Basic Documents and Certifications

1. Copy of the Series 3 Commercial Paper Note Resolution.
2. Copy of the Bank Note Resolution.
3. Copy of the Second General Bond Resolution.
4. Copy of the Series 47 Resolution.
5. Copy of the Letter of Credit and Reimbursement Agreement dated as of October 24, 1983 (the "Reimbursement Agreement").
7. Copy of the Amended and Restated Security Agreement dated October 24, 1983 (the "Security Agreement").
10. General Certificate of the Municipal Assistance Corporation For The City of New York (the "Corporation").
11. Extract of Minutes of the meeting of the Board of Directors of the Corporation held on September 29, 1983.
13. Certificate of the Corporation to The First Boston Corporation as Representative of the Dealers.
Approvers and Related Documents

15. Approval of the Comptroller of the State of New York as to the terms of sale of the Series 3 Commercial Paper, the Bank Notes and the Series 47 Bonds.


18. Consent of the Secretary of the Treasury of the United States with respect to the Waiver Upon Consent.

19. Consents of the Mayor and the Comptroller of the City of New York as to the pledge of City Bonds under the Security Agreement.

20. List of City Bonds comprising the Pledged Debt under the Security Agreement and the report of Kenny Information Systems, Inc., with respect thereto.

21. Certificate of the United States Trust Company of New York (the "Trust Company") as to Pledged Debt under the Security Agreement.

Opinions

22. Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, addressed to the Corporation, with reliance opinion to the Trust Company.

23. Opinion of General Counsel addressed to Citibank, N.A.

24. Opinion of General Counsel addressed to The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A., as dealers.

25. Opinion of General Counsel as to bankruptcy, with reliance opinion to Citibank, N.A.

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27. Supplementary Opinion of Bond Counsel, together with reliance opinion.

28. Opinion of Bond Counsel as to arbitrage.

29. Opinion of Shearman & Sterling, Counsel to Citibank, N.A. in accordance with Section 3.01(h) of the Reimbursement Agreement.

30. Opinion of Counsel to Citibank, N.A., addressed to the Corporation, as to enforceability of the Letter of Credit.

31. Opinion of Carter, Ledyard & Milburn, Counsel to the Trust Company, as to the authority of the Trust Company to act as Agent for Holders of Series 3 Commercial Paper Notes and as Collateral Agent.

Miscellaneous


34. Instruction by the Corporation to the Issuing and Paying Agent Pursuant to the Agency Agreement.


36. Closing Memorandum.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

RESOLUTION AUTHORIZING NOT IN EXCESS OF
$100,000,000 SERIES 3 COMMERCIAL PAPER NOTES
OUTSTANDING AT ANY TIME

Adopted September 29, 1983
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

RESOLUTION AUTHORIZING NOT IN EXCESS OF
$100,000,000 SERIES 3 COMMERCIAL PAPER NOTES
OUTSTANDING AT ANY TIME

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(ii)
RESOLUTION AUTHORIZING NOT IN EXCESS OF $100,000,000
SERIES 3 COMMERCIAL PAPER NOTES OUTSTANDING AT ANY TIME

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

ARTICLE I
DEFINITIONS AND STATUTORY AUTHORITY

SECTION 101. Definitions. In this Resolution, unless a
different meaning clearly appears from the context:

(1) The terms "herein", "hereunder", "hereby",
"hereto", "hereof", and any similar terms, refer to this
Resolution, and the term "hereafter" means after the
date of adoption of this Resolution;

(2) Words importing the singular number include
the plural number and vice versa and words importing
persons include firms, associations and corporations.
Words of the masculine gender shall be deemed and
construed to include correlative words of the feminine
and neuter genders;

(3) Any headings preceding the texts of the
several Articles and Sections of this Resolution, and
any table of contents shall be solely for convenience of
reference and shall not constitute a part of this
Resolution, nor shall they affect its meaning,
construction or effect;

(4) "Act" means 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 of the State, each as
amended;

(5) "Agency Agreement" means the Agency Agreement
authorized hereunder, in substantially the form
presented at this meeting, dated October 17, 1983, among
the Corporation, the Agent and Citibank, N.A., as the
same may be amended and supplemented from time to time;

(6) "Agent" means United States Trust Company of
New York, as agent for the Holders from time to time of
the Series 3 Notes;
(7) "Amended and Restated Security Agreement" means the Amended and Restated Security Agreement authorized hereunder, in substantially the form presented at this meeting, dated October 17, 1983, among the Corporation, Citibank, N.A. and United States Trust Company of New York, as the same may be further amended and supplemented from time to time;

(8) "Authorized Officer" means the Chairman, Vice Chairman, Chairman of the Finance Committee, the Treasurer, Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director, the Counsel of the Corporation and any other person authorized by resolution of the Corporation to perform the act or sign the document in question;

(9) "Bond Resolutions" means the First General Bond Resolution and the Second General Bond Resolution;

(10) "City" means The City of New York;

(11) "Certificate", when used with reference to the Corporation, means a written instrument signed on behalf of the Corporation by an Authorized Officer;

(12) "Corporation" means the Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Corporation;

(13) "Dealer Agreement" means the Dealer Agreement authorized hereunder, in substantially the form presented at this meeting, dated October 17, 1983; among the Corporation and the Dealers, as the same may be amended and supplemented from time to time;

(14) "Dealers" means The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A., in their capacities under the Dealer Agreement;

(15) "First General Bond Resolution" means the General Bond Resolution of the Corporation adopted July 2, 1975, as amended and supplemented;

(16) "Holder" or any similar term, when used with reference to a Series 3 Note, means, in the case of Series 3 Notes payable to bearer, the party or person
who shall be the bearer of the Series 3 Note and in the case of registered Series 3 Notes, the party or person who shall be the registered owner of the Series 3 Note;

(17) "Issuing and Paying Agent" means the agent appointed by the Corporation pursuant to Section 206 hereof;

(18) "Letter of Credit" means the Irrevocable Letter of Credit dated October 17, 1983, in substantially the form presented at this meeting, to be issued by Citibank, N.A. in favor of the Agent pursuant to the Reimbursement Agreement;

(19) "Proceeds Account" means the account established by Section 402 hereof;

(20) "Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement authorized hereunder, in substantially the form presented at this meeting, dated as of October 17, 1983, between the Corporation and Citibank, N.A., as the same may be amended and supplemented from time to time;

(21) "Resolution" means this Resolution Authorizing Not in Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time;

(22) "Second General Bond Resolution" means the Second General Bond Resolution of the Corporation adopted November 25, 1975, as amended and supplemented;

(23) "Series 1 Note Resolution" means the Corporation's resolution entitled "Resolution Authorizing Not in Excess of $100,000,000 Notes Outstanding At Any Time", adopted June 3, 1982;

(24) "Series 1 Notes" means the evidences of indebtedness of the Corporation authorized under the Series 1 Note Resolution;

(25) "Series 3 Notes" means the evidences of indebtedness of the Corporation authorized hereunder;

(26) "State" means the State of New York.

SECTION 102. Authority for the Resolution. This Resolution is adopted in accordance with and pursuant to the Act, including, without limiting the generality of the foregoing, Section 3012(d) thereof.
SECTION 103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Series 3 Notes authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Corporation and each of the Holders from time to time of the Series 3 Notes; and the covenants and agreements herein set forth to be performed on behalf of the Corporation shall be for the equal benefit, protection and security of the Holders of any and all of the Series 3 Notes all of which, regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of the Series 3 Notes over any other except as expressly provided in or permitted by this Resolution.
ARTICLE II

AUTHORIZED, TERMS AND ISSUANCE OF SERIES 3 NOTES

SECTION 201. Authorization of Issue of Series 3 Notes.
Series 3 Notes in an unlimited aggregate principal amount are hereby authorized to be issued for the purposes set forth in Section 204 hereof, provided that the principal of and interest to accrue to maturity on all Series 3 Notes outstanding at any time shall not at any time exceed $100,000,000. For purposes of the foregoing sentence, no Series 3 Note shall be deemed to be outstanding on its date of maturity to the extent that one or more Series 3 Notes, the proceeds of which are to be used to reimburse Citibank, N.A. for amounts drawn under the Letter of Credit by the Agent to pay such Series 3 Note, have been sold on such day. In addition, no Series 3 Note shall be deemed outstanding hereunder if, after the final maturity date of such Series 3 Note, sufficient funds for the payment of such Series 3 Note are held by the Issuing and Paying Agent in the Commercial Paper Note Account established under the Agency Agreement. The Series 3 Notes shall otherwise be subject to the terms, conditions and limitations provided or referred to herein, in the Agency Agreement and in the Act. The Series 3 Notes herein authorized to be issued are not Bonds, Notes or Other Obligations within the meaning of either of the Bond Resolutions or bonds within the meaning of the Act. The Series 3 Notes shall not be a debt of either the State or the City, and neither the State nor the City shall be liable thereon nor shall they be payable out of any funds other than those of the Corporation.

SECTION 202. General Terms of the Series 3 Notes. The Series 3 Notes herein authorized shall be in the denomination of $250,000 or any larger denomination that is an integral multiple of $5,000 as determined by an Authorized Officer, shall be dated the date of their delivery from time to time hereunder and shall be numbered consecutively from 1 upwards in order of their issuance, prefixed by the designation CP-3-. The Series 3 Notes may be issued in bearer form or in fully registered form. The Series 3 Notes shall mature on such dates and in such years (but not later than July 1, 1987) as shall be determined by an Authorized Officer; provided that the term of any Note shall not exceed 270 days. The Series 3 Notes shall be entitled to the benefits of the Letter of Credit, under which Citibank, N.A. has agreed to pay an amount equal to principal of and interest on the Series 3 Notes, upon demand by the Agent in accordance with the Letter of Credit. The Series 3 Notes shall be payable at the office of Citibank, N.A. at 20 Exchange Place in New York, New York, in any coin or currency of the United States of America which shall then be legal tender for the payment of public and private debts. The Series 3 Notes shall not be subject to redemption prior to maturity.
Each Series 3 Note shall be deemed to bear interest at a rate per annum equal to the product (converted to a percentage) of (a) a fraction the numerator of which is the difference between the purchase price of such Series 3 Note and the total amount payable on the maturity of such Series 3 Note and the denominator of which is the total amount payable on the maturity of the Series 3 Note and (b) a fraction the numerator of which is 360 and the denominator of which is the number of days (calculated on an actual calendar day basis) from the date of such Series 3 Note to its maturity.

The Series 3 Notes shall not bear interest at a rate in excess of the maximum rate then permitted by applicable law.

SECTION 203. Obligation of Series 3 Notes. Each of the Series 3 Notes shall be a direct and general obligation of the Corporation, and the full faith and credit of the Corporation are hereby pledged to the payment of the Series 3 Notes. Nothing herein or in the Series 3 Notes shall be construed to create a charge or lien or right prior or equal to the charges or liens created by the Bond Resolutions and the Act, or prior or equal to the rights of the holders of any Bonds, Notes or Other Obligations (as such terms are defined in the First General Bond Resolution) or Bonds (as such term is defined in the Second General Bond Resolution) issued or to be issued under either of the Bond Resolutions or with respect to moneys pledged under either of the Bond Resolutions or with respect to proceeds from the Sales Tax or the Stock Transfer Tax or the Per Capita Aid (as such terms are defined in the Bond Resolutions) to be apportioned and paid to the Corporation in accordance with the Act. The Corporation reserves the right to issue evidences of indebtedness under other separate resolutions other than such Bonds, Notes or Other Obligations payable from such Sales Tax, Stock Transfer Tax or Per Capita Aid and the right to payment of the holders of such evidences of indebtedness from such sources may, in the discretion of the Corporation, be superior to the rights, if any, of the Holders of the Series 3 Notes to be paid on the Series 3 Notes from such sources. The Corporation reserves the right to issue other evidences of indebtedness payable from sources other than as set forth in the prior sentence the holders of which may have a right to payment from such sources prior to the rights of the Holders of the Series 3 Notes to be paid on such Series 3 Notes from such sources. Pursuant to the Act, any provision in the Act, this Resolution or in the Series 3 Notes relating to taxes imposed under Article 12 or Sections 1107 or 1108 of the tax law of the State or to the funds created by Sections 92-b, 92-d or 92-e of the State finance law shall be deemed executory only to the extent of the moneys available to the State, and no liability on account thereof shall be incurred by the State beyond such moneys.
SECTION 204. Application of Proceeds. The Series 3 Notes are being issued, and the proceeds of sale of any Series 3 Notes shall be applied, for any or all of the following purposes as directed by an Authorized Officer: (a) to make payment to the City upon certification by the Mayor of the City to the Corporation that such payment is required by the City to pay for items permitted to be included in the City's capital budget during the fiscal year in which the amount is to be paid, provided that no Series 3 Notes shall be issued for this purpose after December 31, 1984; (b) to pay or provide for payment of the Series 1 Notes at their maturity; (c) to pay Citibank, N.A., pursuant to the Reimbursement Agreement, on the date on which such bank shall pay any amount to the Agent under the Letter of Credit for payment of Series 3 Notes, a sum equal to the amount so paid under the Letter of Credit, thereby refunding the Series 3 Notes within the meaning of the Act, and (d) to pay to Citibank, N.A. the principal of and interest on the Note (as defined in the Reimbursement Agreement).

SECTION 205. Issue and Sale of Series 3 Notes. Series 3 Notes may be sold and issued under the terms of this Resolution whenever an Authorized Officer shall prescribe the terms of such Series 3 Notes (including whether such Series 3 Notes shall be payable to bearer or issued in registered form, the total amount payable on the maturity of such Series 3 Notes, the yield of such Series 3 Notes, the purchase prices of the Series 3 Notes, the dates of such Series 3 Notes and the maturity dates thereof and whether such Series 3 Notes constitute Series 1 Funding Notes, Refunding Notes or General Funding Notes, as such terms are defined in the Agency Agreement) and the sale or issuance thereof by the Issuing and Paying Agent, all pursuant to Section 202 hereof and the Agency Agreement. Such directions prescribing the terms of the Series 3 Notes may be given orally, but in such event an Authorized Officer of the Corporation shall deliver to the Issuing and Paying Agent written confirmation of such prescribed terms within 24 hours (unless advice shall be given by EDP terminal or telex, in which event such EDP message or telex shall be considered written instructions). Any Authorized Officer is hereby authorized to cause the Issuing and Paying Agent to countersign the Series 3 Notes but the Issuing and Paying Agent shall deliver such Series 3 Notes to the purchasers thereof only upon delivery of the following:

(1) A Certificate of an Authorized Officer stating that, as of the date of delivery of and payment for such Series 3 Notes:

(a) all the proceeds of such Series 3 Notes will be paid, deposited or applied in the manner provided in the Resolution;
(b) all action on the part of the Corporation necessary for the valid issuance of the Series 3 Notes then to be issued with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of such Series 3 Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with, and that such Series 3 Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution and that interest or original issue discount on the Series 3 Notes is exempt from Federal, State and City income taxes;

(c) no Event of Default under the Resolution has occurred and is continuing as of the date of such certificate;

(d) the Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date of such certificate; and

(e) no default in the payment of the principal of or interest on any of the Outstanding Bonds, Notes (if any) or Other Obligations (if any) (as defined in the Bond Resolutions) has occurred, and no event of default or event which with notice or lapse of time, or both, would constitute an Event of Default (as defined in the Bond Resolutions) has occurred and is continuing.

SECTION 206. Appointment of Issuing and Paying Agent. Citibank, N.A., New York, New York, is hereby appointed Issuing and Paying Agent, and any Authorized Officer is hereby authorized to enter into the Agency Agreement, in substantially the form submitted to this meeting with such changes, insertions and omissions as may be approved by an Authorized Officer, the execution of the Agency Agreement to be conclusive evidence of such approval.

SECTION 207. Transfer of Series 3 Notes. The Corporation and the Issuing and Paying Agent may treat the Holder of any Series 3 Note as the absolute owner of such Series 3 Note for the purpose of receiving payment thereof and for all other purposes, and neither the Corporation nor the Issuing and Paying Agent shall be affected by any notice or knowledge to the contrary.

SECTION 208. Series 3 Notes Mutilated, Lost, Destroyed or Stolen. If any Series 3 Note shall become mutilated, the Corporation, at the expense of the Holder of said Series 3 Note,
shall execute and deliver a new Series 3 Note of like tenor and number in exchange and substitution for the Series 3 Note so mutilated, but only upon surrender to the Corporation of the Series 3 Note so mutilated. If any Series 3 Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Corporation and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Corporation, at the expense of the owner, shall execute and the Issuing and Paying Agent shall countersign and deliver a new Series 3 Note of like tenor in lieu of and in substitution for the Series 3 Note so lost, destroyed or stolen. Neither the Corporation nor the Issuing and Paying Agent shall be required to treat both the original Series 3 Note and any duplicate Series 3 Note as being outstanding for the purpose of determining the amount of Series 3 Notes which may be issued hereunder, but both the original and the duplicate Series 3 Note shall be treated as one and the same.

SECTION 209. Authorization of Sale and Distribution of Offering Statement. The Series 3 Notes shall be sold to the purchasers thereof in accordance with the terms and conditions of the Agency Agreement and the Dealer Agreement, and the Issuing and Paying Agent is hereby directed and authorized to deliver the Series 3 Notes to the purchasers thereof upon the direction of an Authorized Officer, in accordance with the terms of the Dealer Agreement and the Agency Agreement. Any Authorized Officer is hereby authorized to issue a Commercial Paper Memorandum or other offering statement, in the name and on behalf of the Corporation, containing such information concerning the Series 3 Notes, the Corporation and its financial condition and such other information as the Authorized Officer executing the same shall approve. The Corporation hereby approves the use of any such offering statement in connection with the sale of the Series 3 Notes.

SECTION 210. Authorization of Reimbursement Agreement, Amended and Restated Security Agreement and Dealer Agreement. The execution and delivery of the Reimbursement Agreement, the Amended and Restated Security Agreement and the Dealer Agreement, substantially in the forms submitted to this meeting, are hereby authorized. Any Authorized Officer is hereby authorized to execute and deliver the Reimbursement Agreement, the Amended and Restated Security Agreement and the Dealer Agreement with such changes, insertions and omissions as may be approved by an Authorized Officer, the execution of the Reimbursement Agreement, the Amended and Restated Security Agreement and the Dealer Agreement to be conclusive evidence of such approval.
ARTICLE III

FORM AND EXECUTION OF SERIES 3 NOTES

SECTION 301. Form of Series 3 Notes. The Series 3 Notes shall be in substantially the form attached hereto as Exhibit A.

SECTION 302. No Recourse on Series 3 Notes. No recourse shall be had for the payment of the Series 3 Notes or for any claim based thereon or on this Resolution against any member or officer of the Corporation or any person executing the Series 3 Notes and neither the Directors nor any other person executing the Series 3 Notes shall be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 303. Execution and Validation of Series 3 Notes. Pursuant to the provisions of Section 3012(1) of the Act, the Chairman of the Corporation is hereby authorized and directed to execute by his manual or facsimile signature the Series 3 Notes in the name of the Corporation and the corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary or an Assistant Secretary of the Corporation is hereby authorized and directed to attest by her manual or facsimile signature the execution of the Series 3 Notes.

The Issuing and Paying Agent is hereby authorized to authenticate by manual or facsimile signature the Series 3 Notes and deliver the same to the purchasers upon the order of the Corporation, in such amounts and at such times as the Issuing and Paying Agent shall be directed by an Authorized Officer in accordance with the terms of the Agency Agreement and the Dealer Agreement. Such directions may be given orally, but in such event, an Authorized Officer shall confirm such directions to the Issuing and Paying Agent in writing (unless advice shall be given by EDP terminal or telex, in which event such EDP message or telex shall be considered written instructions).
ARTICLE IV

USE OF PROCEEDS AND ESTABLISHMENT OF ACCOUNTS

SECTION 401. Use of Proceeds. The proceeds of sale of the Series 3 Notes shall be applied by Citibank, N.A. in accordance with the provisions of the Agency Agreement and the directions of an Authorized Officer pursuant to Section 205 hereof. The proceeds of sale of the Series 3 Notes constituting Series 1 Funding Notes (as defined in the Agency Agreement) shall, in accordance with Section 404 hereof, be applied to the payment of the Series 1 Notes. The proceeds of sale of the Series 3 Notes constituting Refunding Notes (as defined in the Agency Agreement) shall be deposited in the Letter of Credit Account established under the Agency Agreement, in order to reimburse Citibank, N.A. for amounts drawn by the Agent under the Letter of Credit to pay principal of and interest on the Series 3 Notes. The proceeds of sale of the Series 3 Notes constituting General Funding Notes (as defined in the Agency Agreement) shall be applied in accordance with Section 402 hereof. Notwithstanding anything in this Resolution to the contrary, the proceeds of sale of any Series 3 Note may be applied to any one or more of the foregoing purposes in accordance with the Agency Agreement.

SECTION 402. Establishment of Proceeds Account. There is hereby established the Proceeds Account to be held and maintained by a bank or trust company designated in a certificate of an Authorized Officer, for the account of the Corporation. There shall be deposited into the Proceeds Account the proceeds of the sale of the Series 3 Notes which constitute General Funding Notes (as defined in the Agency Agreement). Amounts in the Proceeds Account may be applied at the direction of an Authorized Officer in accordance with Section 204 hereof, and pending such application, such amounts are hereby pledged to the Holders of the Series 3 Notes for the payment of the Series 3 Notes.

SECTION 403. Payments from Proceeds Account. Moneys on deposit in the Proceeds Account may be withdrawn at the direction of an Authorized Officer for any purpose set forth in Section 204 hereof, provided however, that pending expenditure of the moneys as herein directed, such moneys may be invested upon direction of an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when moneys in such Proceeds Account 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 of and interest on 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 one
or combination 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, the State, the City, any agency of
the United States of America or the State or the City and any
obligations the principal of and interest on which are guaranteed
by the City, which may then be purchased with funds belonging to
the State or held in the State treasury or in lieu of investment
in any such obligations, such moneys may be deposited in
interest-bearing time deposits or may be invested through the
means of any other similar investment arrangement including, but
not limited to, repurchase agreements covering obligations of
issuers enumerated as authorized for investments with a member
bank or banks of the Federal Reserve System or banks the deposits
of which are insured by the Federal Deposit Insurance Corporation
or securities dealers approved by an Authorized Officer;
provided, that each such interest-bearing time deposit or other
similar investment arrangement shall permit the moneys so placed
to be available for use at the times provided with respect to the
investment or reinvestment of such moneys; and provided further,
that all moneys in each such interest-bearing time deposit or
other similar investment arrangement shall be continuously and
fully secured by obligations of issuers enumerated as authorized
for investments hereinbefore, of a market value equal at all
times to the amount of the deposit or of the other similar
investment arrangement.

No part of the proceeds of sale of any Series 3 Notes
shall be used directly or indirectly to acquire any securities or
obligations the acquisition of which would cause any Series 3
Note to be an "arbitrage bond" as defined in subsection (c)(2) of
Section 103 of the Internal Revenue Code of 1954 [Title 26 of the
United States Code] as then in effect and to be subject to
treatment under subsection (c)(1) of said section as an
obligation not described in subsection (a) of said section.

Any person executing any such investment as agent of the
Corporation shall not be personally liable or responsible for the
making of any investment authorized by the provisions of this
Section, in the manner provided in this Section, or for any loss
resulting from any such investment.

SECTION 404. Payment Account. The proceeds of sale of
the Series 3 Notes which constitute Series 1 Funding Notes (as
defined in the Agency Agreement) shall be deposited in the Payment Account established by Section 403 of the Series 1 Note Resolution. There shall also be deposited into such account such amounts as the Corporation may elect to deposit in such account.

SECTION 405. Pledge Effectuated by Resolution. There is hereby pledged for the payment of the Series 3 Notes in accordance with the provisions of this Resolution, the account established pursuant to Section 402 hereof (subject to disbursements thereof as herein provided) and such payment received by the Corporation for payment of the Series 3 Notes in accordance with paragraph 6 of Section 92-d or paragraph 5 of Section 92-e of the State Finance Law (constituting Chapter 56 of the Consolidated Laws of the State of New York), to the extent the same are not subject to any lien and pledge created by either of the Bond Resolutions or by any other resolution of the Corporation granting to the holders of its obligations a right to such payments superior to the rights of Holders of the Series 3 Notes. The pledge created by this Resolution is subordinate to the liens on and pledges of the Revenues (as defined in each of the Bond Resolutions) and to any other pledge of and lien on any Revenues, moneys, and securities created by the Bond Resolutions. Any pledge or application of amounts to the payment of the Series 3 Notes is and shall be in all respects subordinate to the provisions of the Bond Resolutions and to the provisions of any series resolution under either of the Bond Resolutions or other resolution of the Corporation authorizing the issuance of any Bonds, Notes or Other Obligations (as such terms are defined in the First General Bond Resolution) or Bonds (as such term is defined in the Second General Bond Resolution) issued or to be issued thereunder and the liens and pledges created thereby. Subject to the limitations described herein and the application of the moneys in the Proceeds Account as provided in Section 403 hereof, the moneys and securities hereby pledged and hereafter received shall immediately be subject to the lien of the pledge effectuated hereunder without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof and, pursuant to the Act, irrespective of whether this Resolution pursuant to which this pledge is created is recorded or filed to protect such pledge; provided, however, that this Resolution shall be filed in the principal office of the Corporation.

SECTION 406. Authorization of Certification. The Chairman of the Corporation is hereby authorized to file with the Comptroller of the State a certificate specifying the required payment and the date when the payment is required in order to provide sufficient moneys for the Corporation to pay the Series 3 Notes in accordance with said Sections 92-d and 92-e of the State
Finance Law and the Act; provided, however, that in such certificate he shall include a statement to the effect that any such payment is subject and subordinate to and after payments required under such certificate, including any revisions thereof, filed by the Chairman pursuant to the provisions of Section 607 of each of the Bond Resolutions or pursuant to the provisions of any other resolution of the Corporation authorizing obligations with a right to payment from such sources superior to the right of payment of the Series 3 Notes from such sources. The Corporation shall be under no obligation to certify such amounts, and any failure to so certify shall not be a default hereunder. No amount of any payment from the State shall be used by the Corporation to pay maturing Series 3 Notes unless all payments required pursuant to the Bond Resolutions, including Sections 3036 and 3036-a of the Act, have been received and deposited in the Debt Service Fund and/or the Bond Service Fund and/or the Capital Reserve Funds, as defined in and as required by the Bond Resolutions and the Act. Subject to the foregoing provisions of this Section, the Corporation shall pay the Holders of the Series 3 Notes with any amounts received by the Corporation in accordance with paragraph 6 of said Section 92-d and/or paragraph 5 of said Section 92-e of the State Finance Law as certified by the Chairman of the Corporation as required to pay the Series 3 Notes.

SECTION 407. Non-Presented Series 3 Notes. Any monies held by the Issuing and Paying Agent for the Holders of matured Series 3 Notes which shall remain unclaimed by such Holders for a period of one year after the date on which such Series 3 Notes shall have matured, shall be paid to the Corporation upon the written request of the Corporation to the Issuing and Paying Agent, in accordance with the Agency Agreement.
ARTICLE V

COVENANTS

SECTION 501. Covenants. The Corporation hereby particularly covenants and agrees with the Holders of the Series 3 Notes, and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose as follows:

(A) The Corporation shall duly and punctually pay or cause to be paid the Series 3 Notes, at the date and place and in the manner mentioned in the Series 3 Notes.

(B) Upon the date of issuance of the Series 3 Notes, all conditions, acts and things required by the Constitution or statutes of the State or the United States of America or this Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Series 3 Notes shall exist, have happened and have been performed and such Series 3 Notes, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by said Constitution or statutes.

(C) The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Resolution in accordance with the terms of such provisions.
ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

SECTION 601. Events of Default. If default shall be made in the due and punctual payment of any Series 3 Note when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise; then and in every such event, any Holder of any Series 3 Note at the time outstanding may, by notice to the Corporation, declare the principal of such Holder's Series 3 Note, and the interest deemed to have accrued thereon, to be due and payable immediately, whereupon the same shall become and shall be immediately due and payable, anything in this Resolution or in the Series 3 Notes contained to the contrary notwithstanding.

SECTION 602. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Holder of any Series 3 Note at the time outstanding shall be entitled to proceed to protect and enforce such Holder's rights by such appropriate judicial proceeding as such Holder shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Resolution, or in aid of the exercise of any power granted in this Resolution, or to enforce any other legal or equitable right vested in the Holders of Series 3 Notes by this Resolution or the Series 3 Notes or by law. The provisions of this Resolution shall be a contract with each and every Holder of Series 3 Notes and the duties of the Corporation shall be enforceable by any such Holder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

SECTION 603. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders of Series 3 Notes is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Holder of any one or more of the Series 3 Notes.
ARTICLE VII
MISCELLANEOUS

SECTION 701. **Defeasance.** If the Corporation shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 3 Notes, all amounts due on the Series 3 Notes at the time and in the manner stipulated herein, then all covenants, agreements and other obligations of the Corporation hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, and the Series 3 Notes shall no longer be deemed to be outstanding hereunder. If (i) moneys or (ii) obligations of the United States of America, the principal of and interest on which if paid, when due, will provide moneys sufficient to pay the Series 3 Notes when due shall have been set aside and shall be held by a bank or trust company in the State of New York having a capital and surplus of not less than $25,000,000, in a separate account irrevocably in trust for and assigned to the Holders thereof (through deposit by the Corporation of funds or obligations for such payment or otherwise), the Series 3 Notes shall be deemed to have been paid within the meaning and with the effect expressed in this paragraph. Moneys so set aside and held may be invested in obligations of the United States of America, provided however, that said obligations shall mature not later than the maturity date of the Series 3 Notes and shall be scheduled to pay the principal of or interest on such obligations at such time and in such amounts as shall permit the payment of the Series 3 Notes when due. All earnings from the investment of such moneys other than as shall be deemed necessary to pay the Series 3 Notes shall be paid over to the Corporation, as received by such bank or trust company, free and clear of any trust, lien or pledge.

SECTION 702. **Supplemental Resolutions.** The Corporation may modify or amend this Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, but only to make such provisions as shall not adversely affect the interests of the Holders of the Series 3 Notes.

SECTION 703. **Agreement of the State.** In accordance with the provisions of Section 3015 of the Act, the Corporation hereby includes in this Resolution the pledge and agreement of the State with the Holders of the Series 3 Notes 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 Noteholders, or in any way impair the rights and remedies of such Holders until the Series 3 Notes, 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.
SECTION 704. Authorized Officer. The Chairman, Vice Chairman, Chairman of the Finance Committee, Executive Director, Deputy Executive Director, Treasurer, Counsel, Secretary and Assistant Secretary of the Corporation are each hereby authorized to deliver and execute in the name and on behalf of the Corporation any certificate, opinion, record or other document required by or authorized pursuant to this Resolution or which they may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Series 3 Notes and otherwise to effectuate the purposes of this Resolution.
EXHIBIT A TO RESOLUTION
(FORM OF NOTE)

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

NOTE

ISSUE DATE:
PURCHASE PRICE:
MATURITY DATE:
MATURITY DATE PAYMENT:
YIELD ON ISSUE DATE:

The Municipal Assistance Corporation For The City of New York ("Corporation") acknowledges itself indebted to and for the PURCHASE PRICE received, hereby promises to pay on the MATURITY DATE to the MATURITY DATE PAYMENT at Citibank, N.A., 20 Exchange Place, New York, N.Y.

Pursuant to 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, any provision therein or in this Note relating to taxes under Article 12 or Sections 1107 or 1108 of the Tax Law or to the funds created by Sections 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State of New York ("State") in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

This Note is issued pursuant to the note resolution adopted by the Corporation on September 29, 1983 ("Note Resolution"), and is one of an authorized issue of Notes ("Notes") in an unlimited aggregate principal amount, provided that the principal of and interest to accrue to maturity on all such Notes outstanding at any time shall not at any time exceed $100,000,000. Copies of the Note Resolution and the Letter of Credit (hereinafter defined) are on file with and available for inspection at Citibank, N.A., at the above address and at the office of the Corporation, and reference is made to the Note Resolution for the provisions relating, among other things, to the terms of and security for the Notes, the rights and remedies of the holders of the Notes and the terms and conditions upon which the Notes are issued and may be issued thereunder.
The holder of this Note is entitled to the benefits of an irrevocable letter of credit ("Letter of Credit") issued in favor of United States Trust Company of New York, as agent (the "Agent") for the holders from time to time of the Corporation's Series 3 Commercial Paper Notes, of which this Note is one, at the request of the Corporation, under which Citibank, N.A. has agreed to pay a sum equal to, the MATURITY DATE PAYMENT, upon demand by the Agent in accordance with the Letter of Credit.

This Note shall not be a debt of either the State or The City of New York ("City"), and neither the State nor the City shall be liable thereon, nor shall this Note be payable out of any funds other than those of the Corporation.

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

This Note shall not be entitled to any security, right or benefit pursuant to the Note Resolution or the Letter of Credit or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by Citibank, N.A., the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Note Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Notes, 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 Note 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, all as of the ISSUE DATE.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By _____________________________
Chairman

[FACSIMILE SEAL]

Attest:

________________________________________
Secretary

OPINION DATE: OCTOBER __, 1983

NOT VALID UNLESS AUTHENTICATED

Authenticated:

CITIBANK, N.A.
Issuing and Paying Agent

By _____________________________
Authorized Signature

(Reverse of Form of Note)

(Approving Opinion of Bond Counsel)
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

BANK NOTE RESOLUTION

AUTHORIZING A BANK NOTE TO
CITIBANK, N.A. IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED
$100,000,000

Adopted September 29, 1983
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

BANK NOTE RESOLUTION
Authorizing A Bank Note to Citibank, N.A. in an
Aggregate Principal Amount Not to Exceed
$100,000,000

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*This Table of Contents was not part of the Bank Note Resolution as adopted.

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

Section 1. Definitions. As used in this Bank Note Resolution Authorizing a Bank Note to Citibank, N.A. In an Aggregate Principal Amount Not to Exceed $100,000,000, unless a different meaning clearly appears from the context:

(1) The terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Resolution, and the term "hereafter" means after the date of adoption of this Resolution;

(2) Words importing the singular number include the plural number and vice versa and words importing persons include firms, associations and corporations. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders;

(3) Any headings preceding the texts of the several Sections of this Resolution, and any table of contents shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect;

(4) "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 of the State, each as amended;

(5) "Bank" shall mean Citibank, N.A.;

(6) "Bank Note" shall mean the note of the Corporation to the Bank authorized hereunder, evidencing the indebtedness, if any, of the Corporation to the Bank under the Reimbursement Agreement;

(7) "Bond Resolutions" shall mean the First General Bond Resolution and the Second General Bond Resolution;

(8) "Corporation" shall mean the Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation;

(9) "First General Bond Resolution" shall mean the General Bond Resolution of the Corporation adopted July 2, 1975, as amended and supplemented;
(10) "Reimbursement Agreement" shall mean the Letter of Credit and Reimbursement Agreement, between the Corporation and the Bank dated as of October 17, 1983, in substantially the form submitted at this meeting;

(11) "Second General Bond Resolution" shall mean the Second General Bond Resolution of the Corporation adopted November 25, 1975, as amended and supplemented; and

(12) "State" shall mean the State of New York.

Section 2. Authorization of Bank Note. The Bank Note in an aggregate principal amount not to exceed $100,000,000 is hereby authorized to be issued pursuant to and subject to the terms, conditions, and limitations set forth herein, therein and in the Reimbursement Agreement, and the Corporation is hereby authorized to borrow money, in an amount not to exceed $100,000,000 at any time, from the Bank, in accordance herewith and with the Reimbursement Agreement. The Bank Note shall be payable to the order of the Bank in a principal amount not to exceed $100,000,000. The Bank Note shall otherwise be subject to the terms, conditions and limitations provided or referred to herein, in the Reimbursement Agreement and in the Act. The Bank Note herein authorized to be issued is not a Bond, Note or Other Obligation within the meaning of either of the Bond Resolutions or a bond within the meaning of the Act. The Bank Note shall not be a debt of either the State or the City, and neither the State nor the City shall be liable thereon nor shall it be payable out of any funds other than those of the Corporation.

