed to comply with a material provision of the Repayment Plan or that, because of a material change in circumstances, the Repayment Plan no longer complies with the requirements described above. Upon the occurrence of the final act necessary to carry out fully all of the terms and provisions of the Repayment Plan with respect to those creditors who accept the plan or any benefits thereunder, Title 6-A provides that the court shall enter an order vacating any stay then in effect and permanently enjoining any creditors who accepted the Repayment Plan or any benefits thereunder from commencing or continuing any action or doing any other act relating to any contract, debt or obligation included in the Repayment Plan.

Title 6-A also provides that no action may be prosecuted or maintained against the City during the Emergency Period (defined in the Financial Emergency Legislation as the period
commencing September 9, 1975 and ending on the date when the Control Board determines that the expense budget of the City shall have been in balance for one fiscal year in accordance with the accounting methods prescribed for such budget by the State Comptroller pursuant to the Act), unless thirty days have elapsed since the Service of a written demand for payment upon the City in accordance with the procedures specified in Title 6-A.

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 stay provisions, the Repayment Plan provisions and the demand for payment provisions of Title 6-A violate the State Constitution, the Federal Bankruptcy Act and United States Constitution. For a description of this lawsuit, see "Litigation" in this Supplement.

**Lawsuits Alleging Fraud in the Sale of City Securities**

Several separate class-action lawsuits have been commenced against the City, the Mayor, the City Comptroller, certain bank and non-bank dealers in City obligations, charging, in general, that, in connection with the sale of the City’s bonds and notes, the defendants concealed material facts concerning the City’s finances and in so doing defrauded plaintiff investors. The suits seek damages for the losses incurred as a
result of the alleged concealment. The Corporation is not a defendant in any of these lawsuits and none of the complaints in such lawsuits contain any allegations, which, if proven, would impair the Corporation's ability to repay its Bonds.

Other Developments

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 from his position as an Executive Vice President of J. C. Penney Co. while he serves as Deputy Mayor. On November 16, 1975, James A. Cavanagh, First Deputy Mayor of the City, announced his resignation effective December 31, 1975. The Mayor has named John E. Zuccotti, Chairman of the City Planning Commission, to replace Mr. Cavanagh.

THE CORPORATION

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

<table>
<thead>
<tr>
<th>Directors</th>
<th>Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felix G. Rohatyn, Chairman</td>
<td>Zane Klein</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td>Edward M. Kresky</td>
</tr>
<tr>
<td>John A. Coleman</td>
<td>Leonard Nadel</td>
</tr>
<tr>
<td>Thomas D. Flynn</td>
<td>Nicholas L. Pitaro</td>
</tr>
<tr>
<td>George D. Gould</td>
<td>Arthur J. Quinn</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td>Robert W. Seavey</td>
</tr>
<tr>
<td>Donna E. Shalala, Treasurer</td>
<td>M. Peter Schweitzer</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td></td>
</tr>
</tbody>
</table>

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. Mr. Elish is also Executive
Director of the Control Board.

DESCRIPTION OF THE 1975 SERIES Y BONDS

The 1975 Series Y Bonds will be dated the date of
their issuance, and will bear interest therefrom at 10% per
annum, payable semi-annually on February 1 and August 1 of each
year commencing February 1, 1976. The 1975 Series Y Bonds will
mature on February 1, 1981 and will not be subject to redemption
prior to maturity.

The 1975 Series Y 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 Y
Bonds, the Corporation or the Trustee may make a charge suffi-
cient 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.

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

See "Provision for Payment of the Bonds" in the Official Statement.