Pursuant to the provisions of Article 10 of the Public Authorities Law of the State, any provisions in said Article or in this Bank Note Resolution relating to taxes imposed under Article 12 or Sections 1107 or 1108 of the tax law of the State or to the funds created by Sections 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

Section 3. Obligation of Bank Note. The Bank Note shall be a direct and general obligation of the Corporation, and the full faith and credit of the Corporation is hereby pledged to the payment of the Bank Note. Nothing herein or in the Bank Note shall be construed to create a charge or lien or right prior or equal to the charges or liens created by the Bond Resolutions and the Act, or prior or equal to the rights of the holders of any Bonds, Bank Notes or Other Obligations (as such terms are defined in the First General Bond Resolution) or Bonds (as such term is defined in the Second General Bond Resolution) issued or to be issued under either of the Bond Resolutions or with respect to
proceeds from the Sales Tax or the Stock Transfer Tax or the Per Capita Aid (as such terms are defined in the Bond Resolutions) to be apportioned and paid to the Corporation in accordance with the Act. The Corporation reserves the right to issue evidences of indebtedness under other separate resolutions other than such Bonds, Bank Notes or Other Obligations payable from such Sales Tax, Stock Transfer Tax or Per Capita Aid and the right to payment of the holders or owners of such evidences of indebtedness from such sources may, in the discretion of the Corporation, be superior to the rights, if any, of the holders of the Bank Note to be paid the principal of and interest on the Bank Note from such sources. The Corporation reserves the right to issue other evidences of indebtedness payable from sources other than as set forth in the prior sentence the holders or owners of which may have a right to payment from such sources prior to the right of the holders of the Bank Note to be paid on such Bank Note from such sources.

Section 4. Date of Bank Note. The Bank Note shall be dated as of the date of its delivery to the Bank in accordance with the Reimbursement Agreement.

Section 5. Maturity and Interest Rate. The Bank Note shall mature in substantially equal consecutive quarterly installments on the first day of each February, May and November and on each July 15, commencing on such date as is provided in Section 2.03 of the Reimbursement Agreement and in the Bank Note. The Bank Note shall bear interest at a fluctuating rate per annum calculated in accordance with Section 2.02 of the Reimbursement Agreement.

Section 6. Interest Payments. The Bank Note shall bear interest calculated as at the first day of each January, April and October and on each June 15 and payable in accordance with Section 2.02 of the Reimbursement Agreement.

Section 7. Redemption. The Bank Note may be prepaid at any time in a principal amount equal to or greater than $1,000,000, upon notice to the Bank, in accordance with the Reimbursement Agreement.

Section 8. Place and Medium of Payment. The Bank Note shall be payable in lawful money of the United States of America at the office of the Bank at 399 Park Avenue, New York, New York.

Section 9. Form of Bank Note. The Bank Note shall be in substantially the following form:
FORM OF BANK NOTE

BANK NOTE

$100,000,000

Dated: ________, 1983

FOR VALUE RECEIVED, the undersigned, MUNICIPAL
ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, a corporate
governmental agency and instrumentality of the State of New York
(the "Corporation"), HEREBY PROMISES TO PAY to the order of
Citibank, N.A. (the "Bank") the principal sum of One Hundred
Million Dollars ($100,000,000) or, if less, the aggregate
principal amount of all Advances (as defined below) made by the
Bank to the Corporation pursuant to the Reimbursement Agreement
(as defined below) outstanding on the Credit Termination Date (as
defined in the Reimbursement Agreement) in 20 substantially equal
consecutive installments on the first day of each February, May
and November and on each July 15 occurring during the five-year
period commencing on the Credit Termination Date; provided,
however, that the last such installment shall be in the amount
necessary to repay in full the unpaid principal amount of all
such Advances.

The Corporation promises to pay interest on the unpaid
principal amount of each Advance from the date of such Advance
until such principal amount is paid in full, at such interest
rates, and payable at such times, as are specified in the
Reimbursement Agreement.

Both principal and interest are payable in lawful money
of the United States of America to the Bank at 399 Park Avenue,
New York, New York 10043, in same day funds. All Advances made
by the Bank to the Corporation, and all payments made on account
of principal hereof, shall be recorded by the Bank and, prior to
any transfer hereof, endorsed on the grid attached hereto which
is a part of this Bank Note.

Pursuant to Titles I, II and III of Article 10 of the
Public Authorities Law (Chapter 43A of the Consolidated Laws of
the State of New York, as amended) any provision therein or in
this Bank Note relating to taxes imposed under Article 12 or
Section 1107 or 1108 of the Tax Law or to the funds created by
Section 92-b, 92-d or 92-e of the State Finance Law shall be
deemed executory only to the extent of the moneys available to
the State of New York (the "State") in such funds from time to
time and no liability on account thereof shall be incurred by the
State beyond the moneys available in such funds.

This Bank Note shall not be a debt of either the State
or The City of New York (the "City"), and neither the State nor
the City shall be liable hereon, nor shall this Bank Note be payable out of any funds other than those of the Corporation.

Neither the Directors of the Corporation nor any other person executing this Bank Note shall be subject to any personal liability or accountability by reason of the issuance thereof.

This Bank Note is the Note referred to in, and is entitled to the benefits of, the Letter of Credit and Reimbursement Agreement dated as of October 17, 1983 (the "Reimbursement Agreement") between the Corporation and the Bank, which Reimbursement Agreement, among other things, (i) provides for the issuance by the Bank of an irrevocable non-transferable letter of credit (the "Letter of Credit") in favor of the Agent (as defined in the Reimbursement Agreement) in the amount of $100,000,000 as such amount may be reduced pursuant to the terms of such Letter of Credit, (ii) provides that if the Bank shall make any payment under the Letter of Credit and the Corporation does not reimburse the Bank for its Reimbursement Obligation (as defined in the Reimbursement Agreement) with respect to such payment on the date upon which such payment is made, such Reimbursement Obligation shall constitute a term advance made by the Bank to the Corporation on the date and in the amount of such payment (an "Advance" and collectively "Advances"), the indebtedness of the Corporation to the Bank resulting from each such Advance being evidenced by this Bank Note, and (iii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for mandatory and optional prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By _______________________
Executive Director

(Seal)

Attest:

__________________________
Secretary

Section 10. Authorization of Certification. The Chairman of the Corporation is hereby authorized to file with the Comptroller of the State a certificate specifying the required payment and the date when the payment is required in order to provide sufficient moneys for the Corporation to pay the
principal of and interest on the Bank Note in accordance with Sections 92-d and 92-e of the State Finance Law and the Act; provided, however, that in such certificate he shall include a statement to the effect that any such payment is subject and subordinate to and after payments required under such certificate including any revisions thereof, filed by the Chairman pursuant to the provisions of any other resolution of the Corporation authorizing obligations with a right to payment from such sources superior to the right of payment of the Bank Note from such sources. The Corporation shall be under no obligation to certify for such amounts, and any failure to so certify shall not be a default hereunder. No amount of any payment from the State shall be used to pay the Bank Note unless all payments required pursuant to the Bond Resolutions, including Sections 3036 and 3036-a of the Act, have been received and deposited in the Debt Service Fund and/or the Bond Service Fund and/or the Capital Reserve Funds, as defined in and as required by the Bond Resolutions and the Act.

Section 11. **No Recourse on Bank Note.** No recourse shall be had for the enforcement of the Bank Note or for any claim based thereon or on this Resolution against any member or officer of the Corporation or any person executing the Bank Note and neither the Directors of the Corporation nor any other person executing the Bank Note shall be subject to any personal liability or accountability by reason of the making, execution or delivery thereof.

Section 12. **Execution of Bank Note.** The Executive Director of the Corporation is hereby authorized and directed to execute by his manual or facsimile signature the Bank Note 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 her manual or facsimile signature the execution of the Bank Note.

Section 13. **When Effective.** This Resolution shall become effective upon adoption.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

SECOND GENERAL BOND RESOLUTION

Adopted November 25, 1975
As Amended Through September 1, 1983
# Municipal Assistance Corporation for the City of New York

## Second General Bond Resolution

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SECOND 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, and as further amended by Chapters 868 and 870 of the Laws of 1975, 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 Second 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.

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

"Bondholders" or "Holder of Bonds" or "Holder" (when used with reference to Bonds) or any similar term, shall mean any person or party who shall be the bearer of any Outstanding Bond or Bonds registered to
bearer or not registered or the registered owner of any Outstanding Bond or Bonds which shall at the time be registered other than to bearer and "Holder" (when used with reference to coupons) shall mean any person who shall be the bearer of such coupons.

"Capital Reserve Fund" means the fund by that name established by Section 602.

"Capital Reserve Fund Requirement" shall mean, as of any date of calculation, the amount referred to as the capital reserve fund requirement in subdivision 4 of Section 3036-a of the Act, including, as provided in Section 901 hereof, for such purposes any unpaid and matured amounts of principal and interest on the Bonds, or such larger amount as may hereafter be authorized pursuant to the Act as amended from time to time.

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

"City" shall mean The City of New York.

"Corporation" shall mean the Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Corporation.

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

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

"First General Bond Resolution" shall mean the General Bond Resolution adopted by the Corporation on July 2, 1975 as heretofore and hereafter supplemented in accordance with the terms thereof.
"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Governor" shall mean the Governor of the State.

"Mayor" shall mean the Mayor of the City.

"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 the First General Bond Resolution or otherwise.

"Operating Fund" shall mean the fund by that name established by Section 602 of the First General Bond Resolution.

"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.

"Outstanding Note Resolutions" shall mean the note resolutions adopted by the Corporation on September 15, 1975 and November 17, 1975.

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

“Per Capita Aid” shall mean the amounts of per capita aid payable to the City pursuant to Section 54 of the State Finance Law as the same may be amended from time to time.

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

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

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

“Revenues” shall mean all payments to the Corporation pursuant to Sections 3036 and 3036-a of the Act except any payments to the Corporation for credit to the Operating Fund.

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

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

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

“Series Resolution” shall mean a resolution of the Corporation authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof adopted by the Corporation in accordance with Article X.
"Sinking Fund Installment" shall mean as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution, pursuant to which such Bonds were issued, to be paid at all events by the Corporation on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future July 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.

"Special Aid Account" shall mean the special account created for the Corporation in the State Aid Fund.

"State" shall mean the State of New York.

"State Aid Fund" shall mean the Municipal Assistance State Aid Fund established pursuant to Section 92-e of the State Finance Law.

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

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

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

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

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.
The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Resolution, refer to this Resolution.

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

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

The Corporation covenants that it will issue no obligations pursuant to the Resolution the payment of which is guaranteed pursuant to the New York City Loan Guarantee Act of 1978, P.L. 95-399 (the "Guarantee Act"). The Corporation further covenants that it will issue no obligations pursuant to any other resolution the payment of which is guaranteed pursuant to the Guarantee Act unless, prior to the issuance of such guaranteed obligations, the Secretary of the Treasury of the United States has waived as to all obligations of the Corporation pursuant to Section 105(e) of the Guarantee Act any priority granted to the United States of America to payment on any debt owed to it by Section 3466 of the Revised Statutes of the United States of America.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

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

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

Any provision hereof relating to the Stock Transfer Tax, the Sales Tax, or Per Capita Aid, or the funds created by Sections 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State in such funds from time to time and no liability on account thereof shall be incurred by the State beyond moneys available in such funds.

202. *Provisions for Issuance of Bonds.* 1. The issuance of the Bonds shall be authorized by a Series Resolution or Series Resolutions of the Corporation adopted subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall 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 or exchange of the Bonds of such Series and for the delivery thereof;

(9) The form or forms of the Bonds of such Series and the coupons to be attached to the coupon Bonds, if any, of such Series and of the Trustee's certificate of authentication;

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

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

2. All of the Bonds of such Series shall be executed by the Corporation for issuance under the Resolution and delivered to the Trustee and thereupon shall from time to time and in such amounts as directed by the Corporation be authenticated by the Trustee and by it delivered to the Corporation or upon its order, but only upon the receipt by the Trustee of:

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

(2) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Corporation;

(3) A copy of the Series Resolution authorizing such Bonds, certified by an Authorized Officer of the Corporation;

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

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

3. No Series of Bonds, other than any Series of Bonds authorized by one or more Series Resolutions adopted prior to November 30, 1975, issued under the Resolution shall be authenticated and delivered by the Trustee 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 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 such other taxes shall be taken into account in such certification by increasing or decreasing the estimated amount of Sales Tax, Stock Transfer Tax or such other taxes to be levied and collected. In the event the Sales Tax or such other taxes have not been in effect for 12 calendar months said Commissioner shall use, respectively, collections of the sales and compensating use taxes previously imposed by the City or collections of the tax similarly based to the other taxes referred to above if such tax was previously imposed by the City, as the amount to be certified in lieu of actual collections of the Sales Tax or other taxes, for those months the Sales Tax or other taxes were not in effect;

(2) A certificate of the State Comptroller or the State Director of the Budget setting forth the estimated amount of Per Capita Aid available to be apportioned and paid (or to the extent previously apportioned and paid, the actual amount so apportioned and paid and the estimated amount, if any, available to be apportioned and paid) into the Special Aid Account for the fiscal year of the State during which such Series of Bonds are issued, provided, however, that for the fiscal year of the State ending March 31, 1976, such certificate shall set forth the amount actually apportioned and paid to the City;

(3) A certificate by an Authorized Officer setting forth (a) the maximum amount of principal and interest maturing or otherwise coming due in the current or any succeeding Fiscal Year on any outstanding obligations issued pursuant to the First General Bond Resolution and the Outstanding Note Resolutions (b) 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, for each Fiscal Year and (c) the aggregate amount of Operating Expenses as estimated by an Authorized Officer for the current Fiscal Year; and

(4) A certificate by an Authorized Officer stating that the aggregate of the amounts set forth pursuant to paragraphs (1) and (2) above after deducting the amount set forth pursuant to para-
paragraph (3)(a) above and the Operating Expenses set forth pursuant to paragraph (3)(c) above, will be at least 1.2 times such aggregate amount set forth in (3)(b) above for each Fiscal Year set forth pursuant to paragraph (3)(b) above.

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 United States of America and moneys shall be held in trust and used only as provided in said subsection 2; and

(d) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compli-
204. **Additional Obligations.** The Corporation reserves the right to issue bonds, notes or any other obligations, under another and separate resolution so long as the same are not entitled to a charge or lien or right prior or equal to the charge or lien created by, or prior or equal to the rights of the Corporation and Holders of the Bonds provided by, this Resolution and the Act, or with respect to the monies pledged under the Resolution or with respect to proceeds from the Per Capita Aid, the Sales Tax or the Stock Transfer Tax or the sources set forth in the Act, provided however, that, except as otherwise provided in Section 909 hereof the foregoing shall not limit any right, including the right to issue additional obligations, which the Corporation has on the date of adoption of this Resolution under the First General Bond Resolution.

**ARTICLE III**

**GENERAL TERMS AND PROVISIONS OF BONDS**

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

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

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

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 July 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 July 1 and January 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 January 1 or July 1.

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

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

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

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

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

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

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

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

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

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

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

The Corporation and the Trustee may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes whatsoever, 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, provided however, the Trustee is authorized to retain any coupon Bond so surrendered and to re-issue any Bond so retained with unmatured coupons representing interest to become due attached thereto in exchange for a registered Bond or Bonds in accordance with the provisions of Section 304 hereof (any Bond or coupons so retained by the Trustee shall not be deemed Outstanding while so retained). For every such exchange or transfer of Bonds, whether temporary or definitive, 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. Notwithstanding any other provision of this Resolution, the cost of preparing each new coupon Bond or registered Bond upon each exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Corporation as an Operating Expense. The Corporation shall not be obliged to make any
such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an interest payment date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, next preceding the date of the selection of Bonds to be redeemed.

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

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

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

ARTICLE IV
REDEMPTION OF BONDS

401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon published notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.

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

403. Redemption Other Than at Corporation's Election or Direction. Whenever by the terms of this Resolution the Trustee is required to redeem Bonds other than at the election or direction of the Corporation, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, together with interest accrued to the redemption date, to itself and the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, the provisions of Section 605.

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

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

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

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

(2) Accrued interest, if any, received upon the delivery of such Series of Bonds shall be deposited in the Bond Service Fund unless such amount is to be otherwise applied as provided in the Series Resolution authorizing such Series. 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 Effected by the Resolution. The proceeds of sale of the Bonds, the Revenues, and all funds established by the Resolution, and other monies and securities referred to herein (other than monies and securities in the Operating Fund) are hereby pledged for the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The pledge created by this Resolution, insofar as it relates to revenues, monies and securities and funds pledged either under the First General Bond Resolution or the Outstanding Note Resolutions is, and is hereby expressly declared to be, subordinate in all respects to the pledge of such revenues, monies and securities and funds created by the First General Bond Resolution or the Outstanding Note Resolutions. This pledge shall be valid and binding from and after the time of adoption of this Resolution, and the proceeds of sale of the Bonds, the Revenues as received by the Corporation, all funds and other monies and securities herein pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof.
602. Establishment of Funds. The following funds are hereby established:

(1) Bond Service Fund, to be held by the Trustee,
(2) Capital Reserve Fund, to be held by the Trustee.

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

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

605. Bond Service Fund.

1. The Trustee shall on or before the business day preceding each interest payment date for any of the Bonds pay, out of the amounts then held in the Bond Service Fund, to itself and the Paying Agents, the amounts respectively required for the payment of principal, Sinking Fund Installments, if any, and Redemption Price of, if any, and interest on any Bonds due and payable on such date, 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 Bond 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 Bond Service Fund such amounts as will increase the amount in the Bond 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 Install-
ment 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 Bond 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 Bond 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 July of any year but in no event less than forty-five (45) days prior to the succeeding first day of July on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with monies in the Bond Service Fund, at a price not in excess of par, plus unpaid interest accrued to the date of such purchase, Term Bonds payable from such Sinking Fund Installment and any Term Bonds so purchased prior to the first day of July shall be cancelled by the Trustee and evidence of such cancellation shall be given to the Corporation 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 July.

606. Capital Reserve Fund.

1. The Corporation shall deposit into the Capital Reserve Fund (i) all monies paid to the Corporation pursuant to subdivisions 1, 2 and 3 of Section 3036-a of the Act for the purpose of maintaining or restoring the amount in the Capital Reserve Fund to the amount of the Capital Reserve Fund Requirement; (ii) such portion of the proceeds of sale of Bonds, if any, as shall be prescribed by Series Resolution; and (iii) any other monies which may be made available to the Corporation for the purposes of the Capital Reserve Fund from any other source or sources.

2. Monies and securities held for the credit of the Capital Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Bond Service Fund at the times and in the amounts required to comply with the provisions of paragraph 2 of Section 605. At any time after December 31, 1980, monies and securities in the Capital Reserve Fund in excess of the Capital Reserve Fund Requirement, upon direction of the Corporation, may be withdrawn by the Trustee and deposited to the credit of the Bond Service Fund.
3. In order further to assure the maintenance of the Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement and in compliance with the requirements of subdivision 3 of Section 3036-a of the Act, the Chairman shall annually, on or before December 1, make and deliver to the Governor and Director of the Budget of the State (with a copy to the Trustee) his certificate stating the sum, if any, required to restore the Capital Reserve Fund to an amount equal to the Capital Reserve Fund Requirement. All monies received by the Corporation from the State pursuant to any such certification, in accordance with the provisions of subdivision 3 of Section 3036-a of the Act, as amended, shall be deposited in the Capital Reserve Fund, as required by paragraph 1 of this Section 606.

4. Monies and securities held for the credit of the Capital Reserve Fund may, and at the direction of the Corporation shall, be withdrawn from the Capital Reserve Fund by the Trustee and deposited in the Bond Service Fund for the purchase or redemption of Bonds at any time provided that subsequent to such purchase or redemption the amount in the Capital Reserve Fund will not be less than the Capital Reserve Fund Requirement.

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 Bond 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 March 1, 1976 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 Bond Service Fund to pay all interest on and all payments of principal, Sinking Fund Installments, if any, and Redemption Price, if any, of Bonds maturing or otherwise coming 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 Corpo-
ration, including the Bonds, each quarterly payment (to be made on or before April 12, June 25, 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 Bond 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 the interest on which is payable from the Bond 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 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. Notwithstanding the foregoing, the Corporation hereby covenants to make the certifications referred to in this Section at such times and in such amounts as shall be necessary to coincide with the State procedures for payment of Per Capita Aid or other sources of revenues and as shall be necessary to make the deposits required herein and to pay the principal of, Redemption Price, if any, and interest on the Bonds when due. 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, the Chairman shall certify a revised schedule of cash requirements for such Fiscal Year to the State Comptroller and to the Mayor (with a copy to the Trustee). The schedule accompanying each certification (or revision thereof) shall provide for such payment dates as the 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 any amounts due to be received as payment of principal of or interest on obligations of the City held by the Corporation.

ARTICLE VII
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

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

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

(1) Monies in the Bond Service Fund and the Capital Reserve Fund shall, as nearly as may be practicable, be invested by the Trustee upon direction of the Corporation in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when monies in such Fund will be required for the purposes of this Resolution) in (a) direct obligations of the United States of America, direct obligations of the State or obligations the principal and interest of which are guaranteed by the United States of America or the State, (b) any bond, debenture, note, participation or other similar obligation issued by any of the following Federal agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, Farmers’ Home Administration and Export-Import Bank, (c) if permitted by law, any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association, and (d) any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State of New York or held in the State treasury. The maturity or redemption date at the option of the holder of any such investment shall coincide as nearly as practicable with but in no event later than the times at which
monies in the Bond 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 date obtained by dividing the total amount of the premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the time of such purchase and by multiplying the amount so calculated by the number of days having passed since the date of such purchase; and in the case of an obligation purchased at a premium, by deducting the product thus obtained from the purchase price, and in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any monies or investments in the Capital Reserve Fund.

(4) Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Resolution whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the Corporation in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.
(5) In lieu of the investments of monies in obligations authorized in paragraph (1) above, the Trustee shall, to the extent permitted by the Act then in effect, upon direction of the Corporation in writing, signed by an Authorized Officer, deposit monies from any fund or account held by the Trustee under the terms of this Resolution, in interest-bearing time deposits, or shall make other similar investment arrangements, including, but not limited to, repurchase agreements covering obligations of issuers enumerated as authorized for investments pursuant to the provisions of paragraph (1) above, 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 or securities dealers approved by an Authorized Officer; provided, that each such interest-bearing time deposit or other similar investment 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 investment arrangement shall be continuously and fully secured by obligations of issuers enumerated as authorized for investments pursuant to the provisions of paragraph (1) above, of a market value equal at all times to the amount of the deposit or of the other similar investment arrangement.

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

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

ARTICLE VIII
THE TRUSTEE AND THE PAYING AGENTS

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

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

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

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

803. Responsibilities of Trustee and Paying Agents. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Corporation and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds or coupons issued hereunder or in respect of the security afforded by this Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any monies paid to the Corporation. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own monies, unless properly indemnified. Neither the Trustee nor any
Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence or default. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any monies paid to any one of the others.

804. Evidence on Which Fiduciaries May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of counsel to the Corporation, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

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

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

805. Compensation. The Corporation shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all monies in the Operating Fund. The Corporation further agrees to indem-
nify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default.

806. **Permitted Acts and Functions.** The Trustee and any Paying Agent may become the owner of any Bonds and coupons, with the same rights it would have if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

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

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

809. **Appointment of Successor Trustee.** In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Trustee. The Corporation shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within twenty (20) days after such appointment.
If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Corporation 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 Corpora-
tion. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

811. Merger, Conversion or Consolidation. Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of any states of the United States or the District of Columbia or a national banking association and shall have an office for the transaction of its business in any of such states or the District of Columbia and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

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

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

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

901. Payment of Bonds. The Corporation shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds and in the coupons thereto 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. 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 become due until the same shall be paid.

902. Extension of Payment of Bonds and Coupons. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the coupons or claims for interest by the purchase or funding of such Bonds, coupons or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such coupons or claims for interest shall be extended, such Bonds, coupons or claims for interest shall not be entitled in case of any default under this Resolution to the benefit of this Resolution or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds, coupons or claims for interest pursuant to this Resolution) held by the Trustee or any Paying Agent, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Refunding Bonds 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 Borough of Manhattan, City and State of New York, where Bonds may be presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

904. Further Assurances. At any and all times the Corporation shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and effecting all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Corporation may hereafter become bound to pledge or assign. The Corporation further covenants that it shall cause the Chairman to make and deliver the certificates referred to in sub-section 8 of Section 606 and Section 607 hereof at the times required therein and shall cause the amounts received to be deposited in the appropriate Funds, respectively.

905. Power to Issue Bonds and Make Pledges. The Corporation is duly authorized pursuant to law to create and issue the Bonds and to adopt this Resolution and to pledge the Revenues and other monies, securities and funds purported to be pledged by this Resolution in the manner and to the extent provided in this Resolution. Except to the extent otherwise provided in Section 601, the Revenues and other monies, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other monies, securities and funds pledged under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.
906. Agreement of the State. In accordance with the provisions of Section 3015 of the Act, the Corporation hereby includes in this Resolution the pledge of and agreement with the Holders of the Bonds that the State will not limit or alter the rights vested pursuant to the Act in the Corporation to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged.

907. Creation of Liens. The Corporation shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the revenues, monies and securities in the Capital Reserve Fund, and shall not create or cause to be created any lien or charge prior to the Bonds on revenues, monies and securities in the Bond Service Fund; provided, however, that nothing contained in this Resolution shall prevent the Corporation from issuing (i) bonds, notes, or any other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Resolution, (ii) obligations issued in accordance with Article II of the First General Bond Resolution except as limited in Section 909 hereof and (iii) obligations issued in lieu of or in substitution for other obligations pursuant to Sections 304 and 306 through 310 or Sections 406 or 1106 of the First General Bond Resolution.

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

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

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

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

Subject to the rights of holders of obligations issued pursuant to the First General Bond Resolution, the Corporation shall not modify or amend the First General Bond Resolution in any manner which would have a material adverse effect on the Bondholders, provided, however, that nothing herein shall prevent the Corporation from amending or supplementing the First General Bond Resolution to provide for the issuance of Bonds, Notes or Other Obligations (as such terms are defined in the First General Bond Resolution) as provided in the First General Bond Resolution. No such Bonds, Notes or Other Obligations shall be issued in accordance with Article II of the First General Bond Resolution if such issuance would cause the amounts stated in paragraph (1) and (2) of Subsection 3 of Section 202 after making the deductions provided in subparagraphs 3(a) and 3(c) to be less than 1.2 times such aggregate amount set forth in paragraph 3(b) of subsection 3 of Section 202 for each Fiscal Year set forth pursuant to said paragraph 3(b) if such certifications required to be made pursuant to such Subsection 3 had been made at the time of, and gave effect to, the issuance of such Bonds, Notes or Other Obligations.

The Corporation hereby covenants and agrees with all who may be Holders of the Bonds that it shall not issue and the Corporation represents hereby that there are presently not outstanding any Bonds, Notes,
or Other Obligations (as such terms are defined in the First General Bond Resolution), or any bonds, notes or other obligations pursuant to any resolution, including the Outstanding Note Resolutions, of the Corporation, the holders of which would have a right to payment from the State Aid Fund prior or equal to the right of the Holders of the Bonds to payment from such Fund.

ARTICLE X

SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

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

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

(2) To add additional covenants and agreements of the 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 this Resolution;

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

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

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

(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 on Counsel’s Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

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

ARTICLE XI
AMENDMENTS OF RESOLUTIONS

1101. Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Corporation and of the Holders of the Bonds and coupons hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (c) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least two-thirds in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the
percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds and coupons of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing provisions Bonds of any 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 or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1301 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trust-
ee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1301 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1102 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1301. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Corporation and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the Corporation by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1102 provided) and by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed. The Corporation shall file with the Trustee proof of the publication of such notice, and, if the same shall have been mailed to Bondholders, of the mailing thereof. A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent and the Holders of all Bonds and coupons at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdic-
tion setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

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

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

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

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Resolution, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the Corporation shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.
1106. *Notation on Bonds.* Bonds delivered after the effective date of any action taken as in Article X or this Article XI provided may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the corporate trust office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Corporation to conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

**ARTICLE XII**

**Defaults and Remedies**

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

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

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

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

(c) the Corporation shall fail or refuse to comply with the provisions of subdivision 1 of Section 3036-a 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 Bond 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 Bond 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 2 and 3 of Section 3036-a 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 July 2, 1975; 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 tax fund established by Section 92-b of said Law; or

(h) the State shall for any reason fail or refuse to apportion and pay Per Capita Aid or shall fail to maintain the State Aid Fund and the Special Aid Account therein or shall reduce the amount of Per Capita Aid payable during the current Fiscal Year to an amount less than the maximum amount of principal of and interest matur-
ing or otherwise coming due on the Outstanding Bonds in the cur-
rent or any future Fiscal Year.

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

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

(b) by bringing suit upon the Bonds;

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

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

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

(2) In the enforcement of any remedy under this Resolution, the
Trustee shall be entitled to sue for, enforce payment on and receive any
and all amounts then or during any default becoming, and at any time
remaining, due from the Corporation for principal, Redemption Price,
interest or otherwise, under any provision of this Resolution or a Series
Resolution or of the Bonds, and unpaid, with interest on overdue pay-
ments at the rate or rates of interest specified in such Bonds, together
with any and all costs and expenses of collection and of all proceedings
hereunder and under such Bonds, without prejudice to any other right
or remedy of the Trustee or of the Bondholders, and to recover and
enforce a judgment or decree against the Corporation for any portion of
such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

1204. **Priority of Payments After Default.** In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal, Sinking Fund Instalments 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 Instalments or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

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

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

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

1205. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any event of default shall have been discontinued or abandoned for any reason, then in every such case the Corporation, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

1206. Bondholders' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of the majority
in principal amount of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

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

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

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

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

1210. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be con-
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 Bond Service Fund or the Capital Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. Each such notice of event of default shall be given by the Trustee by mailing written notice thereof: (1) to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds as kept by the Trustee; (2) to such Bondholders as have filed their names and addresses with the Trustee for that purpose; and (3) to such other persons as is required by law.

ARTICLE XIII

Execution of Instruments by Bondholders and Proofs of Ownership of Bonds

1301. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or, in the case of coupon Bonds, by any bank, trust company, or other depository of such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein provided), if made in the following manner:
(a) The fact and date of the execution by any Bondholder or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company, or other depository, or of any notary public, or other officer authorized to take acknowledgments. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

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

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

ARTICLE XIV

DEFEASANCE

1401. Defeasance. 1. If the Corporation shall pay or cause to be paid to the Holders of all Bonds and coupons then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Corporation, expressed in an instrument in writing signed by an Authorized Officer and delivered to the
Trustee, the covenants, agreements and other obligations of the Corporation to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Corporation all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds or coupons not 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 by their terms subject to redemption within the next succeeding 60 days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds and coupons that the deposit required by (b) above has been made with the Trustee and that said Bonds and coupons are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which monies are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Neither direct obligations of the Unit-
ed States of America or monies deposited with the Trustee pursuant to this Section 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 shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

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

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

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

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

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

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

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

1507. *Effective Date.* This Resolution shall take effect immediately upon its adoption.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Series 47 Resolution

Authorizing
Not To Exceed
$100,000,000
SERIES 47 BONDS

Adopted September 29, 1983
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
SERIES 47 RESOLUTION AUTHORIZING
NOT TO EXCEED
$100,000,000
SERIES 47 BONDS

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SERIES 47 RESOLUTION AUTHORIZING
NOT TO EXCEED
$100,000,000
SERIES 47 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. Series 47 Resolution. This Series 47
Resolution Authorizing Not To Exceed $100,000,000 Series 47 Bonds
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 November 25, 1975,
as amended and supplemented, entitled "Second General Bond
Resolution" and referred to herein as the "Resolution".

SECTION 102. Definitions. (a) All terms which are
defined in Section 101 of the Resolution shall have the same
meanings, respectively, in this Series 47 Resolution Authorizing
Not To Exceed $100,000,000 Series 47 Bonds as such terms are
given in said Section 101 of the Resolution.

(b) In addition, as used in this Series 47 Resolution
Authorizing Not To Exceed $100,000,000 Series 47 Bonds, unless
the context shall otherwise require, the following terms shall
have the following respective meanings:

"Bank" shall mean Citibank, N.A.

"Certificate of Determination" shall mean a certificate
of an Authorized Officer of the Corporation delivered to the
Trustee electing to issue all of the Series 47 Bonds as Serial
Bonds or as Term Bonds and to issue all or part of the Series 47
Bonds as coupon bonds and establishing the date, maturity date or
dates, the interest rate or rates which the Series 47 Bonds shall bear, the first interest payment date, the principal amount or amounts payable at the maturity or maturities of the Series 47 Bonds, the amount and date of Sinking Fund Installments, if any, with respect to the Series 47 Bonds, the time and place of delivery of the Series 47 Bonds and the form or forms of Series 47 Bonds, and, if any Series 47 Bonds are issued as coupon bonds, appointing a paying agent, in accordance with Sections 201, 203, 204, 205, 208, 210, 212 and 301 of this Series 47 Resolution.

"Bank Note" shall mean the promissory note of the Corporation to the Bank authorized by resolution of the Corporation adopted September 29, 1983, evidencing the indebtedness of the Corporation to the Bank for certain advances that may be made to the Corporation by such Bank under the Reimbursement Agreement.

"Reimbursement Agreement" shall mean the Letter of Credit and Reimbursement Agreement, in substantially the form presented at this meeting, dated as of October 17, 1983, between the Corporation and the Bank, as the same may be amended and supplemented from time to time.

"Series 47 Bonds" shall mean the Bonds authorized by Article II of this Series 47 Resolution.

"Series 47 Resolution" shall mean this Series 47 Resolution Authorizing Not To Exceed $100,000,000 Series 47 Bonds.

(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, but shall not include the Corporation.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Series 47 Resolution, refer to the Series 47 Resolution.

SECTION 103. Authority for the Series 47 Resolution. This Series 47 Resolution is adopted pursuant to the provisions of the Act and the Resolution.
ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF
SERIES 47 BONDS

SECTION 201. Authorization of Series 47 Bonds,
Principal Amount, Designation and Series. The Series 47 Bonds are hereby authorized to be issued in the aggregate principal amount of not to exceed $100,000,000 pursuant to and subject to the terms, conditions and limitations established in the Resolution and this Series 47 Resolution. In addition to the title "Bonds", such Series of Bonds shall bear the additional designation of "Series 47" and each as so designated shall be entitled "Series 47 Bond" and may be issued only in fully registered form; provided, however, that if, on the date that the Series 47 Bonds are initially issued, the Corporation may issue bonds in coupon form, the interest on which is exempt from Federal income taxation, the Series 47 Bonds may, if the Certificate of Determination so provides, be issued in coupon form and provided further, that if, after the initial issuance of the Series 47 Bonds, the Corporation may issue bonds in coupon form, the interest on which is exempt from Federal income taxation, the Series 47 Bonds may be exchanged or transferred for Series 47 Bonds in coupon form and/or Series 47 Bonds in registered form, in accordance with the provisions of the Resolution.

SECTION 202. Purpose. The Series 47 Bonds may be issued in exchange of and to refund the Bank Note.

SECTION 203. Date of Series 47 Bonds. The Series 47 Bonds shall be dated the date of their delivery to the Bank, in accordance with the Reimbursement Agreement, as set forth in the Certificate of Determination, except as otherwise provided in Section 301 of the Resolution with respect to certain registered Series 47 Bonds issued on or after the first interest payment date.

SECTION 204. Maturities and Interest Rates. The Series 47 Bonds shall mature on July 1 in each year or years and in such amount or amounts as shall be set forth in the Certificate of Determination, prepared in accordance with the terms of the Reimbursement Agreement; provided, however, that no Series 47 Bond shall mature later than eleven years after the first day of July next succeeding the date of the Series 47 Bonds. The Series 47 Bonds shall bear interest at the rate per annum determined in accordance with Section 2.05(b) of the Reimbursement Agreement, as set forth in the Certificate of Determination, but in no event greater than the maximum rate then permitted by applicable law.
as a whole on any date or dates, or in part, by lot, on any interest payment date at the Redemption Price of one hundred per centum (100%) of the principal amount thereof, plus accrued interest, if any, to the date of redemption.

SECTION 210. Sinking Fund Installments. In the event that the Certificate of Determination provides for the issuance of the Series 47 Bonds as Term Bonds, the Series 47 Bonds shall be subject to redemption, in part, by operation of the Bond Service Fund through application of Sinking Fund Installments beginning on July 1 of such year as the Certificate of Determination shall provide in accordance with the Reimbursement Agreement, upon published notice, all as prescribed in Article IV of the Resolution, at the Redemption Price of one hundred per centum (100%) of the principal amount of each Series 47 Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. In such event, unless none of the Series 47 Bonds shall then be Outstanding and, subject to the provisions of Section 605 of the Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and the Corporation shall be required to pay for the retirement of the Series 47 Bonds, on July 1 of each of the years set forth in the Certificate of Determination, such amount as shall be specified in such certificate in accordance with the Reimbursement Agreement, and the said amount to be paid on each such date is hereby established as and shall constitute a Sinking Fund Installment for retirement of the Series 47 Bonds.

SECTION 211. Selection by Lot. If less than all of the Series 47 Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in accordance with Section 404 of the Resolution.

SECTION 212. Delivery of the Series 47 Bonds. The Series 47 Bonds shall be delivered to the Bank in exchange for the Bank Note at such time and place as the Trustee shall be directed in the Certificate of Determination.

SECTION 213. Notice of Redemption. In redeeming any of the Series 47 Bonds, it shall not be necessary, unless any Series 47 Bonds have been issued in coupon form, to publish notice of such redemption in any Authorized Newspaper as provided in Section 405 of the Resolution but mailing of such notice as provided in the last sentence of said Section 405 shall be sufficient notice of any redemption.
ARTICLE III

FORM AND EXECUTION OF SERIES 47 BONDS

SECTION 301. Forms of Series 47 Bonds. In the event that the Corporation issues the Series 47 Bonds in coupon form, any Authorized Officer is authorized to make such changes, insertions and omissions in the following form of registered Series 47 Bond as such officer deems necessary or desirable to reflect the issuance of the Series 47 Bonds in coupon form. If the Corporation initially issues the Series 47 Bonds as coupon Bonds, the form of such Series 47 Bonds shall be set forth in the Certificate of Determination, and any Authorized Officer is authorized to prescribe a form of coupon Series 47 Bond by making such changes, insertions and omissions to the following form of registered Series 47 Bond as such officer deems necessary or advisable. Subject to the provisions of the Resolution, the Series 47 Bonds in registered form, together with the form of assignment therefor, and the Trustee’s Certificate of Authentication, shall be in substantially the following forms and tenors:
(FORM OF REGISTERED BOND)  
(FACE OF BOND)  

No. 47R--  
$...............  

MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  

Series 47 Bond  

___% Due July 1,  

The MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (herein and on the reverse side hereof sometimes called the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (herein and on the reverse side hereof sometimes called the "State") 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 July, ____, unless redeemed prior thereto as hereinafter provided, and to pay to the registered owner hereof interest thereon per annum at the rate specified above, payable on ___________ and semiannually thereafter on January 1 and on July 1, in each year, from the Date shown below to the date of maturity or earlier redemption of this Bond and thereafter at the same rate, until the Corporation's obligation with respect to the payment of such principal sum shall be discharged, at the corporate trust office in the City of New York, New York, of the Trustee hereinafter mentioned. Both principal and redemption premium, if any, of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Interest on this Bond is payable by check or draft mailed to the registered owner hereof at his address as the same appears on the books of the Corporation kept by the Trustee on the 10th day next preceding an interest payment date.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

The Bonds of the Series of which this Bond is one (herein and on the reverse side hereof designated "Series 47 Bonds") shall not be a debt of either the State of New York or the City of New York (herein and on the reverse side hereof}
sometimes called the "City"), and neither the State of New York nor the City of New York shall be liable thereon, nor shall the Series 47 Bonds be payable out of any funds other than those of the Corporation.

This Series 47 Bond shall not be entitled to any security, right or benefit under the Resolutions (as defined on the reverse side hereof) or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by the Trustee.

Neither the Directors of the Corporation nor any other person executing the Series 47 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 Series 47 Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series 47 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 Series 47 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 Date shown below.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Date: ____________________

By ____________________

Chairman

(SEAL)

Attest: ____________________

Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 47 Bonds described in the within-mentioned Resolutions.

UNITED STATES TRUST COMPANY OF NEW YORK, Trustee

By ____________________

Authorized Signature
(Reverse of Form of Registered Bond)

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

SERIES 47 BOND

___% Due July 1, ___

This Bond is one of a duly authorized issue of bonds of the Corporation designated as its "Bonds" and herein so referred to, 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 November 25, 1975, as amended and supplemented, entitled: "Second General Bond Resolution" and the series resolution authorizing each such series.

The Bonds are general obligations of the Corporation payable out of any payments to the Corporation pursuant to Sections 3036 and 3036-a of the Act except for amounts pledged pursuant to the General Bond Resolution of the Corporation adopted July 2, 1975, as amended and supplemented (the "First General Bond Resolution"), and the rights of the holders of the Bonds to such amounts are declared to be expressly subordinate to the rights of the holders of obligations issued pursuant to the First General Bond Resolution and any payments to the Corporation for credit to the Operating Fund as defined in and established pursuant to the First General Bond Resolution. The Bonds are entitled to a first lien created by the pledge under the Second General Bond Resolution of all revenues, moneys and securities in the Bond Service Fund and the Capital Reserve Fund (as defined therein). The Second General Bond Resolution provides for the application of the amounts in the Capital Reserve Fund and in the Bond Service Fund to the payment, when due, of the principal or redemption price, if any, of and interest on the Bonds. Pursuant to the Second General Bond Resolution, such revenues, moneys and securities include each of the following: (i) all amounts received by the Corporation for deposit into the Bond Service Fund and into the Capital Reserve Fund, as payments from the Municipal Assistance Aid 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 appropriated by the Legislature of the State of New York as per capita aid pursuant to Section 54 of the State Finance Law payable to The City of New York shall have been apportioned and paid into and be available in the Special Aid Account established within such Municipal
Assistance Aid Fund for the Corporation; (ii) all amounts received by the Corporation for deposit into the Bond Service Fund and into the Capital Reserve Fund, as payments from the Municipal Assistance Tax Fund established by the State Finance Law, 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, 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 Tax 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; (iii) 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 (iv) investment earnings of moneys in the Capital Reserve Fund and Bond Service Fund; 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, relating to said per capita aid, taxes and such Municipal Assistance Aid Fund, the Special Aid Account, the Municipal Assistance Tax Fund, the Special Tax Account and the Stock Transfer Tax Fund established by the State Finance Law, shall be deemed executory only to the extent of the moneys available to the State of New York in such Funds from time to time and the State of New York shall incur no liability on account thereof beyond such moneys.

The Bonds may be issued from time to time 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 Second General Bond Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the Second General Bond Resolution is not limited except as provided therein and in certain other resolutions and agreements of the Corporation, or as may be limited by law, and all Bonds issued and to be issued pursuant to the Second 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 Second General Bond Resolution.

This Bond is one of a series of Bonds designated "Series 47 Bonds" (herein called the "Series 47 Bonds"), issued in the aggregate principal amount of not to exceed $100,000,000 pursuant to the Second General Bond Resolution and the series resolution of the Corporation, adopted September 29, 1983, entitled "Series 47 Resolution Authorizing Not To Exceed $100,000,000 Series 47 Bonds" (said resolutions being herein collectively called the
"Resolutions") and in accordance with the Certificate of Determination of the Corporation, 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 Second General Bond Resolution (said trustee and any successor thereto being herein referred to as 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 Series 47 Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the Series 47 Bonds with respect thereto and the terms and conditions upon which the Series 47 Bonds are issued and may be issued thereunder.

Pursuant to the provisions of Section 10-a of the New York State Financial Emergency Act for The City of New York, as amended (constituting Chapter 1 of Title 16 of McKinney's Unconsolidated Laws of the State of New York) (herein called the "Control Act"), the State has authorized and requires the Corporation to include in any agreement made by the Corporation with holders of its bonds issued after September 28, 1978, including the Series 47 Bonds, and the Corporation hereby includes in this Series 47 Bond, a pledge and agreement of the State that it will not take any action which will (a) substantially impair the authority of the board (as defined in the Control Act) during a control period, as defined in subdivision twelve of Section two of the Control Act as in effect on the date the Series 47 Bonds are issued (i) to approve, disapprove, or modify any financial plan or financial plan modification, including the revenue projections (or any item thereof) contained therein, subject to the standards set forth in paragraph a, c, d, e and f of subdivision one of Section eight of the Control Act as in effect on the date the Series 47 Bonds are issued and paragraph b of such subdivision one as in effect from time to time, (ii) to disapprove a contract of the City or a covered organization (as defined in the Control Act) if the performance of such contract would be inconsistent with the financial plan or to approve or disapprove a proposed short-term or long-term borrowing of the City or a covered organization or any agreement or other arrangement referred to in subdivision four of Section seven of the Control Act, or (iii) to establish and adopt procedures with respect to the deposit in and disbursement from the board fund (as defined in the Control Act) of City revenues; (b) substantially impair the authority of the board to review financial plans, financial plan modifications, contracts of the City or the covered organizations and proposed short-term or long-term borrowings of the City and the covered organizations; (c) substantially impair the independent
maintenance of a separate fund for the payment of debt service on bonds and notes of the City; (d) alter the composition of the board so that the majority of the voting members of the board are not officials of the State elected in a statewide election or appointees of the Governor of the State; (e) terminate the existence of the board prior to the time to be determined in accordance with Section thirteen of the Control Act as in effect on the date the Series 47 Bonds are issued; (f) substantially modify the requirements that the City's financial statements be audited by a nationally recognized independent certified public accounting firm or consortium of firms and that a report on such audit be furnished to the board; or (g) alter the definition of a control period set forth in such subdivision twelve of Section two of the Control Act, as in effect on the date the Series 47 Bonds are issued, or substantially alter the authority of the board, as set forth in said subdivision twelve to repossess or terminate a control period; provided, however, that the foregoing pledge and agreement shall be of no further force and effect with respect to a holder of a Series 47 Bond if at any time (i) there is on deposit in a separate trust account with a bank, trust company or other fiduciary sufficient moneys or direct obligations of the United States or obligations guaranteed by the United States, the principal of and/or interest on which will provide moneys to pay punctually when due at maturity or prior to maturity by redemption, in accordance with their terms, all principal of and interest on all outstanding Series 47 Bonds and irrevocable instructions from the Corporation to such bank, trust company or other fiduciary for such payment of such principal and interest with such moneys shall have been given, or (ii) such Series 47 Bonds, together with interest thereon, have been paid in full at maturity or have otherwise been refunded, redeemed, defeased, or discharged. The foregoing pledge and agreement with the holder of this Series 47 Bond is in full force and effect.

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 Second 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 Second 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 Series 47 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 Series 47 Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Series 47 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 Series 47 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 (as defined in the Resolutions) hereof and interest due hereon and for all other purposes whatsoever.

The Series 47 Bonds are issuable 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 Series 47 Bonds maturing in the year of maturity of the Series 47 Bond for which the denomination of the Series 47 Bond is to be specified. In the manner, subject to the conditions and upon payment of the charges, if any, provided in the Resolutions, registered Series 47 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 Series 47 Bonds without coupons, of any other authorized denominations, of the same maturity and bearing the same rate of interest.

In the event that, after the initial issuance of the Series 47 Bonds, the Corporation may issue Bonds in coupon form, the interest on which is exempt from Federal income taxes, the Series 47 Bonds may be transferred or exchanged for Series 47 Bonds in coupon form and/or Series 47 Bonds in registered form, in accordance with the provisions of the Resolutions.

The Series 47 Bonds are subject to redemption at the election of the Corporation at any time, as a whole on any date or in part, by lot, on any interest payment date, as provided in the Resolutions, at the Redemption Price (as defined in the Resolutions) of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption.
*The Series 47 Bonds are also subject to redemption, in part, by lot, on July 1, in each year on and after July 1, as provided in the Resolutions, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 in each of the years shown below the principal amount of Series 47 Bonds specified therefor.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sinking Fund Installment</th>
</tr>
</thead>
</table>

**The Corporation may, at any time not prior to 12 months prior to an interest payment date on which a Sinking Fund Installment is scheduled to be due, but in no event less than 45 days prior to such date, direct the Trustee to purchase, at a price not in excess of par, plus unpaid interest, if any, accrued to the date of such purchase, Series 47 Bonds payable from such Sinking Fund Installment and apply any Series 47 Bonds so purchased as a credit against such Sinking Fund Installment.

In the event that any or all of the Series 47 Bonds are to be redeemed, notice of such redemption shall be mailed, postage prepaid, not less than 30 days before the redemption date to the registered owners of any Series 47 Bonds or portions of the Series 47 Bonds to be redeemed. Such mailing shall be a condition precedent to such redemption. Notice of redemption having been given, as aforesaid, the Series 47 Bonds or portions thereof so called for redemption shall become due and payable at the applicable Redemption Price hereinabove provided, and, from and after the date so fixed for redemption, interest on the Series 47 Bonds, or portions thereof so called for redemption, shall cease to accrue and become payable.

*This paragraph will appear only if the Certificate of Determination provides for the issuance of the Series 47 Bonds as Term Bonds.

**This paragraph will appear only if the Certificate of Determination provides for the issuance of the Series 47 Bonds as Term Bonds.
The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM- as tenants in common
TEN ENT-as tenants by the entireties
JT TEN-as joint tenants with right of survivorship

UNIF GIFT MIN ACT-
(Custodian) (Minor) Under Uniform Gifts to Minors Act
(State)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Please Insert Social Security or Other Identifying Number of Assignee
(For computer record only)

Please Print or Typewrite Name and Address of Transferee

the within Series 47 Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints Attorney to transfer the within Series 47 Bond on the books kept for the 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 on the face of the within Series 47 Bond in every particular, without alteration or enlargement or any change whatever.

SECTION 302. No Recourse on Series 47 Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Series 47 Bonds or for any claim based thereon or on the Series 47 Resolution against any
member or officer of the Corporation or any person executing the Series 47 Bonds and neither the Directors of the Corporation nor any other person executing the Series 47 Bonds shall be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 303. Execution and Authentication of Series 47 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 Series 47 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 her manual or facsimile signature the execution of the Series 47 Bonds.

The Trustee is hereby authorized to authenticate by manual or facsimile signature the Series 47 Bonds, and deliver the same to or upon the order of the Corporation, in such amounts and at such times as the Trustee shall be directed in writing by an Authorized Officer.

ARTICLE IV

Miscellaneous

SECTION 401. Special Covenants. (1) As used in this subsection (1) all defined terms other than Series 47 Bonds are as defined in the First General Bond Resolution. The Corporation hereby covenants with the holders of the Series 47 Bonds that it shall not issue any Bonds, Notes or Other Obligations which would cause the aggregate amount of the principal on Serial Bonds, the Sinking Fund Installments, maturities of Terms Bonds not required to be paid from Sinking Fund Installments and interest on all Outstanding Bonds, and the principal of and interest on Notes and the interest on Other Obligations to be paid in any one Fiscal Year to exceed four hundred twenty-five million dollars. Notwithstanding the foregoing sentence, with respect to up to an aggregate principal amount of twenty-five million dollars of small denomination Notes, as defined in the First General Bond Resolution, for purposes of the foregoing test, debt service shall be determined by assuming that a pro rata amount of such Notes will be redeemed in each Fiscal Year during the period from the date of issuance to the stated date of maturity and interest will accrue on such Notes from the date of issuance and be paid at such assumed dates of redemption; provided, however, that such debt service shall be so determined in such manner only if the resolution or other instrument authorizing the issuance of such small denomination Notes requires the Corporation to deposit
annually in a sinking fund established for the payment of such small denomination Notes an amount at least equal to such pro rata amount and interest thereon.

(2) The Corporation hereby covenants further with the Holders of the Series 47 Bonds that it shall not issue any additional Bonds unless, in addition to the certificates required pursuant to subsection 3 of Section 202 of the Resolution, it delivers to the Trustee at the time of the delivery of such additional Bonds a certificate of an Authorized Officer setting forth that the aggregate of the amounts set forth in paragraphs (1) and (2) of such subsection after deducting the amount set forth pursuant to paragraph (3)(a) of such subsection 3 and the Operating Expenses set forth pursuant to paragraph (3)(c) of such subsection, will be at least 2.0 times the aggregate amount set forth in (3)(b) of such subsection for each Fiscal Year.

(3) The Corporation shall publish (a) within forty-five (45) days after the end of each calendar quarter on an unaudited basis and (b) within ninety (90) days after the end of each Fiscal Year, on the basis of an audit conducted by independent certified public accountants of recognized national standing, a statement of financial position of the Corporation at the end of the period, and the related Debt Service Fund and Capital Reserve Fund statement of transactions and the Operating Fund statement of transactions for the period then ended, together with notes and exhibits thereto, similar in form to the notes and exhibits (which in any case shall include exhibits showing (i) all Bonds and Notes of the Corporation then Outstanding, (ii) a summary of annual debt service funding requirements, and (iii) a summary of total annual debt service payment requirements) published by the Corporation for the Fiscal Year ended June 30, 1978, and both such audited and unaudited financial statements to be prepared in accordance with generally accepted accounting principles consistently applied.

SECTION 402. State Covenant. In accordance with the provisions of Section 10-a of the New York State Financial Emergency Act for The City of New York, as amended to the date hereof, being Chapter 1 of Title 16 of McKinney's Unconsolidated Laws of the State of New York (hereinafter called the "Control Act"), the Corporation hereby includes in this Series 47 Resolution the pledge and agreement of the State with the holders and owners of the Series 47 Bonds that the State will not take any action which will (a) substantially impair the authority of the board (as defined in the Control Act) during a control period, as defined in subdivision twelve of Section two of the Control Act as in effect on the date the Series 47 Bonds are issued (i) to approve, disapprove, or modify any financial plan or financial plan modification, including the revenue projections (or any item thereof) contained therein, subject to the standards
set forth in paragraphs a, c, d, e and f of subdivision one of Section eight of the Control Act as in effect on the date the Series 47 Bonds are issued and paragraph b of such subdivision one as in effect from time to time, (ii) to disapprove a contract of the City or a covered organization (as defined in the Control Act) if the performance of such contract would be inconsistent with the financial plan or to approve or disapprove a proposed short-term or long-term borrowing of the City or a covered organization or any agreement or other arrangement referred to in subdivision four of Section seven of the Control Act or (iii) to establish and adopt procedures with respect to the deposit in and disbursement from the board fund (as defined in the Control Act) of City revenues; (b) substantially impair the authority of the board to review financial plans, financial plan modifications, contracts of the City or the covered organizations and proposed short-term or long-term borrowings of the City and the covered organizations; (c) substantially impair the independent maintenance of a separate fund for the payment of debt service on bonds and notes of the City; (d) alter the composition of the board so that the majority of the voting members of the board are not officials of the State elected in a statewide election or appointees of the Governor of the State; (e) terminate the existence of the board prior to the time to be determined in accordance with Section thirteen of the Control Act as in effect on the date the Series 47 Bonds are issued; (f) substantially modify the requirements that the City's financial statements be audited by a nationally recognized independent certified public accounting firm or consortium of firms and that a report on such audit be furnished to the board; or (g) alter the definition of a control period set forth in such subdivision twelve of Section two of the Control Act, as in effect on the date the Series 47 Bonds are issued, or substantially alter the authority of the board, as set forth in said subdivision twelve to reimburse or terminate a control period; provided, however, that the foregoing pledge and agreement shall be of no further force and effect if at any time (i) there is on deposit in a separate trust account with a bank, trust company or other fiduciary sufficient moneys or direct obligations of the United States or obligations guaranteed by the United States, the principal of and/or interest on which will provide moneys to pay punctually when due at maturity or prior to maturity by redemption, in accordance with their terms, all principal of and interest on all outstanding Series 47 Bonds and irrevocable instructions from the Corporation to such bank, trust company or other fiduciary for such payment of such principal and interest with such moneys shall have been given, or (ii) such Series 47 Bonds, together with interest thereon, have been paid in full at maturity or have otherwise been refunded, redeemed, defeased, or discharged. The foregoing pledge and agreement with the holders of these Series 47 Bonds is in full force and effect.
SECTION 403. Authorized Officers. The Chairman, Vice Chairman, Chairman of the Finance Committee, Executive Director, Deputy Executive Director, Treasurer, Counsel, Secretary and Assistant Secretary of the Corporation are each hereby authorized to deliver and execute in the name and on behalf of the Corporation any certificate, opinion, record or other document required by or authorized pursuant to the Resolution, this Series 47 Resolution or the Reimbursement Agreement in connection with the issuance of the Series 47 Bonds.

SECTION 404. When Effective. The Series 47 Resolution shall become effective immediately upon the filing with the Trustee of a copy hereof certified by an Authorized Officer.
**LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**  
**DATED OCTOBER 24, 1983**  
**BETWEEN MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK AND CITIBANK, N.A.**

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**AMOUNT AND TERMS OF THE LETTER OF CREDIT**

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EXHIBITS

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Exhibit B  Form of Letter of Credit
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Exhibit D  Form of Agency Agreement

- Exhibit A - Form of Series 3 CP Note
- Exhibit B - Form of Letter of Instructions
- Exhibit C - Form of Letter of Credit

Exhibit E  Form of Opinion of General Counsel to the Corporation
Exhibit F  Form of Opinion of Bond Counsel to the Corporation
Exhibit G  Form of Consent of Citibank, N.A. and Manufacturers Hanover Trust Company
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT dated October 24, 1983, between Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), and Citibank, N.A. (the "Bank").

WHEREAS, the Corporation proposes to issue and sell its short-term Series 3 promissory notes in the commercial paper market (such notes being hereinafter referred to as "Series 3 CP Notes") in an aggregate amount not to exceed $100,000,000 (including principal and interest due on maturity) at any time outstanding, such issuances to be made from time to time pursuant to the Series 3 CP Note Resolution adopted by the Corporation with respect thereto and dated September 29, 1983 and an Agency Agreement dated the date hereof (the "Agency Agreement") among the Corporation, United States Trust Company of New York, as agent for the holders from time to time of the Series 3 CP Notes and as beneficiary of the letter of credit hereinafter referred to (the "Agent for Holders of Series 3 CP Notes") and Citibank, N.A. (in its capacity as issuing and paying agent, the "Issuing and Paying Agent"); and

WHEREAS, the Corporation has requested the Bank to issue an irrevocable non-transferable letter of credit in substantially the form of Exhibit B (such letter of credit being the "Letter of Credit") in favor of the Agent for the Holders of Series 3 CP Notes in the amount of $100,000,000 (as such amount may be reduced pursuant to Section 1.02(c) or 1.03, the "Maximum Available Credit") to pay principal of and interest on the Series 3 CP Notes.

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I
AMOUNT AND TERMS OF THE LETTER OF CREDIT

SECTION 1.01. The Letter of Credit. The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Agent for Holders of Series 3 CP Notes on the date hereof in an amount equal to the Maximum Available Credit and expiring at the close of business (New York City time) on November 7, 1985. In the event that the Credit Termination Date is extended by mutual agreement, the Bank shall issue a renewal letter of credit.
SECTION 1.02. Reimbursement and Other Payments.

(a) Subject to the provisions of Article II, the Corporation hereby agrees to pay to the Bank on the date on which the Bank shall make any payment under the Letter of Credit a sum equal to the amount so paid under the Letter of Credit (a "Reimbursement Obligation"). Such payments by the Corporation to the Bank shall be made either through the Issuing and Paying Agent as set forth in the Agency Agreement or by the Corporation to the Bank directly or otherwise as provided herein.

(b) The Corporation hereby agrees to pay to the Bank a letter of credit commission (i) from the date of issuance of the Letter of Credit to and including the 44th day after such date of issuance, computed at the rate of 7/8% per annum of the amount of Series 3 CP Notes issued during such time period, but only for the actual time that such Series 3 CP Notes shall be outstanding within such time period; and (ii) from and including the 45th day after the date of issuance of the Letter of Credit to the Credit Termination Date, computed at the rate of 7/8% per annum of the Maximum Available Credit. Such commission under both clauses (i) and (ii) of this subsection shall be payable on the 45th day after the issuance of the Letter of Credit for the entire period from the date of the issuance of the Letter of Credit until the first anniversary of the date of this Agreement, and shall be payable in advance on each anniversary of the date of this Agreement thereafter until the Credit Termination Date for subsequent periods; provided, that in the event the Maximum Available Credit is at any time reduced pursuant to Section 1.02(c) or 1.03 the Bank shall, within ten Business Days after such reduction, repay to the Corporation a ratable portion of such commission.

(c) If any change in any law or regulation or in the interpretation thereof by any court or administrative or governmental authority charged with the administration thereof shall either (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against letters of credit issued by, or assets held by, or deposits in or for the account of, the Bank or (ii) impose on the Bank any other condition regarding this Agreement or the Letter of Credit, or any collateral therefor, and the result of any event referred to in the preceding clause (i) or (ii) shall be to increase the cost to the Bank of issuing or maintaining the Letter of Credit or holding any collateral therefor (which increase in cost shall be determined by the Bank's reasonable allocation of the aggregate of such cost increases
resulting from such event), then, upon notice by the Bank, the Corporation shall immediately pay to the Bank, from time to time as specified by the Bank, additional amounts which shall be sufficient to compensate the Bank for such increased cost from the date of such notice. A certificate as to such increased cost incurred by the Bank as a result of any event mentioned in clause (i) or (ii) above representing a reasonable determination made by the Bank in good faith, shall be submitted by the Bank to the Corporation and shall be conclusive as to the amount thereof. If the Corporation so notifies the Bank within five Business Days after the Bank notifies the Corporation of any increased cost pursuant to the foregoing provisions of this Section 1.02(c), the Corporation may reduce the Maximum Available Credit in the same manner as provided in Section 1.03, provided, however, that clauses (i), (ii) and (iv) of Section 1.03 shall not apply to any such reduction.

SECTION 1.03. Reduction of the Letter of Credit Amount. The Corporation shall have the right to direct the Agent for Holders of Series 3 CP Notes to give notice to the Bank, in the form of Annex D to the Letter of Credit, to reduce as of a specified date, in whole or in part, the Maximum Available Credit, provided that (i) the Corporation shall give the Bank not less than five Business Days' notice of its intention to make such a reduction, (ii) each partial reduction shall be in the aggregate amount of $1,000,000 or an integral multiple thereof, (iii) the Maximum Available Credit shall not be reduced below the aggregate Maturity Date Payments of all Outstanding Series 3 CP Notes, and (iv) if such reduction occurs during the six-month period after the issuance of the Letter of Credit, the Corporation will pay the Bank a fee on the amount by which the Maximum Available Credit is so reduced, at the rate of 1/2 of 1% thereof, unless, during such six-month period, Standard & Poor's Corporation or Moody's Investors Service, Inc. shall have reduced the Bank's rating on any outstanding debt obligations of the Bank and as a result the rating of Series 3 CP Notes is reduced by such rating agency.

SECTION 1.04. Payments and Computations. (a) The Corporation shall make each payment hereunder and under the Note not later than the close of business (New York City time) on the day when due in lawful money of the United States of America to the Bank in same day funds at its address referred to in Section 8.02, except, that payments under the Note shall be made at 399 Park Avenue, New York, New York 10043.
(b) All computations of interest (other than for the Second Resolution Bonds issued and delivered to the Bank pursuant to Section 2.05 or 6.02(a)) and fees hereunder shall be made by the Bank on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed. Each determination by the Bank of an interest rate hereunder (other than for the Second Resolution Bonds issued and delivered to the Bank pursuant to Section 2.05 or 6.02(a)) shall be conclusive and binding for all purposes in the absence of manifest error.

(c) Whenever any payment hereunder or under the Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fee, as the case may be.

(d) To the fullest extent permitted by law, the Corporation shall make all payments hereunder and under the Note regardless of any defense or counterclaim, including, without limitation, any defense or counterclaim based on any law, rule or policy which is now or hereafter promulgated by any governmental authority or regulatory body and which may adversely affect the Corporation's obligation to make, or the right of the holder of the Note to receive, such payments.

SECTION 1.05. Obligations Absolute. The obligations of the Corporation under this Agreement and the Note shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and the Note in the following circumstances:

(i) any lack of validity or enforceability of the Series 3 CP Notes;

(ii) the existence of any claim, set-off, defense or other right which the Corporation may have at any time against any holders of Series 3 CP Notes, the Bank or any other person or entity, whether in connection with this Agreement, the transactions contemplated herein or in the Credit Documents or any unrelated transaction;

(iii) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
(iv) any amendment or waiver or any consent to
departure from all or any of the Credit Documents; or

(v) payment by the Bank under the Letter of Credit
against documents which do not comply on their face with
the Letter of Credit;

provided, however, that the Corporation shall not be
obligated to pay to the Bank any Reimbursement Obligation or
Advance in connection with any payment made by the Bank under
the Letter of Credit if such payment by the Bank shall have
been made as the result of the wilful misconduct or gross
negligence of the Bank.

SECTION 1.06. State Covenant. In accordance with
the provisions of the MAC Acts, the Corporation hereby
includes in this Agreement the pledge and agreement of the
State of New York with the Bank that the State of New York
will not limit or alter the rights vested in the Corporation
by the MAC Acts to fulfill the terms of this Agreement, the
Note and the Amended and Restated Security Agreement or in
any way impair the rights and remedies of the Bank under this
Agreement and under the Amended and Restated Security
Agreement, as holder of the Note or any other holder of the
Note until after the Credit Termination Date and until the
Note together with the interest thereon, with interest on any
unpaid installment of interest, and all costs and expenses in
connection with any action or proceeding by or on behalf of
the Bank or any holder of the Note under the Note, are fully
paid and discharged. This pledge and agreement of the State
of New York with the Bank is in full force and effect.

ARTICLE II
TERM LOAN

SECTION 2.01. Term Advances. If the Bank shall
make any payment under the Letter of Credit and the
Corporation does not reimburse the Bank for its Reimbursement
Obligation with respect to such payment on the date upon
which such payment is made, such Reimbursement Obligation
shall constitute a term advance made by the Bank to the
Corporation on the date and in the amount of such payment,
each such term advance being an "Advance" and collectively
the "Advances".

SECTION 2.02. Interest. The Corporation shall pay
to the Bank interest on the unpaid principal amount of each
Advance from the date of such Advance until said principal
amounts become due, calculated as at the first day of January, April and October in each year and on each June 15, at such fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall at all times be equal to the sum of the Applicable Percentage and the higher of:

(a) the rate of interest announced publicly by the Bank in New York, New York, from time to time as the Bank's base rate; or

(b) the sum (adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent) of (i) 1/2 of one percent per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 365 or 366 days, as the case may be) being determined weekly by the Bank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Bank from three New York certificate of deposit dealers of recognized standing selected by the Bank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for the Bank in respect of liabilities consisting of or including (among other liabilities) three-month U.S. dollar nonpersonal time deposits, plus (iii) the average during such three-week period of the annual assessment rates estimated by the Bank for determining the then current annual assessment payable by the Bank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of the Bank in the United States

(the higher from time to time of the rates referred to in (a) and (b) above being the "Alternate Base Rate") but in no event higher than the maximum rate permitted by law. Interest shall be payable in arrears to the Bank on the earlier of the date being one calendar month after the date
of each calculation of such interest and the Payment Date for such interest, and on the final day when said principal amounts become due. The "Applicable Percentage" means 1/2 of 1% per annum from the date of this Agreement to the Credit Termination Date, 1% per annum from the Credit Termination Date to the second anniversary of the Credit Termination Date and 1-1/2% per annum at all times thereafter. Anything herein to the contrary notwithstanding, any amount of principal of an Advance which is not paid when due, whether at stated maturity, by acceleration or otherwise, shall bear interest from and including the day when due until said principal amount is paid in full, payable on each date interest is payable hereunder and under the Note, at a fluctuating interest rate per annum equal at all times to 2% per annum above the rate equal to the Alternate Base Rate in effect from time to time. Each change in the fluctuating interest rates hereunder shall take effect simultaneously with the corresponding change in the Applicable Percentage or the Alternate Base Rate, as the case may be.

SECTION 2.03. Repayment of the Advances. Subject to Sections 2.04, 2.05, 6.01 and 6.02, the Corporation shall repay to the Bank the aggregate unpaid principal amount of all of the Advances made by the Bank outstanding on the Credit Termination Date in substantially equal consecutive installments on the first day of each February, May, November and on each July 15 occurring during the five-year period commencing on the Credit Termination Date; provided, however, that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of all such Advances.

SECTION 2.04. Mandatory and Optional Prepayments. (a) After payment in full of the Series 1 CP Notes and any Advances (as defined in the Citibank Loan Agreement) made by the Bank under the Citibank Loan Agreement, the Corporation shall, from time to time before the Credit Termination Date, at any time that the proceeds of sales of Series 3 CP Notes exceeds the amount required for the payment of Series 3 CP Notes maturing on the day of such sales, prepay the outstanding aggregate principal amount of the Advances made by the Bank, together with accrued interest to the date of such prepayment on the principal amount so prepaid in an amount equal to the amount by which the proceeds of such sales exceeded the amount required for payment of maturing Series 3 CP Notes; provided however, that no such principal prepayment need be made if the amount thereof would be less than $1,000,000.
(b) The Corporation may, upon at least five Business Days' notice to the Bank stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Corporation shall, prepay the outstanding aggregate principal amount of the Note in whole or in part with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that each partial prepayment shall be in a principal amount not less than $1,000,000.

SECTION 2.05. Conversion of Advances to Second Resolution Bonds. (a) At any time on or after the Credit Termination Date the Bank may, by notice to the Corporation, elect to convert the aggregate principal amount of the Advances then outstanding into Second Resolution Bonds. Within 30 days of receipt of such notice, the Corporation shall (i) issue and deliver such Second Resolution Bonds to the Bank, in exchange for the Note, or (ii) prepay the outstanding aggregate principal amount of the Note in whole, with accrued interest to the date of such prepayment.

(b) The Second Resolution Bonds issued and delivered to the Bank pursuant to Section 2.05(a) or 6.02(a) shall be in denominations of not less than $5,000 (with any remainder due to the Bank being paid in cash) and shall bear interest at the rate per annum determined by the Corporation and approved by the Bank, taking into consideration the market prices and yields to maturity of other Second Resolution Bonds of the Corporation then outstanding having substantially similar characteristics, including par value, maturity and redemption provisions. If such interest rate is unacceptable to the Bank, the interest rate shall be determined by the Appraiser from the average, rounded upwards to the nearest 1/8 of one percent plus an additional 1/4 of one percent, based on bids of three dealers of recognized standing for the purchase of Second Resolution Bonds then outstanding selected by the Appraiser as meeting the criteria set forth above.

(c) The Second Resolution Bonds issued and delivered to the Bank pursuant to Section 2.05(a) or 6.02(a) shall mature serially or shall be amortized by operation of substantially equal mandatory sinking fund payments. Such Second Resolution Bonds shall have an average life from their date of issue calculated as follows: If such date of issue is on or before the Credit Termination Date, such average life shall be approximately, but not less than, five years. If such date of issue is after the Credit Termination Date,
such average life shall be approximately, but not less than, five years minus one-half of the number of whole years from the Credit Termination Date to such date of issue.

(d) The Corporation covenants and agrees with the Bank that for purposes of establishing compliance with any limitations on the Corporation's ability to issue additional bonds, now or hereafter contained in the First Bond Resolution and the Second Bond Resolution, including, but not limited to, Section 202 of each of said resolutions, or any Series Resolution or Supplemental Resolution (as such terms are defined in the First Bond Resolution and the Second Bond Resolution), or in any law, statute, judgment, decree, order, ordinance, governmental rule or regulation or other instrument or agreement binding upon the Corporation, including, but not limited to, the MAC Acts, an aggregate principal amount of Second Resolution Bonds equal to (i) prior to the Credit Termination Date, the Maximum Available Credit at the time of calculation of such limitation and (ii) after the Credit Termination Date, the principal amount of the Note remaining unpaid at the time of such calculation, shall be treated as issued and outstanding, whether or not then issued and outstanding under the Second Bond Resolution. For purposes of determining the amount of principal of and interest on such bonds payable during any period of time, it shall be assumed that all of such bonds are dated as of the first day of the month in which such calculation is made, bear interest payable on the first days of January and July in each year, at a rate to be agreed by the Corporation and the Bank, with payment to commence on the first such date following the date such calculation is made, and otherwise conform to the requirements of the Second Bond Resolution and this Section 2.05. The foregoing covenant and agreement of the Corporation shall be of no further force and effect after the earlier of (i) the date of repayment in full (after the Credit Termination Date) of the Advances, (ii) the issue and delivery of the Second Resolution Bonds to the Bank in exchange for the Note pursuant to Section 2.05(a) or 6.02(a) or (iii) the substitution of Government Securities and/or Cash Collateral for any Pledged Collateral in accordance with Section 6.02(a) and with the provisions of the Amended and Restated Security Agreement.