**Per Capita State Aid**

The Financial Emergency Legislation provides that, subject to annual appropriation by the State legislature, the Special Account of the Municipal Assistance Tax Fund created by the Act 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 ("Per Capita Aid"). This source of funds for the Special Account would be available only if the Corporation were to include Per Capita Aid in any computation for the issuance of Bonds under the General Bond Resolution prior to the issuance of bonds, the payment of which is to come from the Municipal Assistance State Aid Fund created by the Financial Emergency Legislation. Per Capita Aid has not been included in connection with any outstanding Bonds and will not be included in such computation with respect to the issuance of the 1975 Series Y Bonds or other Bonds to be issued prior to or on the same date as the 1975 Series Y Bonds.
Accordingly, at this time, the Per Capita State Aid is not a source of payments into the Special Account. The Corporation intends to offer in the Exchange Offer described herein under "Recent Developments with Respect to the City - Proposed Exchange Offer" bonds the payment of which is to come from the Municipal Assistance State Aid Fund. Upon the issuance of such bonds, the additional $80,000,000 of Per Capita Aid would not be a source of revenue for the Bonds under the General Bond Resolution.

Estimated Amounts Available for Debt Service and Debt Service Coverage

The Sales Tax and the Stock Transfer Tax collections for the 12 months ended October 31, 1975 is shown below:

Sales and compensating use tax for the 12 months ended October 31, 1975..... $ 802,827,768

Stock transfer tax for the 12 months ended October 31, 1975.................. 209,075,799

Aggregate Annual Amount......................... $1,011,903,567

The Corporation believes that it is not presently possible to predict the effect of a City default or other related economic developments in the City on sales tax and stock transfer tax collections. In addition, as we set forth in the Official Statement, the enactment of the Federal Securities
Acts Amendments of 1975, relating to the evolution of a centralized nationwide securities market, 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. The Corporation has been advised by the Commissioner of Taxation and Finance that he believes that the decrease in stock transfer tax collections attributable to the Federal Securities Acts Amendments of 1975 for the twelve consecutive calendar months commencing November 1, 1975 will be substantially offset by increases from the surcharge upon the stock transfer tax which went into effect on August 1, 1975 and by increases in collections of sales and compensating use taxes for such twelve month period, but this belief is conditioned upon the assumption that no material adverse change will occur in the financial or economic conditions of the State or the City during such twelve month period.

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 Y Bonds. The terms of the securities to be purchased on
or before November 25, 1975 are not yet fixed; however, for purposes of this table, it has been assumed that the State will purchase Bonds on the same terms as those purchased on November 21, 1975. See "Use of Proceeds and Needs of the City" as to a possible exchange of the State's Bonds purchased on November 21, 1975 for different securities of the Corporation having the same term and conditions of the securities to be purchased by the State on or before November 25, 1975.

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>$125,678,442.64</td>
</tr>
<tr>
<td>1977</td>
<td>472,162,087.50</td>
</tr>
<tr>
<td>1978</td>
<td>470,662,512.50</td>
</tr>
<tr>
<td>1979</td>
<td>465,738,137.50</td>
</tr>
<tr>
<td>1980</td>
<td>455,187,962.50</td>
</tr>
<tr>
<td>1981</td>
<td>412,615,400.00</td>
</tr>
<tr>
<td>1982</td>
<td>384,434,750.00</td>
</tr>
<tr>
<td>1983</td>
<td>385,562,575.00</td>
</tr>
<tr>
<td>1984</td>
<td>406,050,400.00</td>
</tr>
<tr>
<td>1985</td>
<td>381,167,587.50</td>
</tr>
<tr>
<td>1986</td>
<td>406,711,787.50</td>
</tr>
<tr>
<td>1987</td>
<td>316,765,712.50</td>
</tr>
<tr>
<td>1988</td>
<td>290,330,837.50</td>
</tr>
<tr>
<td>1989</td>
<td>264,985,900.00</td>
</tr>
<tr>
<td>1990</td>
<td>266,881,425.00</td>
</tr>
<tr>
<td>1991</td>
<td>64,081,900.00</td>
</tr>
<tr>
<td>1992</td>
<td>62,425,000.00</td>
</tr>
<tr>
<td>1993</td>
<td>56,762,850.00</td>
</tr>
<tr>
<td>1994</td>
<td>60,542,450.00</td>
</tr>
<tr>
<td>1995</td>
<td>44,666,400.00</td>
</tr>
</tbody>
</table>

Based on the information presented above: (i) the $1,011,903,567 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 2.13 times; and (ii) the $803,936,273 sales and compensating use taxes (less operating expenses) would cover maximum total
annual debt service 1.69 times.