(e) The Bank may, at any time, sell, transfer or otherwise dispose of any Second Resolution Bonds received pursuant to Section 2.05(a) or 6.02(a).
SECTION 2.06. Evidence of Debt. The indebtedness of the Corporation resulting from each Advance made by the Bank shall be evidenced by a Note to the order of the Bank, delivered to the Bank pursuant to Article III.

ARTICLE III
CONDITIONS OF ISSUANCE

SECTION 3.01. Condition Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the condition precedent that the Bank shall have received at its address referred to in Section 8.02 on or before the day of issuance of the Letter of Credit the following, each dated such day, in form and substance satisfactory to the Bank:

(a) The Note to the order of the Bank, duly executed by the Corporation;

(b) The Agency Agreement, duly executed by the Corporation and the Agent for Holders of Series 3 CP Notes;

(c) The Amended and Restated Security Agreement, duly executed by the Corporation and the Collateral Agent;

(d) A certificate of an Authorized Officer of the Corporation as to (i) the resolutions of the Board of Directors of the Corporation evidencing approval of the Credit Documents and the matters contemplated thereby and (ii) documents evidencing all necessary corporate action and governmental and other approvals with respect to the Credit Documents;

(e) A certificate of an Authorized Officer of the Corporation which shall certify the names of the officers of the Corporation authorized to sign the Credit Documents and the other documents or certificates delivered pursuant thereto by the Corporation or any of its officers, together with the true signatures of such officers;

(f) An opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, in substantially the form of Exhibit E hereto and as to such other matters as the Bank may reasonably request;
(g) An opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation, in substantially the form of Exhibit F hereto and as to such other matters as the Bank may reasonably request, including advice from such Bond Counsel to the Bank that the Bank may rely on such opinion;

(h) A favorable opinion of Shearman & Sterling, counsel to the Bank, to the effect that, while they have not independently considered the matters covered by the opinions furnished pursuant to the preceding provisions of this Section 3.01 to the extent necessary to enable them to express the conclusions stated therein, (i) such opinions, this Agreement, the Amended and Restated Security Agreement and the other documents furnished pursuant to the preceding provisions of this Section 3.01 appear to be in substantially acceptable legal form and (ii) such opinions and other documents appear substantially responsive to the requirements of this Agreement;

(i) A certificate of an Authorized Officer of the Corporation to the effect that no event has occurred and is continuing, or would result from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both; and

(j) A Consent, duly executed by Citibank, N.A. and Manufacturers Hanover Trust Company, in substantially the form of Exhibit G hereto;

and such other approvals, opinions or documents as the Bank may reasonably request.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Corporation. The Corporation represents and warrants as follows:

(a) The Corporation is a corporate governmental agency and instrumentality of the State of New York, constituting a public benefit corporation duly created and validly existing under the provisions of the MAC Acts and has all requisite power and authority, corporate and otherwise, to conduct its business, to own its property and to execute and deliver, and to perform all of its
obligations under, the Credit Documents. The MAC Acts have been validly enacted and are in full force and effect.

(b) The execution, delivery and performance by the Corporation of the Credit Documents have been duly authorized by proper proceedings and do not and will not (i) require any consent, waiver or approval of any Person other than the Board of Directors of the Corporation except for the approvals required pursuant to Sections 3012(1)(e), 3013(4) and 3037 of the Public Authorities Law of the State of New York, all of which approvals are in full force and effect on the date hereof, (ii) violate or contravene the MAC Acts or by-laws of the Corporation or law or any rule, regulation, order, writ, judgment, injunction, decree, determination or award now in effect having applicability to the Corporation, (iii) conflict with, result in a breach of or constitute a default under any resolution, indenture or loan or credit agreement or any other agreement or instrument to which the Corporation is a party or by which the Corporation or any of its properties may be bound or affected, or (iv) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as permitted by or arising under the Credit Documents) upon or with respect to any of the Corporation's properties.

(c) The Corporation is duly authorized pursuant to law to execute and perform the Credit Documents and to carry out the transactions contemplated thereby, and no authorization, consent, approval, license or exemption of or filing or registration with any government or governmental department, commission, board, bureau, agency or instrumentality or any court, is or will be necessary for the valid execution, delivery and performance by the Corporation of the Credit Documents except for the approvals required pursuant to Sections 3012(1)(e), 3013(4) and 3037 of the Public Authorities Law of the State of New York, all of which approvals are in full force and effect on the date hereof.

(d) This Agreement constitutes, and each of the other Credit Documents when executed and delivered by the Corporation will constitute, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms. The Corporation is subject to suit by the Bank to enforce the Corporation's obligations under the Credit Documents and a court of competent jurisdiction has power in appropriate proceedings to enforce such obligations.
(e) The statement of financial position of the Corporation as at June 30, 1983 and the related Debt Service and Capital Reserve Fund Statement of Transactions and Operating Fund Statement of Transactions of the Corporation during the fiscal year then ended, certified by Price Waterhouse, independent public accountants, copies of which have been furnished to the Bank, fairly present the financial condition of the Corporation as of such dates and the results of the operations of the Corporation for the periods ended on such dates, all in accordance with generally accepted accounting principles applied on a consistent basis, and since June 30, 1983 there has been no material adverse change in such condition or operations.

(f) There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any of its properties before or by any court or governmental department, commission, board, bureau, agency or instrumentality, which involve any of the transactions contemplated hereby or in the other Credit Documents or which, if determined adversely to the Corporation, could have a material adverse effect on the financial condition, properties or operations of the Corporation or its ability to perform as contemplated hereby or by the other Credit Documents.

(g) No proceeds of any Advance will be used to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934.

(h) The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(i) Neither the Corporation nor any of its property has any immunity from jurisdiction of any court of competent jurisdiction or from any legal process therein (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise). To the maximum extent permitted by law, the Corporation agrees that it shall not assert any such defenses in any such actions.
ARTICLE V
COVENANTS OF THE CORPORATION

SECTION 5.01. Affirmative Covenants. So long as the Note shall remain unpaid or the Bank shall have any commitment hereunder, the Corporation will, unless the Bank shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Do and cause to be done all things necessary to comply, and comply, with all laws applicable to it (such compliance to include, without limitation, paying when due all taxes, assessments and governmental charges imposed upon it or its property) and obtain and maintain in effect all consents, licenses, permits, orders, decrees, approvals or authorizations of, or registrations or filings with, any government or governmental department, agency or authority which may at any time be required by or in order to perform its obligations under the Credit Documents or any amendment or supplement thereto and will take all necessary and appropriate action to ensure the continuance in force of all consents, licenses, permits, orders, decrees, approvals and authorizations, or registrations or filings, so obtained or made.

(b) Preservation of Corporate Existence, Etc. Do all things in its power to preserve and maintain its corporate existence, rights and privileges.

(c) Visitation Rights. At any reasonable time and from time to time, permit the Bank to examine and make copies of and abstracts from the records and books of account of the Corporation and to discuss the affairs, finances and accounts of the Corporation with any of its officers.

(d) Keeping of Records and Books of Account. (i) Keep or cause to be kept adequate and proper records and books of account, in which complete and correct entries will be made in accordance with generally accepted accounting principles, consistently applied, reflecting all financial transactions of the Corporation and (ii) maintain accurate records of the amount of Series 3 CP Notes issued and outstanding at all times, including the number, issue date, maturity date, principal amount thereof and amount of interest to the stated maturity date which records shall be provided upon request to the Bank on the Business Day such request is made.
(e) Annual Reports. Deliver to the Bank (with sufficient copies for each Participant) promptly when available, but in any event within 120 days after the close of the Corporation's fiscal year, an annual report containing no less than (i) a statement of the financial position of the Corporation as of the close of such fiscal year and the related Debt Service and Capital Reserve Fund Statement of Transactions and Operating Fund Statement of Transactions of the Corporation during such year, prepared in accordance with generally accepted accounting principles and certified by nationally recognized independent public accountants acceptable to the Bank, (ii) a statement of (A) collections by the State of New York during the preceding year of Sales Taxes paid into the Special Tax Account and Stock Transfer Taxes paid into the Stock Transfer Tax Fund and (B) amounts appropriated and apportioned as Per Capita Aid and deposited in the Special Aid Account, with itemized deductions of amounts paid to satisfy prior statutory claims to such amounts and (iii) other information concerning (A) collections, appropriations and apportionments by the State of New York of Sales Taxes, Stock Transfer Taxes and Per Capita Aid and payments of said Taxes and Aid from the State of New York to the Corporation, (B) changes in the Corporation's debt structure, including redemptions, calls and defaults, if any, (C) changes in the Corporation's capital reserve funds and debt service funds, (D) legislative, executive and administrative actions and proposals known to the Corporation that materially adversely affect the Corporation, (E) any action, suit, proceeding or investigation before or by any court or governmental authority pending against the Corporation or, to the knowledge of the Corporation, any other Person wherein an unfavorable decision, ruling or finding would affect provisions or materially adversely affect sources for payment of the Bonds or which questions the validity or enforceability of the Resolutions or the MAC Acts and (F) changes in the Corporation's management.

(f) Quarterly Reports. Deliver to the Bank (with sufficient copies for each Participant) promptly when available, but in any event within 60 days after the close of each of the first three quarters of the Corporation's fiscal year, a quarterly report containing no less than (i) a statement of the financial position of the Corporation as of the close of such quarter and the related Debt Service and Capital Reserve Fund Statement
of Transactions and Operating Fund Statement of Transactions of the Corporation during such quarter, together with a certificate of the Treasurer or chief financial officer of the Corporation stating that such statements are prepared in accordance with accounting principles consistent with the most recent annual financial statements delivered pursuant to Section 5.01(e) except as otherwise noted in such quarterly report, (ii) a statement of collections during the previous quarter of Sales Taxes and Stock Transfer Taxes paid into the Special Tax Account and Stock Transfer Tax Fund, respectively, and (iii) a statement of any material changes in the information referred to in Section 5.01(e).

(g) Other Reporting Requirements. Deliver to the Bank (with sufficient copies for each Participant) (i) as soon as possible and in any event within one Business Day after the occurrence thereof, notice of the occurrence of any Event of Default or any event which, with the giving of notice or lapse of time or both, would constitute an Event of Default; (ii) promptly after the issue thereof, each Official Statement of the Corporation, and each report of the Corporation referring to the financial condition of the City which is issued pursuant to provisions of the MAC Acts; and (iii) such other information respecting the conditions or operations, financial or otherwise, of the Corporation as the Bank may from time to time reasonably request.

(h) Other Agreements. Observe and comply with the terms and conditions of, and perform all its obligations under, the Credit Documents and the Series 3 CP Notes.

(i) Rollover of Series 3 CP Notes. Use its best efforts to sell Series 3 CP Notes in such amounts and at such times as are necessary for payment of Series 1 CP Notes and to reimburse the Bank for payments under the Letter of Credit with the proceeds of sales of Series 3 CP Notes (except at such times and to the extent that the Corporation shall determine, with the concurrence of the Dealers, that it is impracticable for the Corporation to issue Series 3 CP Notes in view of the prevailing market conditions), or otherwise to fund such payment from borrowing sources other than this Agreement.

(j) Collateral. Maintain with the Collateral Agent at all times Pledged Collateral having a Collateral Value in accordance with, and subject to, the terms of the Amended and Restated Security Agreement.
SECTION 5.02. Negative Covenants. So long as the Note shall remain unpaid or the Bank shall have any obligation to make payments under the Letter of Credit, the Corporation will not, without the written consent of the Bank:

(a) Liens, Etc. Create, incur, assume or suffer to exist any lien, security interest or other charge or encumbrance of any kind or any other type of preferential arrangement upon or with respect to any of the Bonds issued to the Corporation or any of the Collateral, other than liens and security interests created by or pursuant to the Credit Documents, the Multibank Credit Agreement or the Citibank Loan Documents.

(b) Amendment, Etc. of Other Agreements. Agree to amend, extend, modify, waive, revise or otherwise alter or terminate, or permit any amendment, extension, modification, waiver, revision, or other alteration or termination of, the terms of any of the Credit Documents or any of the Series 3 CP Notes.

(c) Indebtedness—Bond Resolutions. Issue bonds under the First Bond Resolution and the Second Bond Resolution which would result in an aggregate principal amount exceeding $8,800,000,000 outstanding at any time; or issue any bonds otherwise than under the First Bond Resolution and the Second Bond Resolution unless (i) the proceeds of such bonds are used to purchase Bonds in the same aggregate principal amount, with comparable interest rates, and such Bonds mature serially or amortize through operation of mandatory sinking fund payments on dates not more than one year before or after the maturity or earlier mandatory redemption dates of comparable principal amounts of such bonds of the Corporation, or the proceeds of such bonds are used to refinance First Resolution Bonds or Second Resolution Bonds, (ii) at the time of issuance of such bonds of the Corporation Bonds are rated no less than Baa by Moody's Investors Service, Inc. or BBB by Standard & Poor's Corporation (or other comparable investment grade designation which may hereafter be used generally by either such agency) and (iii) the results of operations under the City's audited Statement of Operations, for the most recently completed fiscal year (or the prior fiscal year, if such issuance of bonds of the Corporation is within the first four months of a fiscal year), prepared in accordance with generally accepted accounting principles, show total revenues to have been equal to or greater than total expenditures; and the Corporation agrees to hold any Bond purchased to its maturity or earlier redemption.
(d) **Indebtedness – Short-term Notes.** (i) Issue any Series 1 CP Notes or (ii) issue any other Indebtedness in the form of short-term notes (other than the Series 2 CP Notes and Series 3 CP Notes) unless (A) such notes are payable only from revenues otherwise payable to the City after payment in full of all debt service and capital reserve fund requirements under the First Bond Resolution and the Second Bond Resolution, (B) the Corporation receives certificates in the form contemplated by paragraphs (1), (2) and (3) of Section 202.3 of the Second Bond Resolution, and (C) the amounts described in paragraphs (1) and (2) of such Section, after deducting the amounts described in paragraphs (3)(a) and (3)(c) of such Section, will be at least two times the aggregate amount described in paragraph (3)(b) of such Section for each fiscal year set forth pursuant to such paragraph, including for this purpose the amount of principal of and interest on all of the Corporation's short-term notes (other than the Series 1 CP Notes, Series 2 CP Notes and Series 3 CP Notes) payable during such fiscal year. In the event the Corporation issues any short-term notes (other than Series 2 CP Notes and Series 3 CP Notes), then for so long as such short-term notes are outstanding the Corporation shall not issue any bonds under the First Bond Resolution unless it receives certificates in the forms described in Section 202.3 of the Second Bond Resolution and the Corporation will not issue any bonds under the First Bond Resolution or the Second Bond Resolution unless the amounts described in paragraphs (1) and (2) of Section 202.3 of the Second Bond Resolution, as set forth in the certificate described therein and delivered in connection with such issuance, after deducting the amounts described in paragraphs (3)(a) and (3)(c) of such Section, as set forth in the certificate described therein and delivered in connection with such issuance, will be at least two times the aggregate amount described in paragraph (3)(b) of such Section for each fiscal year, as set forth in the certificate described therein and delivered in connection with such issuance, including in such aggregate amount described in paragraph (3)(b) the amount of principal of and interest on all of the Corporation's short-term notes (other than the Series 1 CP Notes, Series 2 CP Notes and Series 3 CP Notes) payable during such fiscal year.

(e) **Other Indebtedness.** Create or suffer to exist on or after the date of this Agreement Indebtedness in an aggregate principal amount exceeding $3,000,000 at any
time outstanding, other than Indebtedness (i) under this Agreement and the Note; (ii) which is evidenced by the Series 3 CP Notes; (iii) under the Multibank Credit Agreement; (iv) which is evidenced by the Series 2 CP Notes; (v) under the Citibank Loan Agreement; (vi) which is evidenced by the Series 1 CP Notes; (vii) under the First Bond Resolution and the Second Bond Resolution; (viii) which is short-term Indebtedness permitted pursuant to Section 5.02(d); or (ix) which may otherwise be authorized by the Corporation for the purpose of refunding outstanding Indebtedness, provided, that such refunding obligations of the Corporation do not have priority with respect to security or source of payment over the obligations of the Corporation under this Agreement and the Note.

(f) Amendment of Debt Agreements. Agree to amend, extend, modify, waive, revise or otherwise alter, or permit any amendment, extension, modification, waiver, revision or other alteration of any term, condition, covenant, agreement or other provision with respect to, or in any way concerning, Indebtedness of the Corporation, contained in any agreement to which the Corporation is a party and which requires the consent of the Corporation’s securityholders thereunder except such amendments, modifications, waivers, revisions or alterations, if any, which may be required under the Citibank Loan Agreement and the Citibank Loan Documents or under the Multibank Credit Agreement and the Multibank Loan Documents to permit the performance of the Corporation’s obligations under the Credit Documents and the Series 3 CP Notes.

(g) Issue of Series 3 CP Notes. Have any Outstanding Series 3 CP Notes in an aggregate amount of Maturity Date Payments which, when added to the aggregate amount of the Series 1 CP Notes (including both principal and interest to accrue on the maturity of the Series 1 CP Notes) issued and outstanding on such date, exceeds the Maximum Available Credit.

(h) Maturity of Series 3 CP Notes. Issue a Series 3 CP Note with a maturity date which is later than the earlier of (i) 270 days from its date of issuance and (ii) fifteen days prior to the Credit Termination Date.

(i) Increase in Outstandings. Permit any increase in the amount of the sum of Advances outstanding (under this Agreement or under the Citibank Loan Agreement, as
defined in such Citibank Loan Agreement) and the aggregate amount of Maturity Date Payments of all Outstanding Series 3 CP Notes at any time after the Bank has made Advances under either this Agreement or the Citibank Loan Agreement and before the Corporation has repaid in full all such Advances outstanding.

SECTION 5.03. Provisions with Respect to the State Covenant. Section 4.4 of the Bond Purchase Agreement as in effect on the date hereof is hereby incorporated into this Agreement as though such Section 4.4 was set forth in full in this Agreement, with references therein to the "Corporation", "State" and "this Agreement" to mean the Corporation, the State of New York and the Bond Purchase Agreement, respectively, and each other term used therein to have the meaning assigned thereto in the Bond Purchase Agreement.

ARTICLE VI
EVENTS OF DEFAULT; EXTRAORDINARY SITUATIONS

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Corporation shall fail to pay any amount payable under any provision of Section 1.02 or of the Note when due; or

(b) The Corporation shall fail to convert any Advances or fail to substitute Government Securities and/or Cash Collateral for any Pledged Collateral, as required by Section 6.02(a); or

(c) The Corporation shall fail to perform or observe any term, covenant or agreement contained in this Agreement or the Note or in any other Credit Document (other than those referred to in Sections 6.01(a) and 6.01(b) above) and such failure shall continue for 10 days after notice thereof shall have been given to the Corporation by the Bank; or

(d) Any representation or warranty made or deemed to be made by the Corporation in any Credit Document or in or by any certificate, document, statement or instrument delivered thereunder or in connection therewith shall prove to have been incorrect or misleading in any material respect at the time such
representation or warranty was originally made or at the time any Advance is made hereunder as though such representation or warranty were made at such time; or

(e) The Corporation shall fail to pay any Indebtedness (excluding Indebtedness under this Agreement and the Note) in respect of which the Corporation is liable, contingently or otherwise, as obligor, guarantor or otherwise, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or any other default under any agreement or instrument relating to any such Indebtedness or any other event shall occur, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness, or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(f) The Corporation shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Corporation seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or the Corporation shall take any corporate action to authorize any of the actions set forth above in this Section 6.01(f); or

(g) Any governmental or other authorization or approval, or any consent or waiver under any resolution, indenture or loan or credit agreement or any other agreement or instrument to which the Corporation is a party or by which the Corporation or any of its properties may be bound or affected (including, without limitation, the Waiver upon Consent) which authorization, approval, consent or waiver is necessary to enable the Corporation to comply with its obligations under the Credit Documents or the Series 3 CP Notes is revoked, rescinded, withdrawn, withheld or otherwise ceases to be in full force and effect; or
(h) A final, unpaid, non-appealable judgment or order or an aggregate of such judgments or orders for the payment of money in excess of $1,000,000 shall be rendered against the Corporation and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect for any period of ten consecutive days; or

(i) The Corporation shall sell, lease, transfer or otherwise dispose of all or any substantial part of the assets of the Corporation; or

(j) Any Credit Document shall, at any time after the execution and delivery thereof and for any reason, cease to be in full force and effect, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Corporation or any court or government or governmental authority, or the Corporation shall deny that it has any or further liability or obligation thereunder; or

(k) Any provision of the Amended and Restated Security Agreement after delivery thereof to the Bank shall for any reason cease to be valid and binding, or the Corporation, the City or the State of New York shall so state in writing; or the Bank shall for any reason, except to the extent permitted by the terms of the Amended and Restated Security Agreement, cease to have a pledge of the Collateral covered thereby prior to all liens thereon; or

(l) Any Event of Default shall have occurred under the First Bond Resolution, the Second Bond Resolution, the Third Bond Resolution, the Bond Purchase Agreement, the Citibank Loan Agreement or the Multibank Credit Agreement;

then, and in any such event, the Bank may (i) by notice to the Issuing and Paying Agent of an Event of Default, demand and instruct that the Issuing and Paying Agent immediately cease authenticating or delivering Series 3 CP Notes until such time as the Bank shall have rescinded such instruction and shall have consented to the issuance of Series 3 CP Notes by a notice confirmed in writing to the Issuing and Paying Agent; (ii) by notice to the Agent for Holders of Series 3 CP Notes direct the Agent for Holders of Series 3 CP Notes to
draw under the Letter of Credit in an amount equal to the
total of the Maturity Date Payments of all Outstanding Series
3 CP Notes prior to the stated maturity thereof but not more
than the Available Balance, such amount to be held for the
holders of such Outstanding Series 3 CP Notes by the Issuing
and Paying Agent as provided in the Agency Agreement; and
(iii) by notice to the Corporation declare the Note, all
interest thereon and all other amounts payable under this
Agreement to be forthwith due and payable, whereupon the
Note, all such interest and all such amounts shall become and
be forthwith due and payable, without presentment, demand,
protest or further notice of any kind, all of which are
hereby expressly waived by the Corporation.

SECTION 6.02. Extraordinary Situations. (a) Should an extraordinary situation occur which gives
reasonable grounds to conclude, in the judgment of the Bank,
that the Corporation may not, or will be unable to, perform
or observe in the normal course its obligations under the
Credit Documents and the Series 3 CP Notes (an "Extraordinary
Situation"), the Bank may: (i) by notice to the Issuing and
Paying Agent of an Extraordinary Situation, demand and
instruct that the Issuing and Paying Agent immediately cease
authenticating or delivering Series 3 CP Notes until such
time as the Bank shall have rescinded such instruction and
shall have consented to the issuance of Series 3 CP Notes by
a notice confirmed in writing to the Issuing and Paying
Agent; (ii) by notice to the Agent for Holders of Series 3 CP
Notes direct the Agent for the Series 3 CP noteholders to
draw under the Letter of Credit in an amount equal to the
total of the Maturity Date Payments of all Outstanding Series
3 CP Notes prior to the stated maturity thereof but not more
than the Available Balance, such amount to be held by the
Issuing and Paying Agent for the Series 3 CP noteholders as
provided in the Agency Agreement; and (iii) by notice to the
Corporation, require the Corporation to elect, and, upon such
request, the Corporation shall elect, either to convert any
Reimbursement Obligations and any Advances then outstanding
to Second Resolution Bonds, or to substitute Government
Securities and/or Cash Collateral for any Pledged Collateral,
in accordance with the remainder of this Section 6.02(a) and
with the provisions of the Amended and Restated Security
Agreement. Upon receipt of notice from the Bank to the
effect of clause (iii) of the next preceding sentence, the
Corporation shall have the right to elect whether to give
effect to the conversion, or to the substitution, or to both
the conversion and the substitution, referred to in such
notice. If the Corporation elects to convert Reimbursement
Obligations and Advances then outstanding to Second Resolution Bonds, the Corporation shall deliver such Second Resolution Bonds to the Bank within three days (provided that one such day shall be a Business Day) of the Corporation's receipt of such notice from the Bank. In the event the Corporation elects to convert all Reimbursement Obligations and Advances then outstanding to Second Resolution Bonds, upon receipt of such Second Resolution Bonds the Bank shall deliver the Note to the Corporation. The terms of such Second Resolution Bonds shall be those provided in Section 2.05 and the provisions of Sections 2.05(b) through 2.05(e) shall apply to such Second Resolution Bonds. If the Corporation elects to sell any Pledged Collateral to substitute Cash Collateral for such Pledged Collateral, the Corporation shall sell such Pledged Collateral the same day that the Corporation receives such notice from the Bank and shall deposit such Cash Collateral with the Bank within five Business Days after such sale. Any notice given by the Bank to the Corporation under this Section 6.02(a) may be rescinded with the concurrence of the Corporation and the Bank.

(b) If a bill shall be filed and pending in or passed by the legislature of the State of New York, in either case with the acquiescence of the Corporation and/or the Governor of the State of New York permitting the Corporation to file a petition in bankruptcy, then, without limiting the right of the Bank to treat any other event as an extraordinary event, the Bank may treat any such circumstance as an Extraordinary Situation under Section 6.02(a).

ARTICLE VII
DEFINITIONS AND ACCOUNTING TERMS

SECTION 7.01. Certain Defined Terms. As used in this Agreement and unless otherwise indicated, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means an advance by a Bank to the Corporation pursuant to Article II.

"Agency Agreement" means the Agency Agreement dated October 24, 1983 among the Corporation, the Agent for Holders of Series 3 CP Notes and Citibank, in substantially the form of Exhibit D hereto.
"Agent for Holders of Series 3 CP Notes" has the meaning assigned to that term in the second paragraph of this Agreement.

"Alternate Base Rate" has the meaning assigned to that term in Section 2.03.

"Amended and Restated Security Agreement" means the Amended and Restated Security Agreement dated October 24, 1983 among the Corporation, the Bank, the Agent for Holders of Series 3 CP Notes and the Collateral Agent, in substantially the form of Exhibit C hereto.

"Applicable Percentage" has the meaning assigned to that term in Section 2.02.

"Appraiser" means Kenny Information Systems, Inc., a subsidiary of J.J. Kenny Co., Inc., or any other entity selected by the Bank and performing a similar function of determining market values of debt instruments.

"Authorized Officer" means any one of the Chairman, Vice Chairman, Chairman of the Finance Committee, Executive Director, Deputy Executive Director, Treasurer, Counsel, Secretary and Assistant Secretary of the Corporation, and any other person authorized by resolution of the Corporation to perform the act or sign the document in question.

"Available Balance" has the meaning assigned to that term in the Letter of Credit.

"Bank" has the meaning assigned to that term in the first paragraph of this Agreement.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of November 15, 1978, among the Corporation and the Purchasers parties thereto, as amended from time to time.

"Bonds" means bonds issued by the City.

"Business Day" means a day of the year on which banks are open for business and not required or authorized to close in the City.

"Cash Collateral" has the meaning assigned to that term in the Amended and Restated Security Agreement.
"Citibank Loan Agreement" means the Revolving Credit and Term Loan Agreement between the Corporation as Borrower and Citibank as Lender, dated as of June 3, 1982.

"Citibank Loan Documents" means the Loan Documents as defined in the Citibank Loan Agreement.

"City" means The City of New York.

"Collateral" has the meaning assigned to that term in the Amended and Restated Security Agreement.

"Collateral Agent" has the meaning assigned to that term in the Amended and Restated Security Agreement.

"Collateral Value" has the meaning assigned to that term in the Amended and Restated Security Agreement.

"CP Note Resolution" means a resolution of the Corporation authorizing the issuance of the Series 1 CP Notes in an amount outstanding at any time (including both principal and interest to accrue to maturity on such notes) not to exceed $100,000,000, adopted on June 3, 1982.

"Credit Documents" means this Agreement, the Note, the Letter of Credit, the Series 3 CP Notes, the Agency Agreement, the Amended and Restated Security Agreement, and any other agreement or instrument relating thereto.

"Credit Termination Date" means the second anniversary of November 7, 1983 provided that the Corporation and the Bank may, once a year, extend the Credit Termination Date to the next anniversary of such date, by mutual agreement made not less than 30 days before the anniversary of such date next preceding the then Credit Termination Date in which event a renewal letter of credit shall be issued.

"Dealers" means, collectively, The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A., acting as dealers in sales of the Series 3 CP Notes pursuant to their agreement with the Corporation dated October 24, 1983.

"Event of Default" has the meaning assigned to that term in Section 6.01.

"Extraordinary Situation" has the meaning assigned to that term in Section 6.02.
"First Bond Resolution" means the General Bond Resolution of the Corporation, adopted July 2, 1975, as amended from time to time.

"First Resolution Bonds" means bonds of the Corporation issued pursuant to the First Bond Resolution.

"Government Securities" has the meaning assigned to that term in the Amended and Restated Security Agreement.

"Indebtedness" means, for any Person, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (b) obligations as lessee under leases which shall have been or should be in accordance with generally accepted accounting principles, recorded as capital leases and (c) all direct or indirect guarantees of such Person in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness of any other Person for borrowed money or for the deferred purchase price of property or services or obligations of the kind referred to in clause (b) above.

"Issuing and Paying Agent" has the meaning assigned to that term in the Agency Agreement.

"MAC Acts" means (i) the New York State Municipal Assistance Corporation Act, as amended from time to time and (ii) the Municipal Assistance Corporation for the City of New York Act, as amended from time to time.

"Maturity Date" has the meaning assigned to that term in the Series 3 CP Note.

"Maturity Date Payment" has the meaning assigned to that term in the Series 3 CP Note.

"Maximum Available Credit" has the meaning assigned to that term in the third paragraph of this Agreement.

"Multibank Credit Agreement" means the Revolving Credit and Term Loan Agreement dated as of January 6, 1983, between MAC, MHT, Citibank, and Citibank, as Agent, as amended from time to time.

"Multibank Loan Documents" means the Loan Documents as defined in the Multibank Credit Agreement.
"Note" means a promissory note of the Corporation to the order of the Bank, in substantially the form of Exhibit A hereto, evidencing the Advances made by the Bank.

"Outstanding Series 3 CP Notes" means Series 3 CP Notes which are issued and outstanding but does not include any Series 3 CP Notes which were not presented for payment on their Maturity Dates and for whose payment funds are held by the Issuing and Paying Agent as provided in Section 2(d)(ii) of the Agency Agreement.

"Participant" has the meaning assigned to that term in Section 8.10.

"Payment Date" means a date not more than two Business Days after receipt by the Corporation from the State of New York of any amount due hereunder or under the Note following certification of such amount by the Corporation in accordance with the provisions of the MAC Acts.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a state or political subdivision thereof or any agency of such state or subdivision.

"Pledged Collateral" has the meaning assigned to that term in the Amended and Restated Security Agreement.

"Reimbursement Obligation" has the meaning assigned to that term in Section 1.02(a).

"Resolutions" means the First Bond Resolution and the Second Bond Resolution.

"Second Bond Resolution" means the Second General Bond Resolution of the Corporation, adopted November 25, 1975, as amended from time to time.

"Second Resolution Bonds" means bonds of the Corporation issued pursuant to the Second Bond Resolution.

"Series 2 CP Note Resolution" means a resolution of the Corporation authorizing the issuance of the Series 2 CP Notes in an amount outstanding at any time (including both principal and interest to accrue to maturity on such notes) not to exceed $150,000,000 adopted on December 20, 1982.
"Series 3 CP Note Resolution" means a resolution of the Corporation authorizing the issuance of the Series 3 CP Notes in an amount outstanding at any time (including both principal and interest to accrue to maturity on such notes) not to exceed $100,000,000, adopted on September 29, 1983.

"Series 1 CP Notes" means the short-term promissory notes of the Corporation issued pursuant to the CP Note Resolution as defined in the Citibank Loan Agreement.

"Series 2 CP Notes" means the short-term promissory notes of the Corporation issued pursuant to the Series 2 CP Note Resolution.

"Series 3 CP Notes" means the short-term promissory notes of the Corporation issued pursuant to the Series 3 CP Note Resolution.

"Third Bond Resolution" means a resolution of the Corporation adopted after the date of this Agreement, as such resolution is amended from time to time, which authorizes the Corporation to issue bonds (other than First Resolution Bonds or Second Resolution Bonds) to refinance First Resolution Bonds and/or Second Resolution Bonds.

"Waiver Upon Consent" means a certain Waiver upon Consent, dated as of April 30, 1982, by the Financial Institutions and the Pension Funds listed on Schedule I to the Bond Purchase Agreement.

SECTION 7.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated herein.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Note or the Amended and Restated Security Agreement, nor consent to any departure by the Corporation therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing including telex, telegram, cable or EDP Terminal and mailed or sent or delivered, if to the Corporation, at its address at Suite 8901, One World Trade Center, New York, New York 10048, Attention of Executive Director, if to the Bank, at its address at 55 Water Street, New York, New York 10043, Attention of Public Finance Department (MAC Account), if to the Agent for Holders of Series 3 CP Notes, at its address at 45 Wall Street, New York, New York 10005, Attention Pat Santivasci, Assistant Vice President, or as to any party, at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective either when deposited in the mails, postage prepaid, or, in the case of notice by telex, telegram, cable or EDP Terminal, when sent addressed as set forth above, except that notices and communications to the Bank pursuant to Articles I and II shall not be effective until received by the Bank and notices and communications to the Corporation pursuant to Section 6.02 shall not be effective until received by the Corporation.

SECTION 8.03. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder or under the Note or any Credit Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or under the Note or any Credit Document preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. The Corporation agrees to pay on the Payment Date for the following costs and expenses, upon such documentation as the Corporation may reasonably require, all reasonable costs and expenses incurred by the Bank in connection with the preparation, execution, delivery and administration of this Agreement, the Note, the Credit Documents and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of Messrs. Shearman & Sterling, counsel to the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and the other Credit Documents. The Corporation further agrees to pay all losses, costs and expenses, if any (including reasonable counsel fees and expenses), in connection with the preservation of any
rights of the Bank under, or the enforcement of, or legal advice in respect of the rights or responsibilities of the Bank under, this Agreement, the Note, the Credit Documents and the other documents delivered hereunder, including, without limitation, losses, costs and expenses sustained by the Bank as a result of any failure by the Corporation to perform or observe its obligations contained herein, in the Note and the other Credit Documents.

SECTION 8.05. Limitation of Interest. No provision of this Agreement or the Note shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law.

SECTION 8.06. Consent to Jurisdiction. To the maximum extent permitted by law, the Corporation hereby irrevocably submits to the jurisdiction of any New York State court sitting in New York City in any action or proceeding arising out of or relating to this Agreement, the Note and the other Credit Documents, and the Corporation hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court.

SECTION 8.07. Right of Set-off. (a) Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) (but not including any account pledged to or established solely for the payment of principal of, or interest on, notes or bonds issued by the Corporation) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Corporation against any and all of the obligations of the Corporation now or hereafter existing under this Agreement and the Note, irrespective of whether or not the Bank shall have made any demand hereunder and although such obligations may be contingent or unmatured; provided, however, that the Bank waives any such right, and any other right which it may have at law or otherwise to set off and apply such deposits or indebtedness, if, when and after there shall be a drawing under the Letter of Credit during the pendency of any proceeding by or against the Corporation seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or
reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property. The Bank hereby expressly waives any right to set-off and apply the Payment Account (as such term is defined in either the Citibank Loan Agreement or the Multibank Credit Agreement) against any and all of the obligations of the Corporation now or hereafter existing under any Credit Documents. It is expressly understood that
the Commercial Paper Note Account (as defined in the Agency Agreement) established under the Agency Agreement is not an account of the Corporation and not subject to the right of set-off asserted in this Section 8.07(a).

(b) The Bank agrees promptly to notify the Corporation after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. Subject as aforesaid, the rights of the Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

SECTION 8.08. Binding Effect. This Agreement shall become effective when it shall have been executed by the Corporation and the Bank and thereafter this Agreement shall be binding upon and inure to the benefit of the Corporation, the Bank and their respective successors and assigns, except that neither the Corporation nor the Bank shall have the right to assign their rights hereunder or any interest herein without the prior written consent of the other parties hereto and except that neither the Corporation nor the Bank shall have the right to assign their rights hereunder or any interest herein so long as any Series 3 CP Note is outstanding.

SECTION 8.09. Governing Law. This Agreement and the Note shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.10. Participation Agreements. The Corporation recognizes that the Bank contemplates entering into participation agreements with certain other participants (the "Participants"), whereby the several Participants will be assigned a part of the Bank's interest in the Bank's rights and benefits under the Credit Documents. Accordingly, the Corporation confirms that all of its representations, warranties, covenants, certifications and obligations under the Credit Documents and the Series 3 CP Notes, as well as all of the Collateral purported to be covered by the Amended and Restated Security Agreement, are for the benefit of the Participants as well as for the benefit of the Bank. The Corporation agrees that any Participant may exercise all of its rights of payment (including the right of set-off, other
than with respect to any account pledged to or established solely for the payment of principal of, or interest on, notes or bonds issued by the Corporation), with respect to such participation as fully as if such Participant were the direct lender to the Corporation under this Agreement in the amount of such participation.

SECTION 8.11. Waiver by the Bank. The Bank, as lender under the Citibank Loan Agreement, hereby waives the Corporation's compliance with Section 4.02(d) of the Citibank Loan Agreement, concerning limitations on short-term indebtedness, to the extent necessary to permit the Corporation to issue the Series 3 CP Notes as provided herein and in the other Credit Documents.

SECTION 8.12. Reduction of Commitment Under the Citibank Loan Agreement. Notwithstanding the provisions of Section 1.04 of the Citibank Loan Agreement, the Corporation and the Bank, as parties to such Agreement hereby agree that the amount of the Commitment (as such term is defined in the Citibank Loan Agreement) shall be automatically reduced on each date on which any Series 1 CP Notes are redeemed by the amount of the Series 1 CP Notes so redeemed without any notice by the Corporation to the Bank and without regard to provisions of clause (b) of Section 1.04.

SECTION 8.13. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By [Signature]
Executive Director

CITIBANK, N.A.

By [Signature]
Senior Vice President
EXHIBIT A

BANK NOTE

$100,000,000

Dated: October 24, 1983

FOR VALUE RECEIVED, the undersigned, MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), HEREBY PROMISES TO PAY to the order of Citibank, N.A. (the "Bank") the principal sum of One Hundred Million Dollars ($100,000,000) or, if less, the aggregate principal amount of all Advances (as defined below) made by the Bank to the Corporation pursuant to the Reimbursement Agreement (as defined below) outstanding on the Credit Termination Date (as defined in the Reimbursement Agreement) in 20 substantially equal consecutive installments on the first day of each February, May and November and on each July 15 occurring during the five-year period commencing on the Credit Termination Date; provided, however, that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of all such Advances.

The Corporation promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Reimbursement Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, N.A., at 399 Park Avenue, New York, New York 10043, in same day funds. All Advances made by the Bank to the Corporation, and all payments made on account of principal hereof, shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the grid attached hereto which is a part of this Bank Note.
Pursuant to Titles I, II and III of Article 10 of the Public Authorities Law (Chapter 43A of the Consolidated Laws of the State of New York, as amended) any provision therein or in this Bank Note relating to taxes imposed under Article 12 or Section 1107 or 1108 of the Tax Law or to the funds created by Section 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State of New York (the "State") in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

This Bank Note shall not be a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable thereon, nor shall this Bank Note be payable out of any funds other than those of the Corporation.

Neither the Directors of the Corporation nor any other person executing this Bank Note shall be subject to any personal liability or accountability by reason of the issuance thereof.

This Bank Note is the Note referred to in, and is entitled to the benefits of, the Letter of Credit and Reimbursement Agreement dated October 24, 1983 (the "Reimbursement Agreement") between the Corporation and the Bank, which Reimbursement Agreement, among other things, (i) provides for the issuance by the Bank of an irrevocable non-transferable letter of credit (the "Letter of Credit") in favor of the Agent for Holders of Series 3 CP Notes (as defined in the Reimbursement Agreement) in the amount of $100,000,000 as such amount may be reduced pursuant to the terms of such Letter of Credit, (ii) provides that if the Bank shall make any payment under the Letter of Credit and the Corporation does not reimburse the Bank for its Reimbursement Obligation (as defined in the Reimbursement Agreement) with respect to such payment on the date upon which such payment is made, such Reimbursement Obligation shall constitute a term advance made by the Bank to the Corporation on the date and in the amount of such payment (an "Advance" and collectively "Advances") the indebtedness of the Corporation to the Bank resulting from each such Advance being evidenced by this Bank Note, and (iii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for mandatory and
optional prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By

Executive Director

(Seal)

Attest:

Secretary
### ADVANCES AND PAYMENTS OF PRINCIPAL

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EXHIBIT B

IRREVOCABLE LETTER OF CREDIT

No. ____________

October 24, 1983

United States Trust Company
of New York, as Agent
for Holders of
Series 3 CP Notes
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Dear Sirs:

We hereby establish, at the request and for the account of Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), in your favor, as Agent for Holders of Series 3 CP Notes under the Agency Agreement dated October 24, 1983 among the Corporation, you and Citibank, N.A. as Issuing and Paying Agent pursuant to which promissory notes of the Corporation designated as Series 3 Commercial Paper Notes (the "Series 3 CP Notes") are to be issued in an aggregate amount not to exceed $100,000,000 (including principal and interest to accrue to maturity), our Irrevocable Letter of Credit No. ________, in the amount of $100,000,000, as such amount may be reduced as described below (the "Maximum Available Credit"), effective immediately and expiring at the close of banking business at our 111 Wall Street, New York, New York 10005 office on November 7, 1985 (the "Stated Expiry Date").

We hereby irrevocably authorize you to draw on us, from time to time in an aggregate amount on any one day not to exceed the Maximum Available Credit and in accordance with
the terms and conditions as hereinafter set forth, in one or more drawings by one or more of your demands for payment, made to our 111 Wall Street, New York, New York 10005 office and payable at sight on a banking day, and, for each such drawing, accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1 attached hereto. Each demand for payment shall be signed by you and be substantially in the form of Annex C attached hereto.

The amount from time to time available hereunder to be drawn by you (the "Available Balance") shall be the amount of the Maximum Available Credit (A) decreased from time to time (i) immediately following our honoring your demand or demands for payment hereunder, by an amount equal to such demand or demands and (ii) immediately following our receipt from you in the form of Annex D attached hereto of any reduction in the Maximum Available Credit, as of the date specified in such notice and by an amount equal to the amount of such reduction, and (B) increased from time to time to the extent, but only to the extent, that we are reimbursed by the Corporation for amounts drawn hereunder (but in no event shall the amount of any increase be such as to cause the Available Balance to exceed the Maximum Available Credit).

Funds under this Letter of Credit are available to you against presentation of your demand for payment signed by you in substantially the form of Annex C referring thereon to the number of this Letter of Credit and accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1, as the case may be. Each demand for payment and certificate shall be dated the date of its presentation and shall be presented at our office located at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations (or at such other office in the City and State of New York which may be designated by us on written notice delivered to you) on or before 12:00 Noon, New York City time, on the day on which we are to make funds available to you hereunder. If we receive any of your demands for payment and certificates at such office and at such time, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the Stated Expiry Date, we will honor the same on the day of presentation thereof by payment to you in same day funds by deposit in same day funds into an account designated by you and maintained with us.
This Letter of Credit sets forth in full our undertaking to you, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement. Our obligations hereunder are primary obligations and shall not be affected by the performance or non-performance by the Corporation of any obligations under the Series 3 CP Notes or under any agreement between the Corporation and you or the Corporation and us.

This Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations, specifically referring to the number of this Letter of Credit.

Very truly yours,

CITIBANK, N.A.

By: ____________________________
[Name and Title]
ANNEX A

CERTIFICATE FOR DRAWING IN CONNECTION WITH THE PAYMENT OF MATURITY DATE PAYMENTS ON THE SERIES 3 COMMERCIAL PAPER NOTES OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York (the "Corporation"), and Citibank, N.A., as Issuing and Paying Agent, hereby certifies to Citibank, N.A., with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit", the terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) The Agent for Holders of Series 3 CP Notes is making a drawing under the Letter of Credit in the amount of the aggregate amount of the Maturity Date Payments on all of the Series 3 CP Notes maturing on the date hereof.

(3) A duly authorized officer of the Corporation has informed us of the amount of the demand for payment accompanying this Certificate and that such amount does not exceed the amount available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of this ____ day of ___, 19__.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: [Name and Title]
ANNEX B

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. _____ (the "Letter of Credit", the terms defined
therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent
for Holders of Series 3 CP Notes is making a drawing
under the Letter of Credit in the aggregate amount of the
Maturity Date Payments on all of the outstanding Series 3
CP Notes prior to the stated maturity thereof, to be held
by the Issuing and Paying Agent for the holders thereof.

(3) A duly authorized officer of the Corporation
has informed us of the amount of the demand for payment
accompanying this Certificate and that such amount does
not exceed the amount available to be drawn under the
Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ______, 19__

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: _______________________
[Name and Title]
ANNEX B-1

CERTIFICATE FOR DRAWING IN CONNECTION WITH THE PAYMENT OF MATURITY DATE PAYMENTS ON THE SERIES 3 COMMERCIAL PAPER NOTES OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York (the "Corporation"), and Citibank, N.A., as Issuing and Paying Agent, hereby certifies to Citibank, N.A., with reference to Irrevocable Letter of Credit No. CCD3-8344-321255 (the "Letter of Credit", the terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent for Holders of Series 3 CP Notes is making a drawing under the Letter of Credit in an amount equal to the amount available to be drawn under the Letter of Credit, to be held by the Issuing and Paying Agent for the holders of all of the outstanding Series 3 CP Notes issued prior to the date hereof.

(3) The amount of the demand for payment accompanying this Certificate is equal to the amount available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of this ___ day of __________, 19___.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: _______________________

[Name and Title]
ANNEX C

DEMAND FOR PAYMENT

____________, 19__

Citibank, N.A.
111 Wall Street
New York, New York 10005

Attention: Letter of Credit Operations

Irrevocable Letter of Credit No. __________

Gentlemen:

The undersigned beneficiary of Irrevocable Letter of Credit No. ___ issued by you, hereby demands payment of $____________ pursuant to such Letter of Credit.

Please credit the Series 3 CP Note Account with you No. ___ maintained at your office at 111 Wall Street, New York, New York 10005.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: __________________________
[Name and Title]
CERTIFICATE FOR THE REDUCTION OF
AMOUNTS AVAILABLE UNDER LETTER OF
CREDIT NO. ____ DATED OCTOBER 24, 1983

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, the Municipal Assistance
Corporation For The City of New York, and Citibank, N.A., as
Issuing and Paying Agent, through its duly authorized officer
hereby certifies to Citibank, N.A. (the "Bank"), with
reference to Irrevocable Letter of Credit No. __________ (the
"Letter of Credit", the terms defined therein being used
herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) As of the effective date specified in paragraph
(3) below the total amount of the principal amount of,
and interest to maturity on, all outstanding Series 3 CP
Notes is $______________.

(3) The Maximum Available Credit under the Letter
of Credit is reduced to $______________ (such amount
being not less than the total amount specified in
paragraph (2) above) effective on ________________.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate this ___ day of ______, ___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: ____________________________

[Name and Title]
EXHIBIT C

AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT, dated October 24, 1983, among MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "Pledgor"), CITIBANK, N.A. (the "Bank") for itself, and as agent (in such capacity, the "Agent") for itself and the holders of the Corporation's Series 3 CP Notes (the "Series 3 CP Notes"), and UNITED STATES TRUST COMPANY OF NEW YORK, a banking corporation organized and existing under the laws of the State of New York, as collateral agent for the Bank and for the holders of Series 3 CP Notes under this Agreement (the "Collateral Agent").

PRELIMINARY STATEMENTS:

(1) The Pledgor is the owner of the Pledged Debt.

(2) The Corporation and the Bank have heretofore entered into a Revolving Credit and Term Loan Agreement dated as of June 3, 1982 (said Agreement, as it may hereafter be amended from time to time being the "Citibank Loan Agreement") pursuant to which the Bank has agreed to make Advances (as defined in the Citibank Loan Agreement) to MAC on the terms and conditions set forth therein. It was a condition precedent to the Bank entering into the Citibank Loan Agreement that the Pledgor have made the pledge contemplated by the Security Agreement dated as of June 3, 1982 among the Pledgor, Citibank and the Collateral Agent (the "Security Agreement").

(3) The Corporation and the Bank have also entered into a Letter of Credit and Reimbursement Agreement dated October 24, 1983 (said Agreement, as it may hereafter be amended from time to time, being the "Reimbursement Agreement"). It is a condition precedent to the Bank issuing a Letter of Credit under the Reimbursement Agreement that the Pledgor agree to amend and restate the Security Agreement in its entirety as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to issue its Letter of Credit under the Reimbursement Agreement, the Pledgor hereby agrees with the Agent and the Collateral Agent for the equal and ratable benefit of the Bank in its capacity as lender under
the Citibank Loan Agreement and its capacity as issuer of the Letter of Credit and of the holders of Series 3 CP Notes as follows:

SECTION 1. Certain Definitions. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Additional Pledged Debt" has the meaning assigned to that term in Section 5(a)(ii).

"Agency Agreement" means the Agency Agreement among MAC, the Bank and United States Trust Company of New York, as Agent for Holders of Series 3 CP Notes.

"Appraiser" means Kenny Information Systems, Inc., a subsidiary of J.J. Kenny Co., Inc., or any other entity selected by the Bank and performing a similar function of determining market values of debt instruments.

"Bank Note" has the meaning assigned to that term in the Citibank Loan Agreement.

"Bonds" means bonds issued by The City of New York.

"Cash Collateral" means lawful money of the United States of America.

"Citibank Advances" means Advances as such term is defined in the Citibank Loan Agreement.

"Citibank Collateral" has the meaning assigned to that term in the Pledge Agreement.

"Citibank Loan Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Citibank Loan Commitment" means the Commitment as such term is defined in the Citibank Loan Agreement, provided, however, that to the extent that any Citibank Advances are outstanding after the Termination Date, the Citibank Loan Commitment shall mean the Commitment in effect on such Termination Date.

"Citibank Loan Documents" means the Loan Documents as defined in the Citibank Loan Agreement.

"Collateral" has the meaning assigned to that term in Section 2 and includes, among other things, the
Pledged Debt, the Additional Pledged Debt and the
Substituted Pledged Debt, and all proceeds of any thereof.

"Collateral Agent" means United States Trust Company
of New York as Collateral Agent for the Bank and for the
holders of Series 3 CP Notes and any successor or
successors appointed pursuant to this Agreement,
provided, however, that if at any time there is more than
one such agent, "Collateral Agent" as used with respect
to Collateral held pursuant to this Agreement, shall mean
the Collateral Agent acting as agent with respect to such
Collateral.

"Collateral Value" means, as of any Business Day,
the aggregate value of the Collateral as determined by
the Appraiser as of the Valuation Date next preceding
such Business Day. In determining the Collateral Value
from time to time, the Appraiser shall aggregate (i) the
Market Value of all Bonds which are Collateral with
maturities no longer than five years from the date of
determination, (ii) 87% of the Market Value of all Bonds
which are Collateral with maturities longer than five
years but no longer than ten years from the date of
determination, (iii) the Market Value of Government
Securities which are Collateral, and (iv) the nominal
value of Cash Collateral.

"Commitment" means $100,000,000 (as such amount may
be reduced pursuant to Section 1.02(c) or Section 1.03 of
the Reimbursement Agreement).

"Credit Documents" has the meaning assigned to that
term in the Reimbursement Agreement.

"Credit Termination Date" has the meaning assigned
to that term in the Reimbursement Agreement.

"Discretionary Valuation Date" means any day on
which the Collateral Value of the Collateral shall be
determined by the Appraiser at the request of the Agent,
but shall not include any Mandatory Valuation Date;
provided that the number of such days shall not exceed
twelve in any period of twelve consecutive months.

"Government Securities" means (1) direct obligations
of the United States of America (including obligations
issued or held in book-entry form on the books of the
Department of the Treasury of the United States of
America), or obligations, the principal of and interest
on which are guaranteed by the United States of America; and (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following Federal agencies: the Federal Intermediate Credit Bank, the Export-Import Bank of the United States, the Government National Mortgage Association, the Federal Financing Bank, the Bank for Cooperatives, the Farmers Home Administration, the Federal Land Banks, the Federal Home Loan Banks System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Banks Consolidated System or the Federal Housing Administration. Until the Credit Termination Date such obligations shall have maturities no greater than five years from the date of determination and thereafter such obligations shall be obligations which mature serially or amortize over the then-remaining term of repayment of Reimbursement Advances under the Reimbursement Agreement and the Note.

"Mandatory Valuation Date" means the date of the Citibank Loan Agreement and the first day of the first month following the date of the Citibank Loan Agreement and the first day of each month thereafter.

"Market Value" means the market value of Collateral as determined by the Appraiser.

"MHT" means Manufacturers Hanover Trust Company.

"Multibank Credit Agreement" means the Revolving Credit and Term Loan Agreement, dated as of January 6, 1983 among the Corporation, MHT, the Bank and the Bank, as Agent for the Bank and MHT.

"Note" has the meaning assigned to that term in the Reimbursement Agreement.

"Other Agreements" means the Citibank Loan Agreement, the Reimbursement Agreement, the Bank Note, the Agency Agreement and the Note.

"Pledge" includes the grant of a security interest.

"Pledge Agreement" means the Pledge and Security Agreement, dated January 6, 1983, among the Pledgor, the Bank, as lender under the Citibank Loan Agreement and as agent for the banks parties to the Multibank Credit Agreement, and the Collateral Agent, as amended from time to time.

"Pledged Collateral" has the meaning assigned to that term in the Pledge Agreement.
"Pledged Debt" means (i) Bonds, and any and all proceeds thereof, (ii) Government Securities, and any and all proceeds thereof, and (iii) Cash Collateral, all owned by the Pledgor and as described in Schedule I hereto.

"Pledgor's Liabilities" means all the Pledgor's liabilities and indebtedness, of any and every kind, now or hereafter owing, arising due or payable, however evidenced, created, incurred, acquiring or owing, whether primary, secondary, direct, contingent, fixed or otherwise and whether arising under the Series 3 CP Notes, this Agreement or under any Other Agreement, and whether evidenced by instruments or other evidences of indebtedness including indebtedness on Series 3 CP Notes, Reimbursement Obligations due or to become due, Citibank Advances and Reimbursement Advances.

"Reimbursement Advances" means Advances as such term is defined in the Reimbursement Agreement.

"Reimbursement Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Reimbursement Obligations" has the meaning assigned to that term in the Reimbursement Agreement.

"Security Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Substituted Pledged Debt" has the meaning assigned to that term in Section 5(b).

"Termination Date" has the meaning assigned to that term in the Citibank Loan Agreement.

"Total Commitment" shall mean the sum of (i) the Citibank Loan Commitment (as such amount shall be reduced from time to time in accordance with Section 8.12 of the Reimbursement Agreement or may be reduced from time to time in accordance with Section 1.04 of the Citibank Loan Agreement) and (ii) an amount equal to (A) the amount of the Commitment less (B) the amount of the Citibank Loan Commitment (as such amount may be so reduced from time to time); provided, however, that if the result of this clause (ii) would, but for this proviso, be less than zero, it shall be deemed to be zero.

"Valuation Date" means (i) any Mandatory Valuation Date and (ii) any Discretionary Valuation Date.
SECTION 2. Pledge. The Pledgor hereby pledges to the Agent for its benefit and for the equal and ratable benefit of the Bank in its capacity as lender under the Citibank Loan Agreement, the Bank in its capacity as issuer of the Letter of Credit, and of the holders of Series 3 CP Notes and grants to the Agent for its benefit and the equal and ratable benefit of the Bank acting in such capacities and of the holders of Series 3 CP Notes a security interest in the following (the "Collateral"):

(i) the Pledged Debt and the instruments evidencing the Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Debt and all proceeds of any thereof; and

(ii) the Additional Pledged Debt and the instruments evidencing the Additional Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Pledged Debt and all proceeds of any thereof; and

(iii) the Substituted Pledged Debt and the instruments evidencing the Substituted Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness and all proceeds of any thereof.

SECTION 3. Security for Obligations. This Agreement secures the payment of the Pledgor’s Liabilities and the Pledgor's prompt, full and faithful performance and observance of all of the provisions to be kept, observed or performed by the Pledgor under this Agreement and the Other Agreements.

SECTION 4. Form of Collateral; Further Assurances. (a) All instruments representing or evidencing the Collateral shall be held by or on behalf of the Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Agent. The Agent shall have the right, at any time in its discretion and without notice to the Pledgor, to transfer to or to register in the name of the Agent or any of its nominees any or all of the
Collateral, subject only to the revocable rights specified in Section 7(a).

(b) All Bonds which are Collateral shall be the Bonds of the shortest tenor owned by the Pledgor, except that such Bonds shall have maturities no shorter than one year and no longer than nine years, in each case from the date of determination.

(c) The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action (such action to include obtaining any authorization, approval or other action by, or giving notice to or filing with, any governmental or regulatory body), that may be necessary or desirable, or that the Agent may request, in order to further protect the pledge granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

SECTION 5. Maintaining Collateral; Additional Pledged Debt and Substituted Pledged Debt. (a) Subject to Section 5(c) and as hereinafter provided, the Pledgor shall at all times maintain with the Agent Collateral having a Collateral Value at least equal to 130% of the Total Commitment. Subject to subsection (b) of this Section 5, in the event that on any Valuation Date the Collateral Value of the Collateral:

(i) shall exceed 140% of the Total Commitment, the Bank shall, upon receipt of the written request of the Pledgor, release to the Pledgor from the pledge herein established such portion of the Collateral as shall be necessary to reduce the Collateral Value of the remaining Collateral to 130% of the Total Commitment as of such Valuation Date; provided that such portion of the Collateral released first shall be the Bonds with the longest tenor then pledged; or

(ii) shall not exceed 120% of the Total Commitment, the Pledgor shall promptly, but in no event later than two Business Days following receipt of written notice from the Agent, deliver to the Agent as additional collateral hereunder Bonds of the shortest tenor (subject to Section 4(b)) owned by the Pledgor and selected by the Agent in accordance with Section 5(d) and/or Government
Securities owned by the Pledgor and/or Cash Collateral owned by the Pledgor (the "Additional Pledged Debt") in an amount sufficient to cause the Collateral Value of the Collateral to be not less than 130% of the Total Commitment as of such Valuation Date.

(b) The Pledgor may, at any time and from time to time, substitute Bonds, Government Securities or Cash Collateral owned by the Pledgor, and not constituting Pledged Collateral, as Collateral for all or part of the Bonds, Government Securities or Cash Collateral then pledged as Collateral. Upon receipt of notice of the occurrence of an Extraordinary Situation from the Bank pursuant to subsection (a) of Section 6.02 of the Reimbursement Agreement, which notice shall also be deemed to constitute notice of an Extraordinary Situation under subsection (a) of Section 5.02 of the Citibank Loan Documents, the Pledgor shall, in accordance with such Sections 6.02 and 5.02, respectively (except to the extent the Pledgor converts all Reimbursement Obligations and Reimbursement Advances and Citibank Advances then outstanding into Second Resolution Bonds (as defined in the Reimbursement Agreement) pursuant to Sections 6.02 and 5.02, respectively), substitute Government Securities and/or Cash Collateral held, at the time of such substitution, by the Pledgor for all or part of the Collateral being Bonds. Upon the first such substitution of Government Securities and/or Cash Collateral, the requirements set forth in subsection (a) of this Section 5 shall be modified, effective the date of such first substitution, so that the phrases (i) "130% of the Total Commitment", (ii) "140% of the Total Commitment" and (iii) "120% of the Total Commitment" shall be replaced, respectively, by (i) "the sum of (A) the Collateral Value of Substituted Pledged Debt, if any, and (B) 130% of the excess, if any, of the Total Commitment over the Collateral Value of such Substituted Pledged Debt"; (ii) "the sum of (A) the Collateral Value of Substituted Pledged Debt, if any, and (B) 140% of the excess, if any, of the Total Commitment over the Collateral Value of such Substituted Pledged Debt"; and (iii) "the sum of (A) the Collateral Value of Substituted Pledged Debt, if any, and (B) 120% of the excess, if any, of the Total Commitment over the Collateral Value of such Substituted Pledged Debt". All Bonds, Government Securities and Cash Collateral substituted and pledged as Collateral pursuant to this Section 5(b) are referred to in this Agreement as "Substituted Pledged Debt".

(c) If the Pledgor elects to sell any Bonds which are Collateral to enable the Pledgor to substitute Cash
Collateral for such Bonds following receipt of notice from the Bank pursuant to Section 6.02 of the Reimbursement Agreement, such Bonds must be sold the same day as the Pledgor elects to sell them, and the proceeds of such sale must be pledged as Cash Collateral within five Business Days after such sale.

(d) The Pledgor shall maintain an accurate and complete inventory of all Bonds owned by the Pledgor and shall make such inventory available for inspection by the Agent at the address of the Pledgor referred to in Section 15 at any reasonable time and from time to time. The Pledgor agrees that the Additional Pledged Debt and the Substituted Pledged Debt (to the extent that the Pledgor does not deliver Government Securities and/or Cash Collateral to the Agent) shall be selected by the Agent from such debt instruments and shall be held in accordance with the provisions of Section 4 as Collateral subject to the pledge created by this Agreement.

SECTION 6. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Pledged Debt has been duly authorized, executed and issued and constitutes valid and legally binding obligations of the issuer thereof and is not in default as to the payment of principal or interest, and the Additional Pledged Debt and the Substituted Pledged Debt will have been duly authorized, authenticated or issued and delivered, will constitute valid and legally binding obligations of the issuer thereof, and will not be in default as to the payment of principal or interest at the time it is pledged to the Bank pursuant to the provisions of this Agreement. The enforceability of the terms and conditions of the Pledged Debt, the Additional Pledged Debt and the Substituted Pledged Debt and of the payment of principal and interest thereon is subject to the provisions of the Federal Bankruptcy Code and may be subject to other subsequently enacted State or Federal laws relating to creditors' rights generally. Interest on the Pledged Debt, the Additional Pledged Debt and the Substituted Pledged Debt comprised of Bonds is exempt from Federal income taxes and from State and City personal income taxes.

(b) The Pledgor is the legal and beneficial owner of the Pledged Debt and will be the legal and beneficial owner of the Additional Pledged Debt and the Substituted Pledged Debt at the time it is pledged to the Bank pursuant to the provisions of this Agreement, in each case free and clear of any lien, security interest, option or other charge
or encumbrance, except for the security interest created by this Agreement.

(c) The pledge of the Pledged Debt pursuant to this Agreement does, and the pledge of the Additional Pledged Debt and the Substituted Pledged Debt pursuant to this Agreement will at the time it is pledged and held by or on behalf of the Bank as herein provided, create a valid first priority pledge of the Pledged Debt and of the Additional Pledged Debt and of the Substituted Pledged Debt, as the case may be, securing the payment of the Obligations.

(d) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge by the Pledgor of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgor or (ii) for the exercise by the Bank of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, including the remedies contained in Section 12 hereof (except as may be required in connection with the disposition thereof by laws affecting the offering and sale of securities generally), except for the approvals required by Section 3037 of the Public Authorities Law of the State of New York, which approvals have been duly obtained and are in full force and effect.

SECTION 7. Certain Rights; Interest; Etc. (a) So long as no Event of Default or event which, with the giving of notice or the lapse of time, or both, would become an Event of Default shall have occurred and be continuing under either the Citibank Loan Agreement or the Reimbursement Agreement and the Bank has not given notice of an Extraordinary Situation to MAC pursuant to Section 6.02 of the Reimbursement Agreement:

(i) The Pledgor shall be entitled to exercise any and all consensual rights pertaining to the Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Citibank Loan Agreement or the Reimbursement Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Agent's judgment, such action would have an adverse effect on the value of the Collateral or any part thereof, and, provided, further, that the Pledgor shall give the Agent at least five days' written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right.
(ii) The Pledgor shall be entitled to receive and retain any and all interest paid in respect of the Collateral; provided, however, that any and all

(A) interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Collateral, and

(B) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Collateral,

shall be, and shall be forthwith delivered to the Agent to hold as, Collateral and shall, if received by the Pledgor, be received in trust for the equal and ratable benefit of the Bank and the holders of Series 3 CP Notes, be segregated from the other property or funds of the Pledgor, and be forthwith delivered to the Agent as Collateral in the same form as so received (with any necessary indorsement).

(iii) The Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor such instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the rights which it is entitled to exercise pursuant to paragraph (i) above and to receive the interest payments which it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default or an event which, with the giving of notice or the lapse of time, or both, would become an Event of Default under either the Citibank Loan Agreement or the Reimbursement Agreement or upon the Bank giving notice to MAC pursuant to Section 6.02 of the Reimbursement Agreement:

(i) All rights of the Pledgor to exercise the consensual rights which it would otherwise be entitled to exercise pursuant to Section 7(a)(i) and to receive the interest payments which it would otherwise be authorized to receive and retain pursuant to Section 7(a)(ii) shall cease, and all such rights shall thereupon become vested in the Agent which shall thereupon have the sole right to exercise such consensual rights and to receive and hold as Collateral all interest payments.
(ii) All interest payments which are received by the Pledgor contrary to the provisions of paragraph (i) of this Section 7(b) shall be received in trust for the equal and ratable benefit of the Bank and the holders of Series 3 CP Notes, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Agent as Collateral in the same form as so received (with any necessary indorsement).

SECTION 8. Transfers and Other Liens. The Pledgor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral or (ii) create or permit to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral, except for the pledge under this Agreement and except for the pledge with respect to the Citibank Collateral under the Pledge Agreement.

SECTION 9. Agent Appointed Attorney-in-Fact. The Pledgor hereby irrevocably appoints the Agent the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor, from time to time in the Agent's discretion to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, indorse and collect all instruments made payable to the Pledgor representing any interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

SECTION 10. Agent May Perform. If the Pledgor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent or the Collateral Agent incurred in connection therewith shall be payable by the Pledgor under Section 12.

SECTION 11. Collateral Agent; Reasonable Care.
(a) The Collateral shall be held by the Collateral Agent at its address at 45 Wall Street, New York, New York, or by such other trust company or bank as may be agreed to by the Pledgor and the Collateral Agent, as agent of the Agent. The Collateral Agent shall hold the Citibank Collateral and the Pledged Collateral (other than the Citibank Collateral) separate and apart until such time as this Agreement shall cease to be of further force and effect pursuant to the provisions of Section 16 hereof or until such time as the Pledge Agreement shall cease to be of further force and effect pursuant to the provisions of Section 17 thereof.
The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral is held as aforesaid, or if any Collateral in the Agent's possession is accorded treatment substantially equal to that which the Agent accords its own property.

(b) Neither the Agent nor the Collateral Agent shall have any responsibility for (i) ascertaining or taking action with respect to calls, redemptions, maturities or other matters relative to any Collateral, whether or not the Agent or the Collateral Agent has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

SECTION 12. Remedies upon Default. If any Event of Default shall have occurred and be continuing under the Citibank Loan Agreement or the Reimbursement Agreement:

(a) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a pledgee and secured party after a default under applicable law in effect in the State of New York at that time, and the Agent may also, without notice, or if notice is required by law, upon at least three days' notice (which the Pledgor agrees shall constitute reasonable notification) sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, or at any of the Agent's offices or elsewhere, for cash or credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given, and may adjourn any sale from time to time by announcement.

(b) Any cash held by or on behalf of the Bank or by or on behalf of the Agent as Collateral and all cash proceeds received by the Bank or by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent or the Collateral Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent and Collateral Agent pursuant to Section 13) in whole or in part by the Agent against, all or any part of the Pledgor's Liabilities, to the equal and ratable payment to (i) the holders of Series 3 CP Notes of all unpaid amounts due on Series 3 CP Notes, (ii) the Bank of all Pledgor's Liabilities under all Other Agreements and (iii) the Bank of all Pledgor's Liabilities
under this Agreement. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Pledgor's Liabilities shall be paid over to the Pledgor.

SECTION 13. Expenses. The Pledgor agrees to pay to the Agent and the Collateral Agent the following expenses, upon such documentation as the Pledgor may reasonably require, any and all expenses, including the fees and expenses of the Appraiser and the fees and expenses of its counsel and counsel for the Collateral Agent and of any experts and agents, which the Agent or the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Bank or the Collateral Agent hereunder or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

SECTION 14. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the Agent, and by the Collateral Agent, if its rights or obligations hereunder are affected, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 15. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraph, telex and EDP Terminal) and, if to the Pledgor, mailed, or telegraphed, telexed, sent or delivered to it, addressed to it at Suite 8901, One World Trade Center, New York, New York 10048; if to the Agent or the Bank, mailed, telegraphed, telexed, sent or delivered to it, addressed to it at 111 Wall Street, New York, New York 10005, Attention: Public Finance Department (MAC Account); if to the Collateral Agent, mailed, telegraphed, telexed, sent or delivered to it, addressed to it at 45 Wall Street, New York, New York 10005, Attention: Pat Santivasci, Assistant Vice President, or as to any party at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 15. All such notices and other communications shall, when mailed, telegraphed, telexed or sent by EDP Terminal, respectively, be effective when deposited in the mails, delivered to the telegraph company or sent by telex or EDP Terminal, respectively, addressed as aforesaid.
SECTION 16. Continuing Pledge. This Agreement shall create a continuing pledge in the Collateral and shall (i) remain in full force and effect until the latest of the payment in full (after the Credit Termination Date) of the Pledgor's Liabilities and the payment in full (on or after the Credit Termination Date) of the Series 1 CP Notes and the Series 3 CP Notes, (ii) be binding upon the Pledgor, its successors and assigns and (iii) inure to the benefit of the Agent and the Collateral Agent and their respective successors and assigns. Upon this Agreement being of no further force and effect as aforesaid, the Pledgor shall be entitled to the return, upon its request and at its expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

SECTION 17. Exculpation and Indemnification of the Collateral Agent. The Collateral Agent shall not be liable to the other parties hereto or any other Person (other than with regard to the custody and preservation of the Collateral) for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith and in the exercise of its own best judgment, and may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by the Collateral Agent), statement, instrument, report or other paper or document (not only as to its due execution and validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is believed by the Collateral Agent to be genuine and signed or presented by the proper person or persons. The Collateral Agent shall not be bound by any notice or demand, or any waiver, modification, termination or rescission of this Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Collateral Agent signed by the proper party or parties and if the duties or rights of the Collateral Agent are affected, unless it shall give its prior written consent thereto. To the maximum extent permitted by law, the Collateral Agent shall be indemnified and held harmless by the Pledgor from and against any expenses, including counsel fees and disbursements, or loss suffered by the Collateral Agent in connection with any action, suit or other proceeding involving any claim, or in connection with any claim or demand, which in any way, directly or indirectly arises out of or relates to this Agreement, the services of the Collateral Agent hereunder or the property held by it hereunder, brought by the other parties hereto or any other Person.
SECTION 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 19. Security Agreement. Upon the execution of this Agreement and the effectiveness of the Reimbursement Agreement, the provisions of the Security Agreement shall be superseded in their entirety by the provisions of this Agreement and the Security Agreement shall be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By ________________________________
Executive Director

CITIBANK, N.A.