LITIGATION

Lawsuit Challenging Establishment and Functions of Corporation

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. On September 10, 1975, the plaintiff appealed directly to the Court of Appeals.

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.

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 upon 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 sections of the Tax Law and the State Finance Law enacted as part of the Act are unconstitutional under Article 8, Section 2 of the State Constitution in depriving such holders of City bonds of amounts to be received by the Corporation from the Stock Transfer Tax and the Sales Tax, which plaintiff alleges would otherwise have constituted first revenues of the City pledged for the payment of principal of and interest on such holders'
City bonds. On November 19, 1975, plaintiff served an amended complaint, which added allegations that the sections of the Tax Law and State Finance Law enacted as part of the Act are also unconstitutional under Article 1, Section 10 of the United States Constitution, the due process and equal protection of the laws clauses of the Fourteenth Amendment of the United States Constitution and the equal protection of law guarantee of Article 1, Section 11 of the State Constitution. Bond Counsel to the Corporation 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 Stock Transfer Tax or the Sales Tax superior or equal to the rights of holders of Bonds of the Corporation, such holder will not prevail in the Court of final jurisdiction.

The plaintiff bank in this suit 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 Article 8, Section 2 of the State Constitution in that the holders of City bonds are to be paid the principal of and interest on such bonds from the first revenues received by the
City and is illegal and unconstitutional under the Federal Bankruptcy Act and the Supremacy Clause of the United States Constitution.

The suit further asks for a declaratory judgment that the provisions of Title 6-A of the Local Finance Law are illegal and unconstitutional under the State Constitution, the Federal Bankruptcy Act and the United States Constitution. See "Recent Developments Affecting the City - State Legislation Regarding Default" for a description of the possible impact of this aspect of the suit.

Finally, the suit also seeks a declaratory judgment that the Financial Emergency Legislation "unconstitutionally diverts and expropriates to the Control Board all of the City revenues mandated for application to payment of plaintiff's City bonds, and unconstitutionally abrogates the duty of the City Comptroller, as the City's fiscal officer," in violation of the State Constitution.

Defendants' motion for summary judgment dismissing the complaint is scheduled for argument on November 25, 1975, but may be postponed until November 26, 1975.

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 enjoin the Corporation from approving any budget of the City which authorizes such expenditures. The defendants have moved to dismiss this action. Plaintiff submitted supplemental papers in support of his motion for a preliminary injunction. The parties are awaiting the court's decision.

**Lawsuits Affecting the State Pension Funds**

Several lawsuits have sought to prevent the investment by certain state pension funds (the "Pension Funds") in the securities of the Corporation. The suits were brought by various not-for-profit corporations, and certain of their officers and members and 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 sought, among other things, (i) declaratory judgment that the part of the Financial Emergency Legislation, which directs the investment of the funds of the Pension Funds in bonds of the Corporation, are ineffective, void, unreasonable and unconstitutional under both the New York and the United States Constitutions and (ii) injunctions to prevent the defendants from investing funds of the Pension Funds in securities of the Corporation, unless such investments were deemed, in good
faith, by the defendants in their fiduciary capacities to be in the best interests of such Funds.

On September 29, 1975, the Court of Appeals of the State of New York declared unconstitutional under the New York Constitution those portions of the Financial Emergency Legislation which mandated the investment by the Pension Funds of a portion of their assets in bonds 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 Affecting City Pension Funds

On November 14, 1975, a retired teacher filed suit against the Corporation and others in State Supreme Court seeking to restrain the trustees of the Teachers' Retirement Board from purchasing obligations of the State, the City, or any agency thereof, including the Corporation. A hearing on the motion to enjoin such purchases was held on November 24, 1975 and decision was reserved.

Lawsuit Affecting the UFT Contract

An action seeking to have the United Federation of Teachers ("UFT") contract with the City declared null and void was brought by a taxpayer and bondholder of the City on or about October 20, 1975. The Corporation has not been served in this suit but has been named as a defendant on the claim
that it "honor[s]" and "recognize[s]" the contract. Plaintiff has made purported service upon the UFT. The UFT has filed a motion to dismiss the complaint on the grounds that the court lacks personal jurisdiction over the defendants and that plaintiff lacks standing to sue.

Lawsuit Affecting the Moratorium

A national bank filed suit on November 17, 1975 in the State Supreme Court seeking a declaratory judgment that the Moratorium Act is unconstitutional under the State Constitution and the United States Constitution. See "Recent Developments Affecting the City - Moratorium and Litigation" for description of this litigation and the possible consequences to holders of the Bonds of a favorable ruling in that action.

Lawsuit Alleging the State Has Loaned Its Credit

In September, 1975, an individual brought an action against the State, the Governor and Comptroller of the State, alleging that (i) pursuant to legislation adopted for such purpose, the State, acting by defendants Governor and Comptroller, had 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 had already been borrowed for such purpose, and (iii) the State had 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
sought a declaratory judgment that the provisions of the Financial Emergency Legislation "pursuant to which defendants have borrowed money on the credit of the State in aid of the City of New York was not lawfully enacted and that any indebtedness incurred for such purpose is void and of no consequence or effect."

The 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.

The State has borrowed all but $150,000,000 to meet its appropriation under the Financial Emergency Legislation and it expects to borrow the remaining $150,000,000 to meet the final part of the appropriation by November 25, 1975.

**Lawsuit Challenging Pension Fund Investment in State Securities**

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 State sold $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 first advance to the Corporation in November.

Lawsuits Affecting the City Pension Funds

Relying upon the decision of the Court of Appeals referred to under the caption "Lawsuits Affecting the State Pension Funds", an association purporting to represent retired New York City civil service employees had sought to prevent the trustees of certain New York City pension funds from investing assets of those funds in securities of the Corporation pursuant to the mandate contained in 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 making the proposed investments pursuant to the Legislation was denied by the State Supreme Court after the trustees had stated that they were purchasing the Corporation's securities on a voluntary basis and not pursuant to the mandate of the Financial Emergency Legislation. The plaintiffs have filed a notice of appeal to the Court of Appeals.
The references herein to the Financial Emergency Legislation, the Act, the Tax Law, the State Finance Law, the Moratorium Act 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. 4 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

November 24, 1975
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Certificate of the Assistant Treasurer Pursuant to Section 3(d) of the 1975 Series Y Bond Purchase Agreement

I, JAMES R. KEEGAN, Assistant Treasurer of the Municipal Assistance Corporation For The City of New York (the "Corporation") DO HEREBY CERTIFY as follows:

(1) Attached hereto is a true and correct copy of the Certificate of the Mayor of The City of New York (the "City") delivered to the Corporation 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 (the "3037 Certificate"), which states that the amount required by the City for payment on November 25, 1975 of operating expenses is $70,000,000.

(2) The amount disbursed through November 24, 1975 by the Corporation for operating expenses of the City is $1,629,770,157.82.

(3) Disbursements of the $70,000,000 referred to in the 3037 Certificate will, when added to the $1,629,770,157.82 referred to in Paragraph (2) of this certificate, be within the limitation specified in Section 3037 of the Act.

WITNESS MY signature and the seal of the Corporation, this 26th day of November, 1975.

[Signature]
James R. Keegan
Assistant Treasurer

(SEAL)
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 operating expenses of the City through November 30, 1975, there is required from the Corporation the amount of $70,000,000.