By ________________________________
Senior Vice President

UNITED STATES TRUST COMPANY
OF NEW YORK,' as Collateral Agent

By ________________________________
Title:
EXHIBIT D

AGENCY AGREEMENT

October 24, 1983

United States Trust Company
of New York
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10005

Attention: Frank J. Todaro,
Assistant Vice President

Commercial Paper Program

Ladies and Gentlemen:

United States Trust Company of New York is hereby requested to act as agent for the holders from time to time of the short-term commercial paper notes (the "Series 3 CP Notes") of the undersigned, Municipal Assistance Corporation For The City of New York (the "Corporation"), referred to in the Letter of Credit and Reimbursement Agreement dated October 24, 1983, between the Corporation and Citibank, N.A., as such agreement may from time to time be amended (the "Reimbursement Agreement", terms defined therein being used herein as so defined unless otherwise defined herein). In its capacity as such agent hereunder United States Trust Company of New York is referred to herein as the "Agent for Holders of Series 3 CP Notes" and its powers, duties and rights shall be governed by the terms and conditions of this Agreement.
Citibank, N.A. is hereby requested to act as issuing and paying agent on behalf of the holders of Series 3 CP Notes, the Agent for Holders of Series 3 CP Notes, and the Corporation. In its capacity as issuing and paying agent hereunder Citibank, N.A. is referred to herein as the "Issuing and Paying Agent" and shall be governed by the terms and conditions of this Agreement. In its capacity as a party to the Reimbursement Agreement and issuer of the Letter of Credit provided therein, Citibank, N.A. is referred to herein as the "Letter of Credit Bank" and shall be governed by the terms and conditions of the Reimbursement Agreement and the Letter of Credit.

Citibank, N.A. is also the Issuing and Paying Agent on behalf of the Corporation in connection with the sale from time to time and with the payment at maturity of the promissory notes of the Corporation (the "Series 1 CP Notes") referred to in the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., as such agreement may from time to time be amended (the "Series 1 Credit Agreement"). To the extent that Series 3 CP Notes are issued for payment of the outstanding Series 1 CP Notes, you shall be governed as to such payment procedures by the terms and conditions of the Issuing and Paying Agency Agreement dated June 3, 1982 (the "1982 Agreement") and by the terms and conditions of Article VI of the Series 1 Credit Agreement.

1. Issuance of the Series 3 CP Notes.

   (a) Execution and Delivery by the Corporation.

   During the period that this Agreement is in effect, the Corporation will, from time to time, deliver to the Issuing and Paying Agent at its address stated above executed Series 3 CP Notes, substantially in the form of Exhibit A hereto, with the purchase price, issue date, maturity date, maturity date payment and yield on issue date left blank. When any Series 3 CP Notes are delivered to the Issuing and Paying Agent, the Issuing and Paying Agent will acknowledge receipt by returning a receipt form to the Corporation. All Series 3 CP Notes delivered to the Issuing and Paying Agent shall be held by the Issuing and Paying Agent in safekeeping for the account of the Corporation. The Series 3 CP Notes will be numbered consecutively and may bear such other identification as the Corporation or the Issuing and Paying Agent may deem appropriate.

   The Series 3 CP Notes will bear the manual or facsimile signature of an Authorized Officer of the Corporation. The Issuing and Paying Agent and the Agent for
Holders of Series 3 CP Notes will be furnished with incumbency certificates with respect to each Authorized Officer authorized to act for the Corporation hereunder. Series 3 CP Notes bearing the signature of individuals who were at the time of signing Authorized Officers shall bind the Corporation, notwithstanding that such individuals or any of them shall have ceased to be Authorized Officers prior to delivery of such Series 3 CP Notes or were not Authorized Officers at the date of such Series 3 CP Notes. The Issuing and Paying Agent shall advise the Corporation from time to time of the names of its designated officers (the "Designated Officers") who are authorized to receive for, complete and deliver the Series 3 CP Notes.

From time to time the parties to this Agreement shall also be furnished with certificates from the Letter of Credit Bank identifying its authorized bank officers (the "Authorized Bank Officers") referred to below.

(b) Authentication and Delivery by Issuing Agent.

Upon receipt from time to time from any Authorized Officer of telephone, EDP terminal, telex or other written instructions to issue Series 3 CP Notes which instructions shall cover the matters set forth in Exhibit B hereto, but in case of transmission by EDP terminal shall be in such form as the Corporation and the Issuing and Paying Agent shall agree, the Issuing and Paying Agent's Designated Officer will withdraw the necessary number of Series 3 CP Notes from safekeeping and, in accordance with such instructions and advice, the Designated Officer will:

(i) complete each such Series 3 CP Note as to the purchase price, issue date, maturity date, maturity date payment, and yield on issue date;

(ii) authenticate each such Series 3 CP Note by countersigning the same; and

(iii) deliver each such Series 3 CP Note to the purchaser specified in such instructions (the "Purchaser"), or to the consignee to or for the account of the Purchaser thereof, against receipt of payment for the account of the Corporation as herein provided.

Series 3 CP Notes the proceeds of which are used to pay maturing Series 1 CP Notes shall be referred to herein as "Series 1 Funding Notes". Series 3 CP Notes the proceeds of which are used to reimburse the Letter of Credit Bank for payment of maturing Series 3 CP Notes shall be referred to
herein as "Refunding Notes". All other Series 3 CP Notes shall be referred to herein as "General Funding Notes". The Authorized Officer shall indicate in his instructions the amount of Series 3 CP Notes to be issued that constitute Series 1 Funding Notes, Refunding Notes or General Funding Notes, as the case may be. Notwithstanding anything in this Agreement, the proceeds of sale of any Series 3 CP Note may be applied to any one or more of the foregoing categories in accordance with the instructions of the Authorized Officer. No General Funding Notes shall be designated by such Authorized Officer unless the Series 1 Funding Notes are in an amount sufficient to pay off all Series 1 CP Notes and the Refunding Notes are in an amount sufficient to reimburse the Bank for payment of all Series 3 CP Notes maturing on such day.

All oral instructions given by an Authorized Officer to a Designated Officer for the completion and delivery of Series 3 CP Notes shall be confirmed in writing as set forth above within twenty-four hours (advice given by EDP terminal shall be considered written instructions), and the Issuing and Paying Agent shall incur no liability to the Corporation in acting upon telephone instructions which the Designated Officer reasonably believes in good faith to have been given by an Authorized Officer. Each delivery of Series 3 CP Notes shall be subject to the rules of the New York Clearing House in effect at the time of the delivery.

Notwithstanding any contrary instructions from an Authorized Officer, the Issuing and Paying Agent shall not authenticate or deliver any Series 3 CP Note (A) which has a face amount of less than $250,000, (B) which has a maturity date which is later than the earlier of (i) 270 days from its date of issuance and (ii) the fifteenth day prior to the Credit Termination Date, (C) which has a maturity date that is not a Business Day, or (D) if, immediately after the authentication and delivery of and receipt of payment for such Series 3 CP Note and the crediting of the proceeds (or a portion thereof) received from the sale of such Series 3 CP Notes on the date of computation, and the crediting of any other funds to the Letter of Credit Account hereinafter described for the purpose of reimbursing the Letter of Credit Bank for drawings made in respect of the Letter of Credit, as provided in Section 2(c) of this Agreement, the aggregate Maturity Date Payments of the Series 3 CP Notes then outstanding, subject to Section 2(d)(ii) of this Agreement (the "Total Outstanding Amount"), would exceed the Available Balance. In making the above calculations the Issuing and
Paying Agent may rely on information last delivered to it by the Letter of Credit Bank, and it shall have no obligation to make any further investigation other than with respect to the Total Outstanding Amount of outstanding Series 3 CP Notes.

(c) **Assignment of Proceeds of Refunding Notes.**

Any instructions received by a Designated Officer from an Authorized Officer to issue Refunding Notes pursuant to the provisions of this Agreement shall be deemed an irrevocable assignment by the Corporation of the proceeds of the sale of such Refunding Notes for deposit to the credit of the Letter of Credit Account, to be applied pursuant to Section 2(c) of this Agreement.

(d) **Payment for Delivery of Series 3 CP Notes.**

No delivery or release of Series 3 CP Notes shall be made by the Issuing and Paying Agent except against payment therefor to the Issuing and Paying Agent.

The delivery and receipt of payment from a Purchaser of a Series 3 CP Note may not be able to be completed simultaneously. In such event, the Issuing and Paying Agent is authorized (but not required) to follow the prevailing custom, which is to deliver a Series 3 CP Note to the Purchaser, receive the Purchaser's receipt for the delivery and at a later time, but on the same day, after the Purchaser has verified the delivery against his purchase agreement to receive payment in same day funds. But in such case the Issuing and Paying Agent shall credit the Letter of Credit Account with an amount equal to the anticipated payment promptly upon the delivery of such Series 3 CP Note to the Purchaser. If the Purchaser shall fail thereafter to make payment, the Issuing and Paying Agent shall promptly demand reimbursement from the Corporation in the amount of such payment and the Corporation shall promptly make such reimbursement without however waiving any right the Corporation or the Issuing and Paying Agent may have against such Purchaser.

(e) **Notification by the Corporation.**

The Corporation shall notify the Agent for Holders of Series 3 CP Notes and the Issuing and Paying Agent by 3:00 P.M. on each Business Day (i) whether there are any Series 3 CP Notes maturing on the next Business Day, (ii) if any Series 3 CP Notes are maturing on the next Business Day, of the amount of the aggregate Maturity Date Payments of such Series 3 CP Notes (the "Outstanding Amount") and (iii) of the
Total Outstanding Amount of all Series 3 CP Notes. Such notice shall state that the Outstanding Amount was computed in accordance with the terms and conditions of such Series 3 CP Notes and will not exceed the amount available to be drawn under the Letter of Credit (the "Available Balance" as defined in the Letter of Credit) on the maturity date of such Series 3 CP Notes.

(f) Notification by the Letter of Credit Bank.

The Letter of Credit Bank shall advise the Issuing and Paying Agent, the Corporation and the Agent for Holders of Series 3 CP Notes at the close of each Business Day of the Available Balance of the Letter of Credit.

(g) Notice of Event of Default or Extraordinary Situation.

If the Issuing and Paying Agent receives notice from an Authorized Bank Officer which states that an Event of Default specified in Section 6.01 of the Reimbursement Agreement or an Extraordinary Situation specified in Section 6.02 of the Reimbursement Agreement shall have occurred, the Issuing and Paying Agent shall cease authenticating or delivering Series 3 CP Notes, notwithstanding any contrary instructions received by the Issuing and Paying Agent from an Authorized Officer. The Issuing and Paying Agent shall incur no liability to the Corporation in acting upon telephone instructions which the Issuing and Paying Agent believes in good faith to have been given by an Authorized Bank Officer. If such notice of an Extraordinary Situation or an Event of Default is given by telephone, it shall be confirmed by an Authorized Bank Officer in writing prior to the close of business on the same day. No further authentication or delivery of Series 3 CP Notes shall be made until such time as an Authorized Bank Officer shall have rescinded such instructions by instruction stating that such Extraordinary Situation or Event of Default is no longer continuing and shall have consented to the issuance of Series 3 CP Notes by a notice confirmed in writing to the Issuing and Paying Agent.

2. Creation of Accounts.

(a) Commercial Paper Note Account; Letter of Credit Account.

The Issuing and Paying Agent shall establish two separate accounts designated the "Series 3 CP Note Account" (the "Commercial Paper Note Account"), and the "Letter of Credit Account" (the "Letter of Credit Account"). The moneys
in the Commercial Paper Note Account shall be held by the
Issuing and Paying Agent for the benefit of the holders of
the Series 3 CP Notes, subject to the terms hereof, and
applied as hereinafter provided. The moneys in the Letter of
Credit Account shall be held by the Issuing and Paying Agent
for the benefit of the Letter of Credit Bank, subject to the
terms hereof, and shall be applied as hereinafter provided.

(b) **Payments into the Commercial Paper Note Account.**

The Agent for Holders of Series 3 CP Notes shall
direct the Letter of Credit Bank to deposit to the credit of
the Commercial Paper Note Account the proceeds of any drawing
made pursuant to paragraph (b) or (c) of Section 3 hereof.
Moneys in the Commercial Paper Note Account shall be used by
the Issuing and Paying Agent solely for the payment of the
Maturity Date Payments of the Series 3 CP Notes as the same
become due and payable.

(c) **Payments into Letter of Credit Account.**

The Issuing and Paying Agent shall deposit to the
credit of the Letter of Credit Account (i) the proceeds
received from the issuance of Refunding Notes on the day on
which such proceeds are received and (ii) all amounts
deposited by the Corporation which are required, or are
accompanied by directions from the Corporation that such
moneys are, to be paid into the Letter of Credit Account,
after all drawings to be made on such day under the Letter of
Credit shall have been made.

(d) **Funds in the Commercial Paper Note Account.**

(i) If a drawing is made by the Agent pursuant to
Section 3(c)(ii) hereof (the "3(c)(ii) Drawing"), the
proceeds of such drawing shall be held by the Issuing and
Paying Agent, for the benefit of the holders of the
outstanding Series 3 CP Notes on the date of the 3(c)(ii)
Drawing, until presentation of the outstanding Series 3
CP Notes by the holders thereof.

(ii) If any Series 3 CP Note shall not be presented
at the maturity thereof and sufficient funds from
drawings under the Letter of Credit are then on deposit
in the Commercial Paper Note Account, such Series 3 CP
Note shall, as between the Corporation and the holder
thereof, be deemed paid and the Issuing and Paying Agent
shall hold such funds, until presentation, for the
benefit of the holder of such Series 3 CP Note.
(iii) Any moneys held by the Issuing and Paying Agent (A) in accordance with clause (i) above, which shall remain unclaimed by the holders of the Series 3 CP Notes outstanding on the date of the 3(c)(ii) Drawing for a period of 21 months after the date of such drawing or (B) in accordance with clause (ii) above, which shall remain unclaimed by the holders of the Series 3 CP Notes referred to in clause (ii) above for a period of one year after the date on which such Series 3 CP Notes shall have become due and payable shall upon request in writing to the Issuing and Paying Agent be paid to the Corporation; provided, however, that the Issuing and Paying Agent before being required to make any such payment, may at the expense of the Corporation cause to be published at least twice prior to the date of such payment in a daily newspaper, or a financial journal, published or circulated in the Borough of Manhattan, City and State of New York, a notice that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Corporation and thereafter the holders of such Series 3 CP Notes shall look only to the Corporation for payment and then only to the extent of the amount so received without any interest thereon, and the Issuing and Paying Agent, after payment of such moneys to the Corporation, and the Agent for Holders of Series 3 CP Notes shall have no responsibility with respect to such moneys paid.

(e) Cancellation and Destruction of Series 3 CP Notes.

All Series 3 CP Notes paid shall be marked "Cancelled" by the Issuing and Paying Agent upon the payment of such Series 3 CP Notes. All cancelled Series 3 CP Notes shall be disposed of by the Issuing and Paying Agent as directed by the Corporation and if not so directed the Issuing and Paying Agent may deliver to the Corporation such Series 3 CP Notes in its possession at least once every three months until the Credit Termination Date and upon the Credit Termination Date.

3. Payment of the Series 3 CP Notes.

(a) Payment Solely from Commercial Paper Note Account.

The Issuing and Paying Agent shall pay each matured Series 3 CP Note upon presentation solely from funds in the Commercial Paper Note Account.
(b) **Drawing under Letter of Credit.**

Upon notice as provided in Section 1(e) hereof, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit as soon as practicable after the opening of business, but in no event later than 10:00 A.M., New York City time, on the maturity date of any Series 3 CP Note in an amount equal to the aggregate amount required to pay the Series 3 CP Notes maturing on such day, and deposit the same in the Commercial Paper Note Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex A to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(c) **Event of Default or Extraordinary Situation.**

(i) When directed to do so by the Letter of Credit Bank by notice from an Authorized Bank Officer that an Event of Default or an Extraordinary Situation has occurred, which notice shall include the amount available to be drawn under the Letter of Credit (the Available Balance as defined in the Letter of Credit) on the date of such notice, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit.

(ii) The Agent for Holders of Series 3 CP Notes shall request and the Corporation shall immediately notify the Agent for Holders of Series 3 CP Notes of the Total Outstanding Amount. Such notice shall state that the Total Outstanding Amount was computed in accordance with the terms and conditions of such Series 3 CP Notes and does not exceed the Available Balance on such date. Upon receipt of such notice from the Corporation, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit in an amount equal to the Total Outstanding Amount and shall deposit the same in the Commercial Paper Note Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex B to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(iii) In the event that the Corporation fails to so notify the Agent for Holders of Series 3 CP Notes within one hour of receipt of the request or, if the request is received by the Corporation later than one hour before the close of business of the Corporation, by 9:30 A.M. on
the next Business Day, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit in an amount equal to the Available Balance as set forth in the notice received from the Authorized Bank Officer pursuant to this subsection (c) and shall deposit the same in the Commercial Paper Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex B-1 to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(d) **Application of Funds in Commercial Note Paper Account.**

The Issuing and Paying Agent shall apply the funds in the Commercial Paper Note Account directly to the payment in full of each Series 3 CP Note with respect to which a drawing was made pursuant to paragraph (b) or (c) of this Section 3, if and when such Series 3 CP Note is presented to the Issuing and Paying Agent for payment, subject to the provisions of Section 2(d) hereof.

(e) **Transfer of Proceeds of Refunding Notes.**

After but only after a drawing has been made under the Letter of Credit as provided in paragraph (b) or (c) of this Section 3, the Issuing and Paying Agent shall promptly transfer to the Letter of Credit Account such amounts as are necessary to reimburse the Letter of Credit Bank for any payments made by it under the Letter of Credit.

(f) **Duty of Agent for Holders of Series 3 CP Notes to Investigate.**

In determining the amounts to be drawn under the Letter of Credit in accordance with subsections (b) and (c) above, the Agent for Holders of Series 3 CP Notes may rely conclusively on information last delivered to it by the Corporation, and it shall have no obligation to make any further investigation with respect thereto.

4. **Deposits of Moneys, Security for Deposits and Investment of Funds.**

(a) **Deposits Constitute Trust Funds.**

All moneys paid into the Commercial Paper Note Account shall be held in trust for the benefit of the holders of Series 3 CP Notes.
(b) **Investment of Moneys.**

Moneys set aside and held pursuant to Section 2(d) hereof shall, upon the written instructions of an Authorized Officer, be invested and reinvested by the Issuing and Paying Agent in securities which must be direct obligations of, or obligations guaranteed by, the United States of America. Any written instructions by an Authorized Officer shall specify the issuer or obligor, the type, principal amount, interest rate and maturity of each such requested investment of moneys. The income in such account shall from time to time be distributed to the Corporation, provided that no income shall be distributed if the principal amount shall be less than required for payment in full of the Series 3 CP Notes for which such moneys have been set aside.

5. **The Letter of Credit.**

Contemporaneously with the initial issuance of the Series 3 CP Notes, the Letter of Credit Bank shall have delivered to the Agent for Holders of the Series 3 CP Notes an irrevocable Letter of Credit, in substantially the form of Exhibit C hereto. Such Letter of Credit shall identify the Agent for Holders of Series 3 CP Notes, acting on behalf of the holders of Series 3 CP Notes, as the beneficiary thereof and shall be issued for the account of the Corporation. The Agent for Holders of Series 3 CP Notes shall make drawings under the Letter of Credit on behalf of the holders of such Series 3 CP Notes pursuant to Sections 3(b) and (c) hereof. Such drawings shall be made in accordance with the terms of the Letter of Credit.

The amount of the Letter of Credit shall be reduced and increased as set forth therein. Upon instructions from an Authorized Officer, the Agent for Holders of Series 3 CP Notes shall deliver to the Letter of Credit Bank a notice in the form of Annex D to the Letter of Credit reducing the amount of the Letter of Credit to the amount and as of the date specified in such instructions.

It is understood and agreed by the parties hereto that the provisions of this Agreement relating to the Letter of Credit are intended to provide for payment of the Series 3 CP Notes at their maturity. Accordingly, the parties hereto specifically acknowledge that in actions taken by the Agent for Holders of Series 3 CP Notes as beneficiary of the Letter of Credit, the Agent for Holders of Series 3 CP Notes shall not be acting as an agent of the Corporation or of the
Issuing and Paying Agent or of the Letter of Credit Bank but shall be acting solely on behalf of the holders of Series 3 CP Notes.

6. **Application of Funds.**

In accordance with the instructions of the Authorized Officer pursuant to Section 1(b) above, the Issuing and Paying Agent shall apply the proceeds from the sale of Series 1 Funding and General Funding Notes as follows:

(i) The Issuing and Paying Agent shall deposit the proceeds of all Series 1 Funding Notes received by it hereunder in the Payment Account (as such term is defined in the 1982 Agreement) in accordance with the terms of the Series 1 CP Note Resolution and the Series 1 Credit Agreement, all as set forth in more detail in the 1982 Agreement.

(ii) After payment has been made of all Series 1 CP Notes maturing on the date of sale of the Series 3 CP Notes pursuant to the terms of the 1982 Agreement and reimbursement has been made to the Letter of Credit Bank for all payments made by it under the Letter of Credit, the proceeds of the General Funding Notes shall be transferred to an account designated by the Corporation in immediately available funds.

7. **Representations and Warranties.**

The Corporation hereby warrants and represents to each of you, which shall be a continuing warranty and representation, that all Series 3 CP Notes delivered to you pursuant to this Agreement and issued in accordance with the provisions of this Agreement are authorized and executed as prescribed in a resolution duly adopted by the Board of Directors of the Corporation, and that the appointments hereunder are in accordance with and do not exceed the authority contained in such resolution. A copy of a certificate of an Authorized Officer of the Corporation with respect to such resolution shall be delivered on the date hereof, and we shall furnish the other parties hereto with a favorable opinion of our counsel, in form and substance satisfactory to each of you, as to such authorization upon the initial issuance of Series 3 CP Notes.
8. **Miscellaneous Provisions**.

(a) **Termination of Issuing Agreement**.

This Agreement (other than Sections 2(d) and 4(b) hereof and the representations and warranties and the indemnification provisions contained herein, which shall be continuing) shall terminate on the Credit Termination Date.

Upon the termination of this Agreement, the Issuing and Paying Agent will return all unauthenticated Series 3 CP Notes held by it to the Corporation against a receipt signed by an Authorized Officer.

(b) **Fee**.

In connection with the sale from time to time of Series 3 CP Notes, the Corporation will pay the Issuing and Paying Agent a fee for services hereunder in accordance with the fee schedule of the Issuing and Paying Agent in effect from time to time.

(c) **Amendments, Etc.**

This Agreement or any provision hereof may be supplemented, modified, waived, rescinded, terminated or amended only if such supplement, modification, waiver, rescission, termination or amendment is in writing and signed by all the parties hereto and provided that no supplement, modification, waiver, rescission, termination or amendment shall adversely affect the rights of the holders of outstanding Series 3 CP Notes or the Letter of Credit Bank, unless the holders of outstanding Series 3 CP Notes or the Letter of Credit Bank consent, as the case may be.

(d) **Indemnification**.

To the maximum extent permitted by law, the Corporation will indemnify and hold each of you, your officers, employees and agents harmless from any and all liability (whether to any of the parties hereto or to any other Person), loss, damage, costs and expenses of any nature (including interest and counsel fees and disbursements) in connection with, directly or indirectly arising out of or relating to the duties of either of you, or the duties of your officers, employees or agents arising from their performance, under this Agreement, except for costs, expenses, fees and liabilities arising out of gross
negligence or wilful misconduct on your part or the part of your officers, employees or agents. Neither of you nor any of your officers, employees or agents shall be liable to the other parties hereto or to any other Person for any action or omission to act, taken or made or suffered by either of you to be taken or made under this Agreement, except for such gross negligence or wilful misconduct. Each of you may rely conclusively, and this indemnity includes but is not limited to your reliance, upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by either of you), statement, instrument, resolution, report or other paper or document (not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is believed by either of you to be genuine and signed or presented by the proper person or persons, and also upon any telephone advice or instructions (authorized herein) received or reasonably believed to have been received from such proper person or persons. This indemnity is continuing and shall survive performance under or termination of any of the provisions of this Agreement.

(e) Duties.

The duties of the Issuing and Paying Agent and Agent for Holders of Series 3 CP Notes shall be solely as provided herein and no implied covenants or obligations shall be read into this Agreement against either. The Issuing and Paying Agent and the Agent for Holders of Series 3 CP Notes may consult with counsel and shall not be liable for any action taken in good faith in reliance upon the advice of counsel. Except as otherwise provided herein, the Issuing and Paying Agent and the Agent for Holders of Series 3 CP Notes may act in reliance upon any resolution or other document transmitted to it on behalf of the Corporation, if certified or executed on behalf of the Corporation.

(f) Standard of Care.

With respect to funds held by the Issuing and Paying Agent as contemplated herein, the Issuing and Paying Agent shall be deemed to have exercised reasonable care in the custody and preservation of such funds if such funds are accorded treatment substantially equal to that which the Issuing and Paying Agent accords its own property.
(g) Notices, Etc.

Except where instructions or notices are authorized herein to be given by telephone, all instructions, notices or other communications to be given to any party hereto shall be in writing, which shall include communication by EDP terminal, and shall be personally delivered or sent by mail or by tested or otherwise authenticated telex, or EDP transmission, and shall be deemed to be given for purposes of this Agreement only when received at the address or telex number specified below (or as such party may specify to the other parties in writing):

The Issuing and Paying Agent: Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10043
Attention: Frank Todaro

The Agent for Holders of Series 3 CP Notes: United States Trust Company of New York, as Agent for Holders of Series 3 CP Notes
45 Wall Street
New York, New York 10005
Attention: Pat Santivasci

The Corporation: Suite 8901
One World Trade Center
New York, New York 10048
Attention: Executive Director

Letter of Credit Bank: Citibank, N.A.
111 Wall Street
New York, New York 10005
Attention: Letter of Credit Operations

(h) Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.
If you agree to the foregoing, please sign and return the enclosed copy hereof, whereupon this letter shall constitute a binding agreement.

Very truly yours,

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By ________________
   Executive Director

Accepted and agreed to as of the date first above written

CITIBANK, N.A.

By ________________
   Vice President

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By ____________________
(FORM OF SERIES 3 CP NOTE)

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

NOTE: NO. CP-3

ISSUE DATE:

PURCHASE PRICE:

MATURITY DATE:

MATURITY DATE PAYMENT:

YIELD ON ISSUE DATE:

The Municipal Assistance Corporation For The City of New York ("Corporation") acknowledges itself indebted to and for the PURCHASE PRICE received, hereby promises to pay on the MATURITY DATE to ____________, the MATURITY DATE PAYMENT, at Citibank, N.A., 20 Exchange Place, New York, New York.

Pursuant to 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, any provision therein or in this Note relating to taxes under Article 12 or Sections 1107 or 1108 of the Tax Law or to the funds created by Sections 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State of New York ("State") in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

This Note is issued pursuant to the note resolution adopted by the Corporation on September 29, 1983 ("Note Resolution"), and is one of an authorized issue of Notes.
("Notes") in an unlimited aggregate principal amount, provided that the principal of and interest to accrue to maturity on all such Notes outstanding at any time shall not at any time exceed $100,000,000. Copies of the Note Resolution and the Letter of Credit (hereinafter defined) are on file with and available for inspection at Citibank, N.A. at the above address and at the office of the Corporation and reference is made to the Note Resolution for the provisions relating, among other things, to the terms of and security for the Notes the rights and remedies of the holders of the Notes and the terms and conditions upon which the Notes are issued and may be issued thereunder.

The holder of this Note is entitled to the benefits of an irrevocable letter of credit ("Letter of Credit") issued in favor of the United States Trust Company of New York, as agent (the "Agent") for the holders from time to time of the Corporation's Series 3 Commercial Paper Notes, of which this Note is one, at the request of the Corporation, under which Citibank, N.A. has agreed to pay a sum equal to the MATURITY DATE PAYMENT, upon demand by the Agent in accordance with the Letter of Credit.

This Note shall not be a debt of either the State or The City of New York ("City"), and neither the State nor the City shall be liable thereon, nor shall this Note be payable out of any funds other than those of the Corporation.

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

This Note shall not be entitled to any security, right or benefit pursuant to the Note Resolution or the Letter of Credit or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by Citibank, N.A., the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Note Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by
law and that the issuance of the Notes, 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 Note 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, all as of the ISSUE DATE.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By ____________________________
Chairman

[FACSIMILE SEAL]

Attest:

______________________________
Secretary

OPINION DATE: October 24, 1983
NOT VALID UNLESS AUTHENTICATED

Authenticated:

CITIBANK, N.A.,
Issuing and Paying Agent

By____________________________
Authorized Signature
[Letter of Instructions]

Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10005
Attention: Frank J. Todaro,
Assistant Vice President

Gentlemen:

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby refers to the Agency Agreement, dated October 24, 1983 (the "Agency Agreement"), by and among the Corporation, you in your capacity as Issuing and Paying Agent and the United States Trust Company, as Agent for Holders of Series 3 CP Notes, pursuant to which Agreement you have agreed to act as the Corporation's Issuing and Paying Agent for the Corporation's Series 3 CP Notes (as defined in the Agency Agreement) and, on instructions from an Authorized Officer, to authenticate such Series 3 CP Notes.

Pursuant to the Agency Agreement, the undersigned hereby irrevocably authorizes, directs and instructs you (a) to issue for the purchase price and on the date hereof on behalf of the Corporation, Series 3 CP Notes in the amount of the maturity date payment, bearing the yield on issue date and having the maturity date all as set forth in Exhibit A hereto, which is made a part hereof, (b) to countersign the form of authentication inscribed on each of such Series 3 CP Notes and (c) to deliver against payment by the purchaser in same day funds each of such Series 3 CP Notes to or for the account of the persons named as the purchaser thereof.

In connection with the foregoing, the undersigned hereby represents and warrants that (i) each of the conditions precedent to the issuance of the Series 3 CP Notes set forth in Exhibit A hereto specified in the Series 3 CP Resolution dated September 29, 1983 has been satisfied and (ii) neither the Corporation nor, to the knowledge of the undersigned, you have received notice whereby you must cease issuing Series 3 CP Notes.
You are authorized to send on the date you receive this Letter of Instructions a copy of this Letter of Instructions to the Letter of Credit Bank.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By ____________________________
Authorized Officer

Dated:

Receipt of the above Letter of Instructions, together with Exhibit A thereto, is hereby acknowledged.

Citibank, N.A.,
as Issuing and Paying Agent

By ____________________________
Designated Officer

Dated:
EXHIBIT A to Letter of Instructions

<table>
<thead>
<tr>
<th>TYPE OF NOTE*</th>
<th>ISSUE DATE</th>
<th>PURCHASE PRICE</th>
<th>YIELD ON ISSUE DATE</th>
<th>MATURITY DATE</th>
<th>DEALER</th>
</tr>
</thead>
</table>

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By ___________________________ Authorized Officer

* Insert "Series 1 Funding", if Series 1 Funding Notes. "Refunding", if Refunding Notes and "General Funding", if General Funding Notes. If more than one of the foregoing categories is applicable, specify the portion of the proceeds applicable to each.
IRREVOCABLE LETTER OF CREDIT

No. __________

October 24, 1983

United States Trust Company
of New York, as Agent
for Holders of
Series 3 CP Notes
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Dear Sirs:

We hereby establish, at the request and for the account of Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), in your favor, as Agent for Holders of Series 3 CP Notes under the Agency Agreement dated October 24, 1983 among the Corporation, you and Citibank, N.A. as Issuing and Paying Agent pursuant to which promissory notes of the Corporation designated as Series 3 Commercial Paper Notes (the "Series 3 CP Notes") are to be issued in an aggregate amount not to exceed $100,000,000 (including principal and interest to accrue to maturity), our Irrevocable Letter of Credit No. __________, in the amount of $100,000,000, as such amount may be reduced as described below (the "Maximum Available Credit"), effective immediately and expiring at the close of banking business at our 111 Wall Street, New York, New York 10005 office on November 7, 1985 (the "Stated Expiry Date").

We hereby irrevocably authorize you to draw on us, from time to time in an aggregate amount on any one day not to exceed the Maximum Available Credit and in accordance with the terms and conditions as hereinafter set forth, in one or more drawings by one or more of your demands for payment, made to our 111 Wall Street, New York, New York 10005 office and payable at sight on a banking day, and, for each such drawing, accompanied by your written and completed certificate signed by you in substantially the form of
Annex A, Annex B or Annex B-1 attached hereto. Each demand for payment shall be signed by you and be substantially in the form of Annex C attached hereto.

The amount from time to time available hereunder to be drawn by you (the "Available Balance") shall be the amount of the Maximum Available Credit (A) decreased from time to time (i) immediately following our honoring your demand or demands for payment hereunder, by an amount equal to such demand or demands and (ii) immediately following our receipt from you in the form of Annex D attached hereto of any reduction in the Maximum Available Credit, as of the date specified in such notice and by an amount equal to the amount of such reduction, and (B) increased from time to time to the extent, but only to the extent, that we are reimbursed by the Corporation for amounts drawn hereunder (but in no event shall the amount of any increase be such as to cause the Available Balance to exceed the Maximum Available Credit).

Funds under this Letter of Credit are available to you against presentation of your demand for payment signed by you in substantially the form of Annex C referring thereon to the number of this Letter of Credit and accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1, as the case may be. Each demand for payment and certificate shall be dated the date of its presentation and shall be presented at our office located at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations (or at such other office in the City and State of New York which may be designated by us on written notice delivered to you) on or before 12:00 Noon on the day on which we are to make funds available to you hereunder. If we receive any of your demands for payment and certificates at such office and at such time, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the Stated Expiry Date, we will honor the same on the day of presentation thereof by payment to you in same day funds by deposit in same day funds into an account designated by you and maintained with us.

This Letter of Credit sets forth in full our undertaking to you, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement. Our obligations hereunder are primary obligations and shall not be affected by the performance or non-performance by the
Corporation of any obligations under the Series 3 CP Notes or under any agreement between the Corporation and you or the Corporation and us.

This Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations, specifically referring to the number of this Letter of Credit.

Very truly yours,

CITIBANK, N.A.

By: ____________________________
[Name and Title]
ANNEX A

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation for The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. ____ (the "Letter of Credit", the terms defined
therein being used herein), that:

1. The Agent for Holders of Series 3 CP Notes is
   the Agent for Holders of Series 3 CP Notes under the
   Agency Agreement.

2. The Agent for Holders of Series 3 CP Notes is
   making a drawing under the Letter of Credit in the amount
   of the aggregate amount of the Maturity Date Payments on
   all of the Series 3 CP Notes maturing on the date hereof.

3. A duly authorized officer of the Corporation
   has informed us of the amount of the demand for payment
   accompanying this Certificate and that such amount does
   not exceed the amount available to be drawn under the
   Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ________,
19__.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: ____________________
    [Name and Title]
ANNEX B

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. ____ (the "Letter of Credit", the terms defined
therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent
for Holders of Series 3 CP Notes is making a drawing
under the Letter of Credit in the aggregate amount of the
Maturity Date Payments on all of the outstanding Series 3
CP Notes prior to the stated maturity thereof, to be held
by the Issuing and Paying Agent for the holders thereof.

(3) A duly authorized officer of the Corporation
has informed us of the amount of the demand for payment
accompanying this Certificate and that such amount does
not exceed the amount available to be drawn under the
Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ____,
19__.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: _______________________
[Name and Title]
CERTIFICATE FOR DRAWING IN CONNECTION WITH THE PAYMENT OF MATURITY DATE PAYMENTS ON THE SERIES 3 COMMERCIAL PAPER NOTES OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York (the "Corporation"), and Citibank, N.A., as Issuing and Paying Agent, hereby certifies to Citibank, N.A., with reference to Irrevocable Letter of Credit No. CCD3-8344-321255 (the "Letter of Credit", the terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent for Holders of Series 3 CP Notes is making a drawing under the Letter of Credit in an amount equal to the amount available to be drawn under the Letter of Credit, to be held by the Issuing and Paying Agent for the holders of all of the outstanding Series 3 CP Notes issued prior to the date hereof.

(3) The amount of the demand for payment accompanying this Certificate is equal to the amount available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of this ___ day of ______, 19__.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: __________________________
[Name and Title]
ANNEX C

DEMAND FOR PAYMENT

_______, 19___

Citibank, N.A.
111 Wall Street
New York, New York 10005

Attention: Letter of Credit Operations

Irrevocable Letter of Credit No.______

Gentlemen:

The undersigned beneficiary of Irrevocable Letter of Credit No. _____ issued by you, hereby demands payment of $__________ pursuant to such Letter of Credit.