WITNESS MY signature and the seal of the City this 25th day of November, 1975.

[SEAL]

Abraham D. Beame
Mayor of The City of New York

Approved as to form.

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
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Certificate of the Assistant Treasurer Pursuant to Section 3(d) of the 1975 Series Y Bond Purchase Agreement

I, JAMES R. KEEGAN, Assistant Treasurer of the Municipal Assistance Corporation For The City of New York (the "Corporation") DO HEREBY CERTIFY as follows:

(1) Attached hereto is a true and correct copy of the Certificate of the Mayor of The City of New York (the "City") delivered to the Corporation 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 (the "3037 Certificate"), which states that the amount required by the City for payment on November 25, 1975 of operating expenses is $70,000,000.

(2) The amount disbursed through November 24, 1975 by the Corporation for operating expenses of the City is $1,629,770,157.82.

(3) Disbursements of the $70,000,000 referred to in the 3037 Certificate will, when added to the $1,629,770,157.82 referred to in Paragraph (2) of this certificate, be within the limitation specified in Section 3037 of the Act.

WITNESS MY signature and the seal of the Corporation, this 26th day of November, 1975.

[Signature]

James R. Keegan
Assistant Treasurer

(SEAL)
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 operating expenses of the City through November 30, 1975, there is required from the Corporation the amount of $70,000,000.

WITNESS MY signature and the seal of the City this 25th day of November, 1975.

[SEAL]

Abraham D. Beame
Mayor of The City of New York

Approved as to form.

[Signature]
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
I, HARRISON J. GOLDBIN, Comptroller of the City of New York (the "City"), DO HEREBY CERTIFY as follows:

(1) Assuming receipt of (i) the proceeds from the sale of the 1975 Series Y Bonds of the Municipal Assistance Corporation For The City of New York (the "Corporation"), together with all proceeds from the financing plan described under the heading "Use of Proceeds and Needs of the City" in Supplement 4 dated November 24, 1975 to the Official Statement of the Corporation dated August 15, 1975, and (ii) funds from the operations of the City, the City will have sufficient funds for the payment of all of its maturing obligations and operating expenses through November 30, 1975.

(2) The City is not in default with regard to any of its short-term or long-term obligations for indebtedness.

(3) The assumption as to receipt of the funds from operations of the City referred to in clause (ii) of Paragraph (1) of this certificate is based on assumptions believed by me to be reasonable.

WITNESS MY signature and the seal of the City, this 26th day of November, 1975.

(SEAL)

Harrison J. Goldin
COMPTROLLER

Approved as to Form:

W. Bernard Richland
Corporation Counsel
New York,

Morgan Guaranty Trust Company

Pay

To the order of Municipal Assistance Corporation for The City of New York

CUSTODY DEPARTMENT

AUTHORIZED SIGNATURE

#36031253# 0021000231: 043 34 355

J. Escan

[Signature]

Ridgeway Guaranty Bank
Morgan Guaranty Trust Company of New York

New York, 6/30/1973
Pay
To the order of Municipal Assistance Corporation for The City of New York

Authorized Signature

Morgan Guaranty Trust Company of New York

New York, 1-23-73
Pay
To the order of Municipal Assistance Corporation for The City of New York

Authorized Signature

Morgan Guaranty Trust Company of New York

New York, 1-23-73
Pay
To the order of Municipal Assistance Corporation for The City of New York