Please credit the MAC Series 3 CP Note Account with you No. _____ maintained at your office at 111 Wall Street, New York, New York 10005.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP Notes

By: ____________________________

[Name and Title]
ANNEX D

CERTIFICATE FOR THE REDUCTION OF
AMOUNTS AVAILABLE UNDER LETTER OF
CREDIT NO. _____ DATED ____________

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York, and Citibank, N.A., as
Issuing and Paying Agent, through its duly authorized officer
hereby certifies to Citibank, N.A. (the "Bank"), with
reference to Irrevocable Letter of Credit No. ____________ (the
"Letter of Credit", the terms defined therein being used
herein), that

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) As of the effective date specified in paragraph
(3) below the total amount of the principal amount of,
and interest to maturity on, all outstanding Series 3 CP
Notes is $__________________.

(3) The Maximum Available Credit under the Letter
of Credit is reduced to $__________________ (such amount
being not less than the total amount specified in
paragraph (2) above) effective on ________________

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate this ___ day of _______, ___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: __________________________
[Name and Title]
EXHIBIT E

FORM OF OPINION OF GENERAL COUNSEL
TO THE CORPORATION

[Letterhead of Paul, Weiss, Rifkind, Wharton & Garrison]

October 24, 1983

Citibank, N.A.
55 Water Street
New York, New York 10041

Gentlemen:

We have been requested by our client, Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation (the "Corporation"), to furnish you our opinion as to the matters herein set forth in connection with the issuance and sale on this day of certain short-term notes of the Corporation (the "Series 3 TECP").

It is our understanding that the Series 3 TECP will have a maturity date not exceeding 270 days. The Series 3 TECP will be issued and sold as described in a Commercial Paper Memorandum dated October 24, 1983 (the "Commercial Paper Memorandum"), and pursuant to the terms of the agreement between the Corporation, and The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. (the "Dealers") dated October 24, 1983 (the "Dealer Agreement"), the Resolution Authorizing Not In Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time and the Bank Note Resolution of the Corporation adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 3 TECP Resolution" and the "Bank Note Resolution", respectively) and the Reimbursement Agreement and the Security Agreement referred to below for the corporate purposes of the Corporation 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, each as further amended (the "Act").
Repayment of Series 3 TECP when due is to be provided for, among other ways, pursuant to a series of interrelated agreements, each dated October 24, 1983, including a Letter of Credit and Reimbursement Agreement between the Corporation and Citibank, N.A. (the "Reimbursement Agreement"), Citibank, N.A.'s Irrevocable Letter of Credit, dated October 24, 1983, issued pursuant to the Reimbursement Agreement (the "Letter of Credit"), an Agency Agreement among the Corporation, United States Trust Company of New York and Citibank, N.A. (the "Agency Agreement"), and an Amended and Restated Security Agreement among the Corporation, Citibank, N.A. and United States Trust Company of New York (the "Security Agreement"). The Reimbursement Agreement, the Security Agreement, the Agency Agreement and the Note authorized by the Bank Note Resolution are hereinafter referred to as the "Reimbursement Documents".

Except as otherwise set forth herein, for purposes of this opinion, terms used herein have the respective meanings assigned to them in the Reimbursement Agreement and the Security Agreement.

In this connection, we have examined the Act, the By-laws of the Corporation, records of its corporate proceedings, including the Bank Note Resolution, the Series 3 TECP Resolution and the Series 47 Resolution adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 47 Resolution," and, collectively with the Series 3 TECP Resolution and the Bank Note Resolution, the "Resolutions"), the Reimbursement Documents, the Dealer Agreement, the Commercial Paper Memorandum and the Letter of Credit, 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 (the "State") 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 perform its obligations under the Dealer Agreement, and the Reimbursement Documents, and to adopt the Resolutions and to issue the Series 3 TECP thereunder.

2. The execution, delivery and performance by the Corporation of the Reimbursement Documents have been duly authorized by proper corporate proceedings and the Reimbursement Documents constitute the valid and legally
binding obligations of the Corporation enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

3. The security interest created by the Security Agreement in the Pledged Debt constitutes a perfected security interest under the Uniform Commercial Code as in effect in the State of New York (the "Code"), entitled to all of the rights, benefits and priorities provided by the Code and is and will be entitled to priority under the Code as currently in force as against any other liens, encumbrances, or claims in or to the Pledged Debt by third parties, subject to the exceptions provided by the Code and by other statutes which accord priority to any person superior to that of a secured party having a security interest that is perfected by possession under the Code; and subject as to enforceability (but not priority) to all applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to principles of equity. In rendering this opinion we are relying on a certificate of United States Trust Company of New York, dated October 24, 1983, that it is in possession of the Pledged Debt as Collateral Agent for Citibank, N.A. itself and Citibank, N.A. as Agent for itself and the Holders of the Series 3 TECP.

4. The Series 3 TECP Resolution has been duly and lawfully adopted by the Corporation, is in full force and effect and is validly and legally binding upon the Corporation and enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

5. The Bank Note Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and no action has been taken by the Corporation to amend or rescind the Bank Note Resolution or the Series 47 Resolution. Anything in this opinion to the contrary notwithstanding, we express no opinion with respect to the State Covenant.

6. The Series 3 TECP have been duly authorized, executed, authenticated, issued and delivered and constitute valid, legally binding, direct and general
obligations of the Corporation and are entitled to the benefit of the Series 3 CP Note Resolution, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting creditors' rights generally.

7. The execution, delivery and performance of the Dealer Agreement, the Series 3 TECP, the Resolutions, and the Reimbursement Documents, under the circumstances therein contemplated, and compliance with the provisions thereof, will not (i) conflict with or constitute on the part of the Corporation a breach of, or a default under, or (ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as permitted by or arising under the Reimbursement Documents), upon or with respect to any of the Corporation's properties pursuant to any existing law, court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease or other instrument, in each such case of which we have knowledge, to which the Corporation is subject or by which it is bound.

8. To the best of our knowledge, there is no action, suit, proceeding or investigation pending or threatened against the Corporation before or by any court, legislature or governmental official, department, commission, board, bureau, agency, instrumentality, or body or public benefit corporation, wherein an unfavorable decision, ruling or finding would (i) in any manner adversely affect provisions for, or materially adversely affect sources for, reimbursement to Citibank, N.A. for payment under the Letter of Credit of the Series 3 TECP, (ii) declare any of the Resolutions, the Act or the Corporation's obligations under the Dealer Agreement, the Reimbursement Documents or the Series 3 TECP to be invalid or unenforceable, or (iii) adversely affect the transactions contemplated by the Dealer Agreement or the Reimbursement Documents.

9. The issuance and delivery of the Series 3 TECP by the Corporation are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act, and there is no requirement for the qualification of the Resolutions or the Agency Agreement with respect to the Series 3 TECP or other securities issuable by the Corporation thereunder pursuant to the
Trust Indenture Act of 1939, as amended. The Series 3 TECP constitute "municipal securities" as such term is defined in the Securities Exchange Act of 1934, as amended.

10. No consent, approval or authorization is required from any governmental authority or other entity in connection with the execution, delivery and performance by the Corporation of the Dealer Agreement and the Reimbursement Documents, the adoption of the Resolutions or the issuance of the Series 3 TECP, other than those consents, approvals or authorizations which have been obtained and are in full force and effect on the date hereof.

11. In the course of the preparation by the Dealers of the Commercial Paper Memorandum, we participated in several conferences and conversations with certain of the Corporation's officials and also consulted on several occasions with representatives of the Dealers. In this connection, with your concurrence, we did not, except as stated elsewhere herein, undertake any independent examinations or review of, or otherwise attempt to make any independent verification of, (i) any records or proceedings of, or any factual matters relating to or otherwise involving, the Corporation, the State of New York or any authority, agency or political subdivision thereof or therein, or (ii) any other factual matters contained in the Commercial Paper Memorandum. Accordingly, we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Commercial Paper Memorandum. Further, we are not in a position to provide, and therefore we hereby expressly disclaim, any commentary or assurances as to the adequacy or accuracy of the financial and statistical data contained in the Commercial Paper Memorandum. Subject to the foregoing limitations with respect to our engagement, no information was disclosed to us in connection with the preparation of the Commercial Paper Memorandum, or in our conferences or conversations referred to above, which has caused us to believe that the Commercial Paper Memorandum, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
12. The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance under the Reimbursement Agreement will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

All opinions rendered herein relating to the enforceability of the Corporation's obligations under the Dealer Agreement, the Series 3 TECP Resolution, the Series 3 TECP and the Reimbursement Documents, are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

All opinions rendered herein relating to the effect of the Constitution of the State, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Dealer Agreement, the Series 3 TECP or the Reimbursement Documents are rendered in reliance upon the opinion of Hawkins, Delafield & Wood, Bond Counsel, of even date herewith to the Corporation and delivered to you, and, although we have made no independent investigation with respect thereto, such opinion is in form and scope satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
EXHIBIT F

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Hawkins, Delafield & Wood]

October 24, 1983

Municipal Assistance Corporation
For The City of New York
One World Trade Center
New York, New York 10048

Dear Sirs:

We have examined a record of proceedings relating to the issuance from time to time of Series 3 Commercial Paper Notes, the outstanding principal amount of which, together with interest to accrue on such amount to the maturity of such Notes, may not exceed $100,000,000 at any time (the "Notes"), the issuance of a promissory note to Citibank, N.A. (the "Bank") in an aggregate principal amount not to exceed $100,000,000 (the "Bank Note"), and the authorization of not to exceed $100,000,000 Series 47 Bonds (the "Series 47 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 Notes are authorized and issued under and pursuant to the Act and the resolution of the Corporation entitled "Resolution Authorizing Not in Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time", adopted September 29, 1983 (the "Note Resolution"). The Bank Note is authorized and issued under and pursuant to the Act and the resolution of the
Corporation entitled "Bank Note Resolution Authorizing The Bank Note to Citibank, N.A. In An Aggregate Principal Amount Not to Exceed $100,000,000", adopted September 29, 1983 (the "Bank Note Resolution"). The Note Resolution and the Bank Note Resolution are herein collectively called the "Resolutions". The Series 47 Bonds are authorized under and pursuant to the Act, the Second General Bond Resolution of the Corporation, adopted November 25, 1975, as amended and supplemented (the "Second General Bond Resolution") and the Series 47 Resolution, adopted September 29, 1983 (the "Series 47 Resolution").

We have also examined the Letter of Credit and Reimbursement Agreement dated as of October 24, 1983 (the "Reimbursement Agreement"), between the Corporation and the Bank, the Amended and Restated Security Agreement dated October 24, 1983 (the "Security Agreement"), among the Corporation, the Bank for itself and as agent for itself and for holders of the Notes (in such capacity, the "Agent") and United States Trust Company of New York and the Agency Agreement dated October 24, 1983 (the "Agency Agreement") among the Corporation, the Bank and United States Trust Company of New York.

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 Notes and the Bank Note under the Note Resolution and the Bank Note Resolution, respectively, and to perform the obligations and covenants contained in the Resolutions, the Notes and the Bank Note. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid with respect to all provisions thereof material to the subject matter of this opinion letter.

2. 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 Note Resolution creates the valid pledge and lien which it
purports to create of the revenues, moneys, securities and account held or set aside under the Note Resolution, subject only to the application thereof to the purposes and on the conditions permitted by the Note Resolution. All revenues, moneys and securities, as and when received in the Proceeds Account in accordance with the Note Resolution, will be validly subject to the pledge and lien created by the Note Resolution.

3. The Notes and the Bank Note 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 Note Resolution and the Bank Note Resolution, respectively. The Notes and the Bank Note 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 Note Resolution and the Bank Note Resolution, respectively, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.

4. Neither the Notes nor the Bank Note constitute a debt either of the State or The City of New York ("The City"), and neither the State nor The City shall be liable thereon, and neither the Notes nor the Bank Note shall be payable out of any funds other than those of the Corporation.

5. The Series 47 Resolution has been duly and lawfully adopted in accordance with the provisions of the Second General Bond Resolution and is authorized and permitted by the Second General Bond Resolution. The Second General Bond Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and both are in full force and effect. The Series 47 Bonds have been duly and validly authorized by the Corporation in accordance with the Series 47 Resolution, and, when issued and paid for, will be the valid and binding general obligations of the Corporation payable as provided in the Second General Bond Resolution and the Series 47 Resolution and will be enforceable in accordance with their terms, respectively, and the terms of the Second General Bond Resolution and the Series 47 Resolution, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.
6. No registration with, consent of, or approval by, and no notice to or filing with, any governmental agency or commission is necessary for the execution, delivery and performance by the Corporation of the Notes, the Bank Note, the Reimbursement Agreement, the Security Agreement or the Agency Agreement, or for the exercise by the Agent of the rights and remedies in respect of the Collateral (as defined in the Security Agreement) provided for in the Security Agreement, other than such consents or approvals which have been obtained and are in full force and effect on the date hereof.

7. The Reimbursement Agreement, the Security Agreement and the Agency Agreement have each been duly authorized, executed and delivered by the Corporation and (assuming due authorization, execution and delivery by the other parties thereto) constitute valid and binding Agreements of the Corporation, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally, and except as otherwise set forth in paragraph 10 hereof with respect to the ability of the Corporation to convert Reimbursement Obligations and outstanding Advances (as such terms are defined in the Reimbursement Agreement) into Second Resolution Bonds (as defined in the Reimbursement Agreement), including the Series 47 Bonds.

8. The pledge of the Pledged Debt (as defined in the Security Agreement) pursuant to the Security Agreement does, and the pledge of the Additional Pledged Debt and the Substituted Pledged Debt (as such terms are defined in the Security Agreement) pursuant to the Security Agreement will, at the time they are pledged, create a valid pledge, in favor of the Agent, of the Pledged Debt and of the Additional Pledged Debt and of the Substituted Pledged Debt, as the case may be, securing the payment of the Pledgor's Liabilities (as defined in the Security Agreement).

9. The execution, delivery and performance of, and compliance with, all of the terms and conditions of the Notes, the Bank Note, the Reimbursement Agreement, the Security Agreement and the Agency Agreement, and the adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions, will not result in a violation of or be in conflict with any term
or provision of any existing law, except as otherwise set forth in paragraph 10 hereof with respect to the ability of the Corporation to convert Reimbursement Obligations and outstanding Advances into Second Resolution Bonds.

10. The legal power of the Corporation to convert Reimbursement Obligations and outstanding Advances into Second Resolution Bonds is subject to applicable provisions of law and certain resolutions and agreements of the Corporation that must be satisfied at the time any such bond is issued, and may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.

Very truly yours,
EXHIBIT G

CONSENT

Dated October 24, 1983

Reference is made to (i) the Revolving Credit and Term Loan Agreement, dated as of January 6, 1983, among the Municipal Assistance Corporation For The City of New York (the "Corporation"), Manufacturers Hanover Trust Company ("MHT") and Citibank, N.A. ("Citibank") (the "Banks") and Citibank, as Agent for the Banks (the "Multibank Credit Agreement"), (ii) the Pledge and Security Agreement, dated January 6, 1983, among the Corporation, Citibank, as Agent for the Banks and United States Trust Company of New York as agent for the Agent (the "Pledge Agreement"), (iii) the other Loan Documents (as such term is defined in the Multibank Credit Agreement) and (iv) the Interbank Agreement, dated January 6, 1983 between the Banks, as restated by the Amended and Restated Interbank Agreement dated the date hereof (the "Amended and Restated Interbank Agreement").

The undersigned, Citibank and MHT, as parties to the above-referenced agreements, hereby (i) consent to the Amended and Restated Security Agreement, dated the date hereof, amending and restating the Security Agreement, dated June 3, 1982, among the Corporation, Citibank and United States Trust Company of New York, as Agent for Citibank, (ii) waive any defaults under the Pledge Agreement arising from the amending and restating of the Security Agreement, including, but not limited to, any defaults arising under Section 9 thereof, (iii) waive any defaults under the Multibank Credit Agreement arising from the execution of the Credit Documents (as such term is defined in the Reimbursement Agreement), including, but not limited to, any defaults arising under Section 4.02 thereof and (iv) confirm and agree that the Loan Documents and the Amended and Restated Interbank Agreement are and shall continue to be in full force and effect and are hereby ratified and confirmed in all respects, except that, upon the effectiveness of, and
on and after the date of, said Amended and Restated Security Agreement, all references in the Loan Documents and the Amended and Restated Interbank Agreement, to the Security Agreement shall mean the Amended and Restated Security Agreement.

CITIBANK, N.A.

By: ________________
   Title: ________________

MANUFACTURERS HANOVER TRUST COMPANY

By: ________________
   Title: ________________
AGENCY AGREEMENT

October 24, 1983

United States Trust Company
of New York
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10005

Attention: Frank J. Todaro,
Assistant Vice President

Commercial Paper Program

Ladies and Gentlemen:

United States Trust Company of New York is hereby requested to act as agent for the holders from time to time of the short-term commercial paper notes (the "Series 3 CP Notes") of the undersigned, Municipal Assistance Corporation For The City of New York (the "Corporation"), referred to in the Letter of Credit and Reimbursement Agreement dated October 24, 1983, between the Corporation and Citibank, N.A., as such agreement may from time to time be amended (the "Reimbursement Agreement", terms defined therein being used herein as so defined unless otherwise defined herein). In its capacity as such agent hereunder United States Trust Company of New York is referred to herein as the "Agent for Holders of Series 3 CP Notes" and its powers, duties and rights shall be governed by the terms and conditions of this Agreement.
Citibank, N.A. is hereby requested to act as issuing and paying agent on behalf of the holders of Series 3 CP Notes, the Agent for Holders of Series 3 CP Notes, and the Corporation. In its capacity as issuing and paying agent hereunder Citibank, N.A. is referred to herein as the "Issuing and Paying Agent" and shall be governed by the terms and conditions of this Agreement. In its capacity as a party to the Reimbursement Agreement and issuer of the Letter of Credit provided therein, Citibank, N.A. is referred to herein as the "Letter of Credit Bank" and shall be governed by the terms and conditions of the Reimbursement Agreement and the Letter of Credit.

Citibank, N.A. is also the Issuing and Paying Agent on behalf of the Corporation in connection with the sale from time to time and with the payment at maturity of the promissory notes of the Corporation (the "Series 1 CP Notes") referred to in the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., as such agreement may from time to time be amended (the "Series 1 Credit Agreement"). To the extent that Series 3 CP Notes are issued for payment of the outstanding Series 1 CP Notes, you shall be governed as to such payment procedures by the terms and conditions of the Issuing and Paying Agency Agreement dated June 3, 1982 (the "1982 Agreement") and by the terms and conditions of Article VI of the Series 1 Credit Agreement.

1. **Issuance of the Series 3 CP Notes.**

   (a) **Execution and Delivery by the Corporation.**

   During the period that this Agreement is in effect, the Corporation will, from time to time, deliver to the Issuing and Paying Agent at its address stated above executed Series 3 CP Notes, substantially in the form of Exhibit A hereto, with the purchase price, issue date, maturity date, maturity date payment and yield on issue date left blank. When any Series 3 CP Notes are delivered to the Issuing and Paying Agent, the Issuing and Paying Agent will acknowledge receipt by returning a receipt form to the Corporation. All Series 3 CP Notes delivered to the Issuing and Paying Agent shall be held by the Issuing and Paying Agent in safekeeping for the account of the Corporation. The Series 3 CP Notes will be numbered consecutively and may bear such other identification as the Corporation or the Issuing and Paying Agent may deem appropriate.

   The Series 3 CP Notes will bear the manual or facsimile signature of an Authorized Officer of the Corporation. The Issuing and Paying Agent and the Agent for
Holders of Series 3 CP Notes will be furnished with incumbency certificates with respect to each Authorized Officer authorized to act for the Corporation hereunder. Series 3 CP Notes bearing the signature of individuals who were at the time of signing Authorized Officers shall bind the Corporation, notwithstanding that such individuals or any of them shall have ceased to be Authorized Officers prior to delivery of such Series 3 CP Notes or were not Authorized Officers at the date of such Series 3 CP Notes. The Issuing and Paying Agent shall advise the Corporation from time to time of the names of its designated officers (the "Designated Officers") who are authorized to receipt for, complete and deliver the Series 3 CP Notes.

From time to time the parties to this Agreement shall also be furnished with certificates from the Letter of Credit Bank identifying its authorized bank officers (the "Authorized Bank Officers") referred to below.

(b) Authentication and Delivery by Issuing Agent.

Upon receipt from time to time from any Authorized Officer of telephone, EDP terminal, telex or other written instructions to issue Series 3 CP Notes which instructions shall cover the matters set forth in Exhibit B hereto, but in case of transmission by EDP terminal shall be in such form as the Corporation and the Issuing and Paying Agent shall agree, the Issuing and Paying Agent's Designated Officer will withdraw the necessary number of Series 3 CP Notes from safekeeping and, in accordance with such instructions and advice, the Designated Officer will:

(i) complete each such Series 3 CP Note as to the purchase price, issue date, maturity date, maturity date payment, and yield on issue date;

(ii) authenticate each such Series 3 CP Note by countersigning the same; and

(iii) deliver each such Series 3 CP Note to the purchaser specified in such instructions (the "Purchaser"), or to the consignee to or for the account of the Purchaser thereof, against receipt of payment for the account of the Corporation as herein provided.

Series 3 CP Notes the proceeds of which are used to pay maturing Series 1 CP Notes shall be referred to herein as "Series 1 Funding Notes". Series 3 CP Notes the proceeds of which are used to reimburse the Letter of Credit Bank for payment of maturing Series 3 CP Notes shall be referred to
herein as "Refunding Notes". All other Series 3 CP Notes shall be referred to herein as "General Funding Notes". The Authorized Officer shall indicate in his instructions the amount of Series 3 CP Notes to be issued that constitute Series 1 Funding Notes, Refunding Notes or General Funding Notes, as the case may be. Notwithstanding anything in this Agreement, the proceeds of sale of any Series 3 CP Note may be applied to any one or more of the foregoing categories in accordance with the instructions of the Authorized Officer. No General Funding Notes shall be designated by such Authorized Officer unless the Series 1 Funding Notes are in an amount sufficient to pay off all Series 1 CP Notes and the Refunding Notes are in an amount sufficient to reimburse the Bank for payment of all Series 3 CP Notes maturing on such day.

All oral instructions given by an Authorized Officer to a Designated Officer for the completion and delivery of Series 3 CP Notes shall be confirmed in writing as set forth above within twenty-four hours (advice given by EDP terminal shall be considered written instructions), and the Issuing and Paying Agent shall incur no liability to the Corporation in acting upon telephone instructions which the Designated Officer reasonably believes in good faith to have been given by an Authorized Officer. Each delivery of Series 3 CP Notes shall be subject to the rules of the New York Clearing House in effect at the time of the delivery.

Notwithstanding any contrary instructions from an Authorized Officer, the Issuing and Paying Agent shall not authenticate or deliver any Series 3 CP Note (A) which has a face amount of less than $250,000, (B) which has a maturity date which is later than the earlier of (i) 270 days from its date of issuance and (ii) the fifteenth day prior to the Credit Termination Date, (C) which has a maturity date that is not a Business Day, or (D) if, immediately after the authentication and delivery of and receipt of payment for such Series 3 CP Note and the crediting of the proceeds (or a portion thereof) received from the sale of such Series 3 CP Notes on the date of computation, and the crediting of any other funds to the Letter of Credit Account hereinafter described for the purpose of reimbursing the Letter of Credit Bank for drawings made in respect of the Letter of Credit, as provided in Section 2(c) of this Agreement, the aggregate Maturity Date Payments of the Series 3 CP Notes then outstanding, subject to Section 2(d)(ii) of this Agreement (the "Total Outstanding Amount"), would exceed the Available Balance. In making the above calculations the Issuing and
Paying Agent may rely on information last delivered to it by the Letter of Credit Bank, and it shall have no obligation to make any further investigation other than with respect to the Total Outstanding Amount of outstanding Series 3 CP Notes.

(c) Assignment of Proceeds of Refunding Notes.

Any instructions received by a Designated Officer from an Authorized Officer to issue Refunding Notes pursuant to the provisions of this Agreement shall be deemed an irrevocable assignment by the Corporation of the proceeds of the sale of such Refunding Notes for deposit to the credit of the Letter of Credit Account, to be applied pursuant to Section 2(c) of this Agreement.

(d) Payment for Delivery of Series 3 CP Notes.

No delivery or release of Series 3 CP Notes shall be made by the Issuing and Paying Agent except against payment therefor to the Issuing and Paying Agent.

The delivery and receipt of payment from a Purchaser of a Series 3 CP Note may not be able to be completed simultaneously. In such event, the Issuing and Paying Agent is authorized (but not required) to follow the prevailing custom, which is to deliver a Series 3 CP Note to the Purchaser, receive the Purchaser's receipt for the delivery and at a later time, but on the same day, after the Purchaser has verified the delivery against his purchase agreement to receive payment in same day funds. But in such case the Issuing and Paying Agent shall credit the Letter of Credit Account with an amount equal to the anticipated payment promptly upon the delivery of such Series 3 CP Note to the Purchaser. If the Purchaser shall fail thereafter to make payment, the Issuing and Paying Agent shall promptly demand reimbursement from the Corporation in the amount of such payment and the Corporation shall promptly make such reimbursement without however waiving any right the Corporation or the Issuing and Paying Agent may have against such Purchaser.

(e) Notification by the Corporation.

The Corporation shall notify the Agent for Holders of Series 3 CP Notes and the Issuing and Paying Agent by 3:00 P.M. on each Business Day (i) whether there are any Series 3 CP Notes maturing on the next Business Day, (ii) if any Series 3 CP Notes are maturing on the next Business Day, of the amount of the aggregate Maturity Date Payments of such Series 3 CP Notes (the "Outstanding Amount") and (iii) of the
Total Outstanding Amount of all Series 3 CP Notes. Such notice shall state that the Outstanding Amount was computed in accordance with the terms and conditions of such Series 3 CP Notes and will not exceed the amount available to be drawn under the Letter of Credit (the "Available Balance" as defined in the Letter of Credit) on the maturity date of such Series 3 CP Notes.

(f) **Notification by the Letter of Credit Bank.**

The Letter of Credit Bank shall advise the Issuing and Paying Agent, the Corporation and the Agent for Holders of Series 3 CP Notes at the close of each Business Day of the Available Balance of the Letter of Credit.

(g) **Notice of Event of Default or Extraordinary Situation.**

If the Issuing and Paying Agent receives notice from an Authorized Bank Officer which states that an Event of Default specified in Section 6.01 of the Reimbursement Agreement or an Extraordinary Situation specified in Section 6.02 of the Reimbursement Agreement shall have occurred, the Issuing and Paying Agent shall cease authenticating or delivering Series 3 CP Notes, notwithstanding any contrary instructions received by the Issuing and Paying Agent from an Authorized Officer. The Issuing and Paying Agent shall incur no liability to the Corporation in acting upon telephone instructions which the Issuing and Paying Agent believes in good faith to have been given by an Authorized Bank Officer. If such notice of an Extraordinary Situation or an Event of Default is given by telephone, it shall be confirmed by an Authorized Bank Officer in writing prior to the close of business on the same day. No further authentication or delivery of Series 3 CP Notes shall be made until such time as an Authorized Bank Officer shall have rescinded such instructions by instruction stating that such Extraordinary Situation or Event of Default is no longer continuing and shall have consented to the issuance of Series 3 CP Notes by a notice confirmed in writing to the Issuing and Paying Agent.

2. **Creation of Accounts.**

   (a) **Commercial Paper Note Account; Letter of Credit Account.**

   The Issuing and Paying Agent shall establish two separate accounts designated the "Series 3 CP Note Account" (the "Commercial Paper Note Account"), and the "Letter of Credit Account" (the "Letter of Credit Account"). The moneys
in the Commercial Paper Note Account shall be held by the
Issuing and Paying Agent for the benefit of the holders of
the Series 3 CP Notes, subject to the terms hereof, and
applied as hereinafter provided. The moneys in the Letter of
Credit Account shall be held by the Issuing and Paying Agent
for the benefit of the Letter of Credit Bank, subject to the
terms hereof, and shall be applied as hereinafter provided.

(b) **Payments into the Commercial Paper Note Account.**

The Agent for Holders of Series 3 CP Notes shall
direct the Letter of Credit Bank to deposit to the credit of
the Commercial Paper Note Account the proceeds of any drawing
made pursuant to paragraph (b) or (c) of Section 3 hereof.
Moneys in the Commercial Paper Note Account shall be used by
the Issuing and Paying Agent solely for the payment of the
Maturity Date Payments of the Series 3 CP Notes as the same
become due and payable.

(c) **Payments into Letter of Credit Account.**

The Issuing and Paying Agent shall deposit to the
credit of the Letter of Credit Account (i) the proceeds
received from the issuance of Refunding Notes on the day on
which such proceeds are received and (ii) all amounts
deposited by the Corporation which are required, or are
accompanied by directions from the Corporation that such
moneys are, to be paid into the Letter of Credit Account,
after all drawings to be made on such day under the Letter of
Credit shall have been made.

(d) **Funds in the Commercial Paper Note Account.**

(i) If a drawing is made by the Agent pursuant to
Section 3(c)(ii) hereof (the "3(c)(ii) Drawing"), the
proceeds of such drawing shall be held by the Issuing and
Paying Agent, for the benefit of the holders of the
outstanding Series 3 CP Notes on the date of the 3(c)(ii)
Drawing, until presentation of the outstanding Series 3
CP Notes by the holders thereof.

(ii) If any Series 3 CP Note shall not be presented
at the maturity thereof and sufficient funds from
drawings under the Letter of Credit are then on deposit
in the Commercial Paper Note Account, such Series 3 CP
Note shall, as between the Corporation and the holder
thereof, be deemed paid and the Issuing and Paying Agent
shall hold such funds, until presentation, for the
benefit of the holder of such Series 3 CP Note.
(iii) Any moneys held by the Issuing and Paying Agent (A) in accordance with clause (i) above, which shall remain unclaimed by the holders of the Series 3 CP Notes outstanding on the date of the 3(c)(ii) Drawing for a period of 21 months after the date of such drawing or (B) in accordance with clause (ii) above, which shall remain unclaimed by the holders of the Series 3 CP Notes referred to in clause (ii) above for a period of one year after the date on which such Series 3 CP Notes shall have become due and payable shall upon request in writing to the Issuing and Paying Agent be paid to the Corporation; provided, however, that the Issuing and Paying Agent before being required to make any such payment, may at the expense of the Corporation cause to be published at least twice prior to the date of such payment in a daily newspaper, or a financial journal, published or circulated in the Borough of Manhattan, City and State of New York, a notice that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Corporation and thereafter the holders of such Series 3 CP Notes shall look only to the Corporation for payment and then only to the extent of the amount so received without any interest thereon, and the Issuing and Paying Agent, after payment of such moneys to the Corporation, and the Agent for Holders of Series 3 CP Notes shall have no responsibility with respect to such moneys paid.

(e) Cancellation and Destruction of Series 3 CP Notes.

All Series 3 CP Notes paid shall be marked "Cancelled" by the Issuing and Paying Agent upon the payment of such Series 3 CP Notes. All cancelled Series 3 CP Notes shall be disposed of by the Issuing and Paying Agent as directed by the Corporation and if not so directed the Issuing and Paying Agent may deliver to the Corporation such Series 3 CP Notes in its possession at least once every three months until the Credit Termination Date and upon the Credit Termination Date.

3. Payment of the Series 3 CP Notes.

(a) Payment Solely from Commercial Paper Note Account.

The Issuing and Paying Agent shall pay each matured Series 3 CP Note upon presentation solely from funds in the Commercial Paper Note Account.
(b) Drawing under Letter of Credit.

Upon notice as provided in Section 1(e) hereof, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit as soon as practicable after the opening of business, but in no event later than 10:00 A.M., New York City time, on the maturity date of any Series 3 CP Note in an amount equal to the aggregate amount required to pay the Series 3 CP Notes maturing on such day, and deposit the same in the Commercial Paper Note Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex A to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(c) Event of Default or Extraordinary Situation.

(i) When directed to do so by the Letter of Credit Bank by notice from an Authorized Bank Officer that an Event of Default or an Extraordinary Situation has occurred, which notice shall include the amount available to be drawn under the Letter of Credit (the Available Balance as defined in the Letter of Credit) on the date of such notice, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit.

(ii) The Agent for Holders of Series 3 CP Notes shall request and the Corporation shall immediately notify the Agent for Holders of Series 3 CP Notes of the Total Outstanding Amount. Such notice shall state that the Total Outstanding Amount was computed in accordance with the terms and conditions of such Series 3 CP Notes and does not exceed the Available Balance on such date. Upon receipt of such notice from the Corporation, the Agent for Holders of Series 3 CP Notes, shall make a drawing under the Letter of Credit in an amount equal to the Total Outstanding Amount and shall deposit the same in the Commercial Paper Note Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex B to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(iii) In the event that the Corporation fails to so notify the Agent for Holders of Series 3 CP Notes within one hour of receipt of the request or, if the request is received by the Corporation later than one hour before the close of business of the Corporation, by 9:30 A.M. on
the next Business Day, the Agent for Holders of Series 3 CP Notes shall make a drawing under the Letter of Credit in an amount equal to the Available Balance as set forth in the notice received from the Authorized Bank Officer pursuant to this subsection (c) and shall deposit the same in the Commercial Paper Account. The Agent for Holders of Series 3 CP Notes shall execute and deliver to the Letter of Credit Bank a certificate in the form of Annex B-1 to the Letter of Credit and a demand for payment in the form of Annex C to the Letter of Credit.

(d) **Application of Funds in Commercial Note Paper Account.**

The Issuing and Paying Agent shall apply the funds in the Commercial Paper Note Account directly to the payment in full of each Series 3 CP Note with respect to which a drawing was made pursuant to paragraph (b) or (c) of this Section 3, if and when such Series 3 CP Note is presented to the Issuing and Paying Agent for payment, subject to the provisions of Section 2(d) hereof.

(e) **Transfer of Proceeds of Refunding Notes.**

After but only after a drawing has been made under the Letter of Credit as provided in paragraph (b) or (c) of this Section 3, the Issuing and Paying Agent shall promptly transfer to the Letter of Credit Account such amounts as are necessary to reimburse the Letter of Credit Bank for any payments made by it under the Letter of Credit.

(f) **Duty of Agent for Holders of Series 3 CP Notes to Investigate.**

In determining the amounts to be drawn under the Letter of Credit in accordance with subsections (b) and (c) above, the Agent for Holders of Series 3 CP Notes may rely conclusively on information last delivered to it by the Corporation, and it shall have no obligation to make any further investigation with respect thereto.

4. **Deposits of Moneys, Security for Deposits and Investment of Funds.**

(a) **Deposits Constitute Trust Funds.**

All moneys paid into the Commercial Paper Note Account shall be held in trust for the benefit of the holders of Series 3 CP Notes.
(b) Investment of Moneys.

Moneys set aside and held pursuant to Section 2(d) hereof shall, upon the written instructions of an Authorized Officer, be invested and reinvested by the Issuing and Paying Agent in securities which must be direct obligations of, or obligations guaranteed by, the United States of America. Any written instructions by an Authorized Officer shall specify the issuer or obligor, the type, principal amount, interest rate and maturity of each such requested investment of moneys. The income in such account shall from time to time be distributed to the Corporation, provided that no income shall be distributed if the principal amount shall be less than required for payment in full of the Series 3 CP Notes for which such moneys have been set aside.

5. The Letter of Credit.

Contemporaneously with the initial issuance of the Series 3 CP Notes, the Letter of Credit Bank shall have delivered to the Agent for Holders of the Series 3 CP Notes an irrevocable Letter of Credit, in substantially the form of Exhibit C hereto. Such Letter of Credit shall identify the Agent for Holders of Series 3 CP Notes, acting on behalf of the holders of Series 3 CP Notes, as the beneficiary thereof and shall be issued for the account of the Corporation. The Agent for Holders of Series 3 CP Notes shall make drawings under the Letter of Credit on behalf of the holders of such Series 3 CP Notes pursuant to Sections 3(b) and (c) hereof. Such drawings shall be made in accordance with the terms of the Letter of Credit.