Authorized Signature
MANUFACTURERS HANOVER TRUST COMPANY
NEW YORK, N.Y. 10015

SEC No. 687268
DATE NOVEMBER 26, 1975
PAY $2,000,000.00**
TO THE ORDER OF MUNICIPAL ASSISTANCE CORPORATION

MANUFACTURERS HANOVER TRUST COMPANY
NEW YORK, N.Y. 10015

SEC No. 687263
DATE NOVEMBER 26, 1975
PAY $1,000,000.00***
TO THE ORDER OF MUNICIPAL ASSISTANCE CORPORATION

MANUFACTURERS HANOVER TRUST COMPANY
NEW YORK, N.Y. 10015

SEC No. 687267
DATE NOVEMBER 26, 1975
PAY $750,000.00***
TO THE ORDER OF MUNICIPAL ASSISTANCE CORPORATION

Authorized Signature
IRVING TRUST COMPANY  
NEW YORK  
NO. 00061700  
11/26/75  

OFFICIAL CHECK  

PAY  
The sum of $500,000.00 and 00cts  
IN PAYMENT OF $500,000.00  
500M MUNICIPAL ASSISTANCE CORP.  

HAWKINS DELAFIELD  

J. L.  

Francis H. Kelly  
AUTHORIZED SIGNATURE  

IRVING TRUST COMPANY  
NEW YORK  
NO. 00061701  
11/26/75  

OFFICIAL CHECK  

PAY  
The sum of $250,000.00 and 00cts  
IN PAYMENT OF $250,000.00  
250M MUNICIPAL ASSISTANCE CORP.  

HAWKINS DELAFIELD  

J. L.  

Francis H. Kelly  
AUTHORIZED SIGNATURE  

MANUFACTURERS HANOVER TRUST COMPANY  
NEW YORK, N.Y. 10015  

SEC No. 687266  
DATE  NOVEMBER 26, 1975  

OFFICIAL CHECK  

PAY $500,000.00***  
TO THE ORDER OF  
MUNICIPAL ASSISTANCE CORPORATION  

A. BLATT  
AUTHORIZED SIGNATURE  

MANUFACTURERS HANOVER TRUST COMPANY  
NEW YORK, N.Y. 10015  
S/K  

SEC No. 687266  
DATE NOVEMBER 26, 1975  

OFFICIAL CHECK  

PAY $500,000.00***  
TO THE ORDER OF  
MUNICIPAL ASSISTANCE CORPORATION  

A. BLATT  
AUTHORIZED SIGNATURE  

MANUFACTURERS HANOVER TRUST COMPANY  
NEW YORK, N.Y. 10015  
S/K  

SEC No. 687266  
DATE NOVEMBER 26, 1975  

OFFICIAL CHECK  

PAY $500,000.00***  
TO THE ORDER OF  
MUNICIPAL ASSISTANCE CORPORATION  

A. BLATT  
AUTHORIZED SIGNATURE
BANKERS TRUST COMPANY
NEW YORK

IN FULL SETTLEMENT OF
SBT 71

PAY TO THE ORDER OF
MUNICIPAL ASSISTANCE CORP FOR CITY
OF NEW YORK

**$1,000,000.00**

11/26/75

Authorized Signature

BANKERS TRUST COMPANY

IN FULL SETTLEMENT OF
SBT 115

PAY TO THE ORDER OF
MUNICIPAL ASSISTANCE CORP FOR CITY
OF NEW YORK

**$500,000.00**

11/26/75

Authorized Signature

IRVING TRUST COMPANY
NEW YORK

11/26/75

OFFICIAL CHECK

PAY
The sum of $500,000.00 and 00 cts
IN PAYMENT OF $500,000.00
HAWKINS DELAFIELD
500M ASSISTANCE MUNICIPAL CORP

Francis P. Kelly
Authorized Signature

**00061699**
STATE OF NEW YORK

EXTRAORDINARY SESSION

SENATE—ASSEMBLY

November 24, 1975

IN SENATE—Introduced by Committee on Rules—read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY—Introduced by Committee on Rules—read once and referred to the Committee on Ways and Means

AN ACT

To amend the New York State Financial Emergency Act for the City of New York, in relation to debt service requirements in the financial plan of such city and covered organizations as affected by the provisions of the New York state emergency moratorium act for the city of New York

The People of the State of New York, represented in Senate and Assembly, do enact as follows:
Section 1. Subparagraph (i) of paragraph c of subdivision three of section eight of section two of chapter eight hundred sixty-eight of the laws of nineteen hundred seventy-five, constituting the New York State Financial Emergency Act for the city of New York, is hereby amended to read as follows:

(i) fails to provide for the payment in full of the debt service requirements on all bonds and notes of the city and the covered organizations or a lesser amount approved by the board if a moratorium is in effect pursuant to state law suspending or staying the enforcement of rights with respect to such notes or fails to fund adequately programs of the city and the covered organizations mandated by state or federal law;
§ 2. Subdivision four of section eight of such act is hereby amended to read as follows:

4. The financial plan shall be in such form and shall contain such information for each year during which the financial plan is in effect as the board may specify, shall include the city and all the covered organizations, and shall, in such detail as the board may from time to time prescribe, include statements of all estimated revenues and of all expenditures and cash flow projections of the city and each of the covered organizations. The financial plan may, with the approval of the board, not include amounts necessary to provide for the payment of debt service on any notes of the city or any covered organization if a moratorium is in effect pursuant to state law suspending or staying the enforcement of rights with respect to such notes.
§ 3. Subdivision four of section nine of such act, as amended by chapter eight hundred seventy of the laws of nineteen hundred seventy-five, is hereby amended to read as follows:

4. Within the fund there is hereby established a special account designated the debt service repayment account. The board shall from time to time direct, in accordance with procedures adopted by the board, the deposit in the debt service repayment account of such amounts as the board shall, in its discretion, determine to be sufficient to meet the debt service requirements of the city and the covered organizations on their bonds and notes [as they become due,] (other than bonds and notes of covered organizations payable from revenues not included in the fund) as they become due, or if a moratorium is in effect pursuant to state law suspending or staying the enforcement of rights with respect to any such notes, such amounts as may be required pursuant to a schedule designed by the board to pay or to accumulate before the expiration of the moratorium an amount sufficient for the payment of such notes upon the expiration of the moratorium. Amounts in the debt service repayment account shall be used to meet such debt service requirements of the city and the covered organizations.

§ 4. This act shall take effect immediately.
to amend the public authorities law, in relation to the monetary limitation on certain outstanding amounts paid to the city of New York for operating expenses and the amount of certain short-term obligations that may be issued until June thirtieth, nineteen hundred seventy-six by the city of New York and by the municipal assistance corporation for the city of New York.
Section 1. Section three thousand thirty-seven of the public authorities law, as added by chapter one hundred sixty-nine of the laws of nineteen hundred seventy-five, is hereby amended to read as follows:

§ 3037. Payments to or purchases of obligations of the city. In the event that the mayor from time to time certifies to the corporation an amount required by the city to enable it to pay, at maturity, the principal of and interest on any short-term obligations of the city, or to pay operating expenses of the city, the corporation may (i) pay to the city, or (ii) purchase from the city obligations hereafter issued by the city in an amount equivalent to, part or all
§ 2. Paragraph b of subdivision nine of section three thousand thirty-eight of such law, such section having been added by chapter one hundred sixty-nine of the laws of nineteen hundred seventy-five, is hereby amended to read as follows:

b. In addition to the foregoing limitation the city shall not, at any date, permit the aggregate principal amount of its outstanding short-term obligations (excluding bond anticipation notes) plus the aggregate principal amount of all notes and bonds 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 four billion five hundred million dollars plus, in the discretion of the board of directors, an additional amount not exceeding five hundred million dollars plus, in the discretion of the board of directors, until June thirtieth, nineteen hundred seventy-six, a further additional amount not exceeding one hundred million dollars.

§ 3. If any provision of this act is declared unconstitutional, or other provisions of this act shall be rendered ineffective, unless inseparable from the provision declared to be unconstitutional.

§ 4. This act shall take effect immediately.
MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

$150,000,000
1975 Series AA Bonds

Dated: November 25, 1975
Delivered: November 25, 1975