The amount of the Letter of Credit shall be reduced and increased as set forth therein. Upon instructions from an Authorized Officer, the Agent for Holders of Series 3 CP Notes shall deliver to the Letter of Credit Bank a notice in the form of Annex D to the Letter of Credit reducing the amount of the Letter of Credit to the amount and as of the date specified in such instructions.

It is understood and agreed by the parties hereto that the provisions of this Agreement relating to the Letter of Credit are intended to provide for payment of the Series 3 CP Notes at their maturity. Accordingly, the parties hereto specifically acknowledge that in actions taken by the Agent for Holders of Series 3 CP Notes as beneficiary of the Letter of Credit, the Agent for Holders of Series 3 CP Notes shall not be acting as an agent of the Corporation or of the
Issuing and Paying Agent or of the Letter of Credit Bank but shall be acting solely on behalf of the holders of Series 3 CP Notes.

6. **Application of Funds.**

In accordance with the instructions of the Authorized Officer pursuant to Section 1(b) above, the Issuing and Paying Agent shall apply the proceeds from the sale of Series 1 Funding and General Funding Notes as follows:

(i) The Issuing and Paying Agent shall deposit the proceeds of all Series 1 Funding Notes received by it hereunder in the Payment Account (as such term is defined in the 1982 Agreement) in accordance with the terms of the Series 1 CP Note Resolution and the Series 1 Credit Agreement, all as set forth in more detail in the 1982 Agreement.

(ii) After payment has been made of all Series 1 CP Notes maturing on the date of sale of the Series 3 CP Notes pursuant to the terms of the 1982 Agreement and reimbursement has been made to the Letter of Credit Bank for all payments made by it under the Letter of Credit, the proceeds of the General Funding Notes shall be transferred to an account designated by the Corporation in immediately available funds.

7. **Representations and Warranties.**

The Corporation hereby warrants and represents to each of you, which shall be a continuing warranty and representation, that all Series 3 CP Notes delivered to you pursuant to this Agreement and issued in accordance with the provisions of this Agreement are authorized and executed as prescribed in a resolution duly adopted by the Board of Directors of the Corporation, and that the appointments hereunder are in accordance with and do not exceed the authority contained in such resolution. A copy of a certificate of an Authorized Officer of the Corporation with respect to such resolution shall be delivered on the date hereof, and we shall furnish the other parties hereto with a favorable opinion of our counsel, in form and substance satisfactory to each of you, as to such authorization upon the initial issuance of Series 3 CP Notes.
8. **Miscellaneous Provisions.**

(a) **Termination of Issuing Agreement.**

This Agreement (other than Sections 2(d) and 4(b) hereof and the representations and warranties and the indemnification provisions contained herein, which shall be continuing) shall terminate on the Credit Termination Date.

Upon the termination of this Agreement, the Issuing and Paying Agent will return all unauthenticated Series 3 CP Notes held by it to the Corporation against a receipt signed by an Authorized Officer.

(b) **Fee.**

In connection with the sale from time to time of Series 3 CP Notes, the Corporation will pay the Issuing and Paying Agent a fee for services hereunder in accordance with the fee schedule of the Issuing and Paying Agent in effect from time to time.

(c) **Amendments, Etc.**

This Agreement or any provision hereof may be supplemented, modified, waived, rescinded, terminated or amended only if such supplement, modification, waiver, rescission, termination or amendment is in writing and signed by all the parties hereto and provided that no supplement, modification, waiver, rescission, termination or amendment shall adversely affect the rights of the holders of outstanding Series 3 CP Notes or the Letter of Credit Bank, unless the holders of outstanding Series 3 CP Notes or the Letter of Credit Bank consent, as the case may be.

(d) **Indemnification.**

To the maximum extent permitted by law, the Corporation will indemnify and hold each of you, your officers, employees and agents harmless from any and all liability (whether to any of the parties hereto or to any other Person), loss, damage, costs and expenses of any nature (including interest and counsel fees and disbursements) in connection with, directly or indirectly arising out of or relating to the duties of either of you, or the duties of your officers, employees or agents arising from their performance, under this Agreement, except for costs, expenses, fees and liabilities arising out of gross
negligence or wilful misconduct on your part or the part of
your officers, employees or agents. Neither of you nor any
of your officers, employees or agents shall be liable to the
other parties hereto or to any other Person for any action or
omission to act, taken or made or suffered by either of you
to be taken or made under this Agreement, except for such
gross negligence or wilful misconduct. Each of you may rely
conclusively, and this indemnity includes but is not limited
to your reliance, upon any order, notice, demand,
certificate, opinion or advice of counsel (including counsel
chosen by either of you), statement, instrument, resolution,
report or other paper or document (not only as to its due
execution and the validity and effectiveness of its
provisions, but also as to the truth and acceptability of any
information therein contained) which is believed by either of
you to be genuine and signed or presented by the proper
person or persons, and also upon any telephone advice or
instructions (authorized herein) received or reasonably
believed to have been received from such proper person or
persons. This indemnity is continuing and shall survive
performance under or termination of any of the provisions of
this Agreement.

(e) Duties.

The duties of the Issuing and Paying Agent and Agent
for Holders of Series 3 CP Notes shall be solely as provided
herein and no implied covenants or obligations shall be read
into this Agreement against either. The Issuing and Paying
Agent and the Agent for Holders of Series 3 CP Notes may
consult with counsel and shall not be liable for any action
taken in good faith in reliance upon the advice of counsel.
Except as otherwise provided herein, the Issuing and Paying
Agent and the Agent for Holders of Series 3 CP Notes may act
in reliance upon any resolution or other document transmitted
to it on behalf of the Corporation, if certified or executed
on behalf of the Corporation.

(f) Standard of Care.

With respect to funds held by the Issuing and Paying
Agent as contemplated herein, the Issuing and Paying Agent
shall be deemed to have exercised reasonable care in the
custody and preservation of such funds if such funds are
accorded treatment substantially equal to that which the
Issuing and Paying Agent accords its own property.
(g) Notices, Etc.

Except where instructions or notices are authorized herein to be given by telephone, all instructions, notices or other communications to be given to any party hereto shall be in writing, which shall include communication by EDP terminal, and shall be personally delivered or sent by mail or by tested or otherwise authenticated telex, or EDP transmission, and shall be deemed to be given for purposes of this Agreement only when received at the address or telex number specified below (or as such party may specify to the other parties in writing):

The Issuing and Paying Agent: Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10043
Attention: Frank Todaro

The Agent for Holders of Series 3 CP Notes: United States Trust Company of New York, as Agent for Holders of Series 3 CP Notes
45 Wall Street
New York, New York 10005
Attention: Pat Santivasci

The Corporation: Suite 8901
One World Trade Center
New York, New York 10048
Attention: Executive Director

Letter of Credit Bank: Citibank, N.A.
111 Wall Street
New York, New York 10005
Attention: Letter of Credit Operations

(h) Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.
If you agree to the foregoing, please sign and return the enclosed copy hereof, whereupon this letter shall constitute a binding agreement.

Very truly yours,

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By [Signature]
Executive Director

Accepted and agreed to as of the date first above written

CITIBANK, N.A.

By [Signature]
Vice President

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By [Signature]
ASST. VICE PRESIDENT
(FORM OF SERIES 3 CP NOTE)

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

NOTE NO. CP-3___
ISSUE DATE:
PURCHASE PRICE:
MATURITY DATE:
MATURITY DATE PAYMENT:
YIELD ON ISSUE DATE:

The Municipal Assistance Corporation For The City of New York ("Corporation") acknowledges itself indebted to and for the PURCHASE PRICE received, hereby promises to pay on the MATURITY DATE to ______________, the MATURITY DATE PAYMENT, at Citibank, N.A., 20 Exchange Place, New York, New York.

Pursuant to 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, any provision therein or in this Note relating to taxes under Article 12 or Sections 1107 or 1108 of the Tax Law or to the funds created by Sections 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State of New York ("State") in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

This Note is issued pursuant to the note resolution adopted by the Corporation on September 29, 1983 ("Note Resolution"), and is one of an authorized issue of Notes
("Notes") in an unlimited aggregate principal amount, provided that the principal of and interest to accrue to maturity on all such Notes outstanding at any time shall not at any time exceed $100,000,000. Copies of the Note Resolution and the Letter of Credit (hereinafter defined) are on file with and available for inspection at Citibank, N.A. at the above address and at the office of the Corporation and reference is made to the Note Resolution for the provisions relating, among other things, to the terms of and security for the Notes the rights and remedies of the holders of the Notes and the terms and conditions upon which the Notes are issued and may be issued thereunder.

The holder of this Note is entitled to the benefits of an irrevocable letter of credit ("Letter of Credit") issued in favor of the United States Trust Company of New York, as agent (the "Agent") for the holders from time to time of the Corporation's Series 3 Commercial Paper Notes, of which this Note is one, at the request of the Corporation, under which Citibank, N.A. has agreed to pay a sum equal to the MATURITY DATE PAYMENT, upon demand by the Agent in accordance with the Letter of Credit.

This Note shall not be a debt of either the State or The City of New York ("City"), and neither the State nor the City shall be liable thereon, nor shall this Note be payable out of any funds other than those of the Corporation.

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

This Note shall not be entitled to any security, right or benefit pursuant to the Note Resolution or the Letter of Credit or be valid or obligatory for any purposes unless the Certificate of Authentication hereon has been duly executed by Citibank, N.A., the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Note Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by
law and that the issuance of the Notes, 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 Note 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, all as of the ISSUE DATE.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By __________________________
Chairman

[FACSIMILE SEAL]

Attest:

___________________________
Secretary

OPINION DATE: October 24, 1983

NOT VALID UNLESS AUTHENTICATED

Authenticated:

CITIBANK, N.A.,
Issuing and Paying Agent

By __________________________
Authorized Signature
[Letter of Instructions]

Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10005
Attention: Frank J. Todaro,
Assistant Vice President

Gentlemen:

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby refers to the Agency Agreement, dated October 24, 1983 (the "Agency Agreement"), by and among the Corporation, you in your capacity as Issuing and Paying Agent and the United States Trust Company, as Agent for Holders of Series 3 CP Notes, pursuant to which Agreement you have agreed to act as the Corporation’s Issuing and Paying Agent for the Corporation’s Series 3 CP Notes (as defined in the Agency Agreement) and, on instructions from an Authorized Officer, to authenticate such Series 3 CP Notes.

Pursuant to the Agency Agreement, the undersigned hereby irrevocably authorizes, directs and instructs you (a) to issue for the purchase price and on the date hereof on behalf of the Corporation, Series 3 CP Notes in the amount of the maturity date payment, bearing the yield on issue date and having the maturity date all as set forth in Exhibit A hereto, which is made a part hereof, (b) to countersign the form of authentication inscribed on each of such Series 3 CP Notes and (c) to deliver against payment by the purchaser in same day funds each of such Series 3 CP Notes to or for the account of the persons named as the purchaser thereof.

In connection with the foregoing, the undersigned hereby represents and warrants that (i) each of the conditions precedent to the issuance of the Series 3 CP Notes set forth in Exhibit A hereto specified in the Series 3 CP Resolution dated September 29, 1983 has been satisfied and (ii) neither the Corporation nor, to the knowledge of the undersigned, you have received notice whereby you must cease issuing Series 3 CP Notes.
You are authorized to send on the date you receive this Letter of Instructions a copy of this Letter of Instructions to the Letter of Credit Bank.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By ________________________________
Authorized Officer

Dated:

Receipt of the above Letter of Instructions, together with Exhibit A thereto, is hereby acknowledged.

Citibank, N.A.,
as Issuing and Paying Agent

By ________________________________
Designated Officer

Dated:
EXHIBIT A

to

Letter of Instructions

<table>
<thead>
<tr>
<th>TYPE OF NOTE*</th>
<th>ISSUE DATE</th>
<th>PURCHASE PRICE</th>
<th>YIELD ON ISSUE DATE</th>
<th>MATURITY DATE</th>
<th>DEALER</th>
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MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By ___________________________
Authorized Officer

* Insert "Series 1 Funding", if Series 1 Funding Notes, "Refunding", if Refunding Notes and "General Funding", if General Funding Notes. If more than one of the foregoing categories is applicable, specify the portion of the proceeds applicable to each.
IRREVOCABLE LETTER OF CREDIT

No. __________

October 24, 1983

United States Trust Company
of New York, as Agent
for Holders of
Series 3 CP Notes
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Dear Sirs:

We hereby establish, at the request and for the account of Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), in your favor, as Agent for Holders of Series 3 CP Notes under the Agency Agreement dated October 24, 1983 among the Corporation, you and Citibank, N.A. as Issuing and Paying Agent pursuant to which promissory notes of the Corporation designated as Series 3 Commercial Paper Notes (the "Series 3 CP Notes") are to be issued in an aggregate amount not to exceed $100,000,000 (including principal and interest to accrue to maturity), our Irrevocable Letter of Credit No. __________, in the amount of $100,000,000, as such amount may be reduced as described below (the "Maximum Available Credit"), effective immediately and expiring at the close of banking business at our 111 Wall Street, New York, New York 10005 office on November 7, 1985 (the "Stated Expiry Date").

We hereby irrevocably authorize you to draw on us, from time to time in an aggregate amount on any one day not to exceed the Maximum Available Credit and in accordance with the terms and conditions as hereinafter set forth, in one or more drawings by one or more of your demands for payment, made to our 111 Wall Street, New York, New York 10005 office and payable at sight on a banking day, and, for each such drawing, accompanied by your written and completed certificate signed by you in substantially the form of
Annex A, Annex B or Annex B-1 attached hereto. Each demand for payment shall be signed by you and be substantially in the form of Annex C attached hereto.

The amount from time to time available hereunder to be drawn by you (the "Available Balance") shall be the amount of the Maximum Available Credit (A) decreased from time to time (i) immediately following our honoring your demand or demands for payment hereunder, by an amount equal to such demand or demands and (ii) immediately following our receipt from you in the form of Annex D attached hereto of any reduction in the Maximum Available Credit, as of the date specified in such notice and by an amount equal to the amount of such reduction, and (B) increased from time to time to the extent, but only to the extent, that we are reimbursed by the Corporation for amounts drawn hereunder (but in no event shall the amount of any increase be such as to cause the Available Balance to exceed the Maximum Available Credit).

Funds under this Letter of Credit are available to you against presentation of your demand for payment signed by you in substantially the form of Annex C referring thereon to the number of this Letter of Credit and accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1, as the case may be. Each demand for payment and certificate shall be dated the date of its presentation and shall be presented at our office located at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations (or at such other office in the City and State of New York which may be designated by us on written notice delivered to you) on or before 12:00 Noon on the day on which we are to make funds available to you hereunder. If we receive any of your demands for payment and certificates at such office and at such time, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the Stated Expiry Date, we will honor the same on the day of presentation thereof by payment to you in same day funds by deposit in same day funds into an account designated by you and maintained with us.

This Letter of Credit sets forth in full our undertaking to you, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement. Our obligations hereunder are primary obligations and shall not be affected by the performance or non-performance by the
Corporation of any obligations under the Series 3 CP Notes or under any agreement between the Corporation and you or the Corporation and us.

This Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations, specifically referring to the number of this Letter of Credit.

Very truly yours,

CITIBANK, N.A.

By: ________________________________
   [Name and Title]
ANNEX A

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. ____ (the "Letter of Credit", the terms defined
therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) The Agent for Holders of Series 3 CP Notes is
making a drawing under the Letter of Credit in the amount
of the aggregate amount of the Maturity Date Payments on
all of the Series 3 CP Notes maturing on the date hereof.

(3) A duly authorized officer of the Corporation
has informed us of the amount of the demand for payment
accompanying this Certificate and that such amount does
not exceed the amount available to be drawn under the
Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ____ day of ______, 19__.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: _______________________
[Name and Title]
ANNEX B

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York (the "Corporation"), and Citibank, N.A., as Issuing and Paying Agent, hereby certifies to Citibank, N.A., with reference to Irrevocable Letter of Credit No. ____ (the "Letter of Credit", the terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent for Holders of Series 3 CP Notes is making a drawing under the Letter of Credit in the aggregate amount of the Maturity Date Payments on all of the outstanding Series 3 CP Notes prior to the stated maturity thereof, to be held by the Issuing and Paying Agent for the holders thereof.

(3) A duly authorized officer of the Corporation has informed us of the amount of the demand for payment accompanying this Certificate and that such amount does not exceed the amount available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of this ____ day of __________, 19__.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: _______________________
[Name and Title]
ANNEX B-1

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. CCD3-8344-321255 (the "Letter of Credit", the
terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent
for Holders of Series 3 CP Notes is making a drawing
under the Letter of Credit in an amount equal to the
amount available to be drawn under the Letter of Credit,
to be held by the Issuing and Paying Agent for the
holders of all of the outstanding Series 3 CP Notes
issued prior to the date hereof.

(3) The amount of the demand for payment
accompanying this Certificate is equal to the amount
available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ________,
19___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: ____________________________
[Name and Title]
ANNEX C

DEMAND FOR PAYMENT

________, 19

Citibank, N.A.
111 Wall Street
New York, New York 10005

Attention: Letter of Credit Operations

Irrevocable Letter of Credit No.

Gentlemen:

The undersigned beneficiary of Irrevocable Letter of Credit No. ______ issued by you, hereby demands payment of $___________ pursuant to such Letter of Credit.

Please credit the MAC Series 3 CP Note Account with you No. ______ maintained at your office at 111 Wall Street, New York, New York 10005.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: ______________________

[Name and Title]
ANNEX D

CERTIFICATE FOR THE REDUCTION OF AMOUNTS AVAILABLE UNDER LETTER OF CREDIT NO. _____ DATED _____________

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York, and Citibank, N.A., as Issuing and Paying Agent, through its duly authorized officer hereby certifies to Citibank, N.A. (the "Bank"), with reference to Irrevocable Letter of Credit No. ____________ (the "Letter of Credit", the terms defined therein being used herein), that

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) As of the effective date specified in paragraph (3) below the total amount of the principal amount of, and interest to maturity on, all outstanding Series 3 CP Notes is $__________________.

(3) The Maximum Available Credit under the Letter of Credit is reduced to $__________________ (such amount being not less than the total amount specified in paragraph (2) above) effective on ________________.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ____ day of ______, ___.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: ____________________________
[Name and Title]
AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT, dated October 24, 1983, among MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK (the "Corporation"), a corporate governmental agency and instrumentality of the State of New York (the "Pledgor"), CITIBANK, N.A. (the "Bank") for itself, and as agent (in such capacity, the "Agent") for itself and the holders of the Corporation's Series 3 CP Notes (the "Series 3 CP Notes"), and UNITED STATES TRUST COMPANY OF NEW YORK, a banking corporation organized and existing under the laws of the State of New York, as collateral agent for the Bank and for the holders of Series 3 CP Notes under this Agreement (the "Collateral Agent").

PRELIMINARY STATEMENTS:

(1) The Pledgor is the owner of the Pledged Debt.

(2) The Corporation and the Bank have heretofore entered into a Revolving Credit and Term Loan Agreement dated as of June 3, 1982 (said Agreement, as it may hereafter be amended from time to time being the "Citibank Loan Agreement") pursuant to which the Bank has agreed to make Advances (as defined in the Citibank Loan Agreement) to MAC on the terms and conditions set forth therein. It was a condition precedent to the Bank entering into the Citibank Loan Agreement that the Pledgor have made the pledge contemplated by the Security Agreement dated as of June 3, 1982 among the Pledgor, Citibank and the Collateral Agent (the "Security Agreement").

(3) The Corporation and the Bank have also entered into a Letter of Credit and Reimbursement Agreement dated October 24, 1983 (said Agreement, as it may hereafter be amended from time to time, being the "Reimbursement Agreement"). It is a condition precedent to the Bank issuing a Letter of Credit under the Reimbursement Agreement that the Pledgor agree to amend and restate the Security Agreement in its entirety as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to issue its Letter of Credit under the Reimbursement Agreement, the Pledgor hereby agrees with the Agent and the Collateral Agent for the equal and ratable benefit of the Bank in its capacity as lender under
the Citibank Loan Agreement and its capacity as issuer of the Letter of Credit and of the holders of Series 3 CP Notes as follows:

SECTION 1. Certain Definitions. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Additional Pledged Debt" has the meaning assigned to that term in Section 5(a)(ii).

"Agency Agreement" means the Agency Agreement among MAC, the Bank and United States Trust Company of New York, as Agent for Holders of Series 3 CP notes.

"Appraiser" means Kenny Information Systems, Inc., a subsidiary of J.J. Kenny Co., Inc., or any other entity selected by the Bank and performing a similar function of determining market values of debt instruments.

"Bank Note" has the meaning assigned to that term in the Citibank Loan Agreement.

"Bonds" means bonds issued by The City of New York.

"Cash Collateral" means lawful money of the United States of America.

"Citibank Advances" means Advances as such term is defined in the Citibank Loan Agreement.

"Citibank Collateral" has the meaning assigned to that term in the Pledge Agreement.

"Citibank Loan Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Citibank Loan Commitment" means the Commitment as such term is defined in the Citibank Loan Agreement, provided, however, that to the extent that any Citibank Advances are outstanding after the Termination Date, the Citibank Loan Commitment shall mean the Commitment in effect on such Termination Date.

"Citibank Loan Documents" means the Loan Documents as defined in the Citibank Loan Agreement.

"Collateral" has the meaning assigned to that term in Section 2 and includes, among other things, the
Pledged Debt, the Additional Pledged Debt and the Substituted Pledged Debt, and all proceeds of any thereof.

"Collateral Agent" means United States Trust Company of New York as Collateral Agent for the Bank and for the holders of Series 3 CP Notes and any successor or successors appointed pursuant to this Agreement, provided, however, that if at any time there is more than one such agent, "Collateral Agent" as used with respect to Collateral held pursuant to this Agreement, shall mean the Collateral Agent acting as agent with respect to such Collateral.

"Collateral Value" means, as of any Business Day, the aggregate value of the Collateral as determined by the Appraiser as of the Valuation Date next preceding such Business Day. In determining the Collateral Value from time to time, the Appraiser shall aggregate (i) the Market Value of all Bonds which are Collateral with maturities no longer than five years from the date of determination, (ii) 87% of the Market Value of all Bonds which are Collateral with maturities longer than five years but no longer than ten years from the date of determination, (iii) the Market Value of Government Securities which are Collateral, and (iv) the nominal value of Cash Collateral.

"Commitment" means $100,000,000 (as such amount may be reduced pursuant to Section 1.02(c) or Section 1.03 of the Reimbursement Agreement).

"Credit Documents" has the meaning assigned to that term in the Reimbursement Agreement.

"Credit Termination Date" has the meaning assigned to that term in the Reimbursement Agreement.

"Discretionary Valuation Date" means any day on which the Collateral Value of the Collateral shall be determined by the Appraiser at the request of the Agent, but shall not include any Mandatory Valuation Date; provided that the number of such days shall not exceed twelve in any period of twelve consecutive months.

"Government Securities" means (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or obligations, the principal of and interest
on which are guaranteed by the United States of America; and (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following Federal agencies: the Federal Intermediate Credit Bank, the Export-Import Bank of the United States, the Government National Mortgage Association, the Federal Financing Bank, the Bank for Cooperatives, the Farmers Home Administration, the Federal Land Banks, the Federal Home Loan Banks System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Banks Consolidated System or the Federal Housing Administration. Until the Credit Termination Date such obligations shall have maturities no greater than five years from the date of determination and thereafter such obligations shall be obligations which mature serially or amortize over the then-remaining term of repayment of Reimbursement Advances under the Reimbursement Agreement and the Note.

"Mandatory Valuation Date" means the date of the Citibank Loan Agreement and the first day of the first month following the date of the Citibank Loan Agreement and the first day of each month thereafter.

"Market Value" means the market value of Collateral as determined by the Appraiser.

"MHT" means Manufacturers Hanover Trust Company.

"Multibank Credit Agreement" means the Revolving Credit and Term Loan Agreement, dated as of January 6, 1983 among the Corporation, MHT, the Bank and the Bank, as Agent for the Bank and MHT.

"Note" has the meaning assigned to that term in the Reimbursement Agreement.

"Other Agreements" means the Citibank Loan Agreement, the Reimbursement Agreement, the Bank Note, the Agency Agreement and the Note.

"Pledge" includes the grant of a security interest.

"Pledge Agreement" means the Pledge and Security Agreement, dated January 6, 1983, among the Pledgor, the Bank, as lender under the Citibank Loan Agreement and as agent for the banks parties to the Multibank Credit Agreement, and the Collateral Agent, as amended from time to time.

"Pledged Collateral" has the meaning assigned to that term in the Pledge Agreement.
"Pledged Debt" means (i) Bonds, and any and all proceeds thereof, (ii) Government Securities, and any and all proceeds thereof, and (iii) Cash Collateral, all owned by the Pledgor and as described in Schedule I hereto.

"Pledgor's Liabilities" means all the Pledgor's liabilities and indebtedness, of any and every kind, now or hereafter owing, arising due or payable, however evidenced, created, incurred, acquiring or owing, whether primary, secondary, direct, contingent, fixed or otherwise and whether arising under the Series 3 CP Notes, this Agreement or under any Other Agreement, and whether evidenced by instruments or other evidences of indebtedness including indebtedness on Series 3 CP Notes, Reimbursement Obligations due or to become due, Citibank Advances and Reimbursement Advances.

"Reimbursement Advances" means Advances as such term is defined in the Reimbursement Agreement.

"Reimbursement Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Reimbursement Obligations" has the meaning assigned to that term in the Reimbursement Agreement.

"Security Agreement" has the meaning assigned to that term in the Preliminary Statement.

"Substituted Pledged Debt" has the meaning assigned to that term in Section 5(b).

"Termination Date" has the meaning assigned to that term in the Citibank Loan Agreement.

"Total Commitment" shall mean the sum of (i) the Citibank Loan Commitment (as such amount shall be reduced from time to time in accordance with Section 8.12 of the Reimbursement Agreement or may be reduced from time to time in accordance with Section 1.04 of the Citibank Loan Agreement) and (ii) an amount equal to (A) the amount of the Commitment less (B) the amount of the Citibank Loan Commitment (as such amount may be so reduced from time to time); provided, however, that if the result of this clause (ii) would, but for this proviso, be less than zero, it shall be deemed to be zero.

"Valuation Date" means (i) any Mandatory Valuation Date and (ii) any Discretionary Valuation Date.
SECTION 2. Pledge. The Pledgor hereby pledges to the Agent for its benefit and for the equal and ratable benefit of the Bank in its capacity as lender under the Citibank Loan Agreement, the Bank in its capacity as issuer of the Letter of Credit, and of the holders of Series 3 CP Notes and grants to the Agent for its benefit and the equal and ratable benefit of the Bank acting in such capacities and of the holders of Series 3 CP Notes a security interest in the following (the "Collateral"):

(i) the Pledged Debt and the instruments evidencing the Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Debt and all proceeds of any thereof; and

(ii) the Additional Pledged Debt and the instruments evidencing the Additional Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Pledged Debt and all proceeds of any thereof; and

(iii) the Substituted Pledged Debt and the instruments evidencing the Substituted Pledged Debt, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness and all proceeds of any thereof.

SECTION 3. Security for Obligations. This Agreement secures the payment of the Pledgor's Liabilities and the Pledgor's prompt, full and faithful performance and observance of all of the provisions to be kept, observed or performed by the Pledgor under this Agreement and the Other Agreements.

SECTION 4. Form of Collateral; Further Assurances.
(a) All instruments representing or evidencing the Collateral shall be held by or on behalf of the Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Agent. The Agent shall have the right, at any time in its discretion and without notice to the Pledgor, to transfer to or to register in the name of the Agent or any of its nominees any or all of the
Collateral, subject only to the revocable rights specified in Section 7(a).

(b) All Bonds which are Collateral shall be the Bonds of the shortest tenor owned by the Pledgor, except that such Bonds shall have maturities no shorter than one year and no longer than nine years, in each case from the date of determination.

(c) The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action (such action to include obtaining any authorization, approval or other action by, or giving notice to or filing with, any governmental or regulatory body), that may be necessary or desirable, or that the Agent may request, in order to further protect the pledge granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

SECTION 5. Maintaining Collateral; Additional Pledged Debt and Substituted Pledged Debt. (a) Subject to Section 5(c) and as hereinafter provided, the Pledgor shall at all times maintain with the Agent Collateral having a Collateral Value at least equal to 130% of the Total Commitment. Subject to subsection (b) of this Section 5, in the event that on any Valuation Date the Collateral Value of the Collateral:

(i) shall exceed 140% of the Total Commitment, the Bank shall, upon receipt of the written request of the Pledgor, release to the Pledgor from the pledge herein established such portion of the Collateral as shall be necessary to reduce the Collateral Value of the remaining Collateral to 130% of the Total Commitment as of such Valuation Date; provided that such portion of the Collateral released first shall be the Bonds with the longest tenor then pledged; or

(ii) shall not exceed 120% of the Total Commitment, the Pledgor shall promptly, but in no event later than two Business Days following receipt of written notice from the Agent, deliver to the Agent as additional collateral hereunder Bonds of the shortest tenor (subject to Section 4(b)) owned by the Pledgor and selected by the Agent in accordance with Section 5(d) and/or Government
Securities owned by the Pledgor and/or Cash
Collateral owned by the Pledgor (the "Additional
Pledged Debt") in an amount sufficient to cause the
Collateral Value of the Collateral to be not less
than 130% of the Total Commitment as of such
Valuation Date.

(b) The Pledgor may, at any time and from time to
time, substitute Bonds, Government Securities or Cash
Collateral owned by the Pledgor, and not constituting Pledged
Collateral, as Collateral for all or part of the Bonds,
Government Securities or Cash Collateral then pledged as
Collateral. Upon receipt of notice of the occurrence of an
Extraordinary Situation from the Bank pursuant to subsection
(a) of Section 6.02 of the Reimbursement Agreement, which
notice shall also be deemed to constitute notice of an
Extraordinary Situation under subsection (a) of Section 5.02
of the Citibank Loan Documents, the Pledgor shall, in
accordance with such Sections 6.02 and 5.02, respectively
(except to the extent the Pledgor converts all Reimbursement
Obligations and Reimbursement Advances and Citibank Advances
then outstanding into Second Resolution Bonds (as defined in
the Reimbursement Agreement) pursuant to Sections 6.02 and
5.02, respectively), substitute Government Securities and/or
Cash Collateral held, at the time of such substitution, by
the Pledgor for all or part of the Collateral being Bonds.
Upon the first such substitution of Government Securities
and/or Cash Collateral, the requirements set forth in
subsection (a) of this Section 5 shall be modified, effective
the date of such first substitution, so that the phrases (i)
"130% of the Total Commitment", (ii) "140% of the Total
Commitment" and (iii) "120% of the Total Commitment" shall be
replaced, respectively, by (i) "the sum of (A) the Collateral
Value of Substituted Pledged Debt, if any, and (B) 130% of
the excess, if any, of the Total Commitment over the
Collateral Value of such Substituted Pledged Debt"; (ii) "the
sum of (A) the Collateral Value of Substituted Pledged Debt,
if any, and (B) 140% of the excess, if any, of the Total
Commitment over the Collateral Value of such Substituted
Pledged Debt"; and (iii) "the sum of (A) the Collateral Value
of Substituted Pledged Debt, if any, and (B) 120% of the
excess, if any, of the Total Commitment over the Collateral
Value of such Substituted Pledged Debt". All Bonds,
Government Securities and Cash Collateral substituted and
pledged as Collateral pursuant to this Section 5(b) are
referred to in this Agreement as "Substituted Pledged Debt".

(c) If the Pledgor elects to sell any Bonds which
are Collateral to enable the Pledgor to substitute Cash
Collateral for such Bonds following receipt of notice from the Bank pursuant to Section 6.02 of the Reimbursement Agreement, such Bonds must be sold the same day as the Pledgor elects to sell them, and the proceeds of such sale must be pledged as Cash Collateral within five Business Days after such sale.

(d) The Pledgor shall maintain an accurate and complete inventory of all Bonds owned by the Pledgor and shall make such inventory available for inspection by the Agent at the address of the Pledgor referred to in Section 15 at any reasonable time and from time to time. The Pledgor agrees that the Additional Pledged Debt and the Substituted Pledged Debt (to the extent that the Pledgor does not deliver Government Securities and/or Cash Collateral to the Agent) shall be selected by the Agent from such debt instruments and shall be held in accordance with the provisions of Section 4 as Collateral subject to the pledge created by this Agreement.

SECTION 6. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Pledged Debt has been duly authorized, executed and issued and constitutes valid and legally binding obligations of the issuer thereof and is not in default as to the payment of principal or interest, and the Additional Pledged Debt and the Substituted Pledged Debt will have been duly authorized, authenticated or issued and delivered, will constitute valid and legally binding obligations of the issuer thereof, and will not be in default as to the payment of principal or interest at the time it is pledged to the Bank pursuant to the provisions of this Agreement. The enforceability of the terms and conditions of the Pledged Debt, the Additional Pledged Debt and the Substituted Pledged Debt and of the payment of principal and interest thereon is subject to the provisions of the Federal Bankruptcy Code and may be subject to other subsequently enacted State or Federal laws relating to creditors' rights generally. Interest on the Pledged Debt, the Additional Pledged Debt and the Substituted Pledged Debt comprised of Bonds is exempt from Federal income taxes and from State and City personal income taxes.

(b) The Pledgor is the legal and beneficial owner of the Pledged Debt and will be the legal and beneficial owner of the Additional Pledged Debt and the Substituted Pledged Debt at the time it is pledged to the Bank pursuant to the provisions of this Agreement, in each case free and clear of any lien, security interest, option or other charge
or encumbrance, except for the security interest created by this Agreement.

(c) The pledge of the Pledged Debt pursuant to this Agreement does, and the pledge of the Additional Pledged Debt and the Substituted Pledged Debt pursuant to this Agreement will at the time it is pledged and held by or on behalf of the Bank as herein provided, create a valid first priority pledge of the Pledged Debt and of the Additional Pledged Debt and of the Substituted Pledged Debt, as the case may be, securing the payment of the Obligations.

(d) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge by the Pledgor of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgor or (ii) for the exercise by the Bank of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, including the remedies contained in Section 12 hereof (except as may be required in connection with the disposition thereof by laws affecting the offering and sale of securities generally), except for the approvals required by Section 3037 of the Public Authorities Law of the State of New York, which approvals have been duly obtained and are in full force and effect.

SECTION 7. Certain Rights; Interest; Etc. (a) So long as no Event of Default or event which, with the giving of notice or the lapse of time, or both, would become an Event of Default shall have occurred and be continuing under either the Citibank Loan Agreement or the Reimbursement Agreement and the Bank has not given notice of an Extraordinary Situation to MAC pursuant to Section 6.02 of the Reimbursement Agreement:

(i) The Pledgor shall be entitled to exercise any and all consensual rights pertaining to the Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Citibank Loan Agreement or the Reimbursement Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Agent's judgment, such action would have an adverse effect on the value of the Collateral or any part thereof, and, provided, further, that the Pledgor shall give the Agent at least five days' written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right.
(ii) The Pledgor shall be entitled to receive and retain any and all interest paid in respect of the Collateral; provided, however, that any and all interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Collateral, and cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Collateral, shall be, and shall be forthwith delivered to the Agent to hold as, Collateral and shall, if received by the Pledgor, be received in trust for the equal and ratable benefit of the Bank and the holders of Series 3 CP Notes, be segregated from the other property or funds of the Pledgor, and be forthwith delivered to the Agent as Collateral in the same form as so received (with any necessary indorsement).

(iii) The Agent shall execute and deliver (or cause to be executed and delivered) to the Pledgor such instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the rights which it is entitled to exercise pursuant to paragraph (i) above and to receive the interest payments which it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence and during the continuance of an Event of Default or an event which, with the giving of notice or the lapse of time, or both, would become an Event of Default under either the Citibank Loan Agreement or the Reimbursement Agreement or upon the Bank giving notice to MAC pursuant to Section 6.02 of the Reimbursement Agreement:

(i) All rights of the Pledgor to exercise the consensual rights which it would otherwise be entitled to exercise pursuant to Section 7(a)(i) and to receive the interest payments which it would otherwise be authorized to receive and retain pursuant to Section 7(a)(ii) shall cease, and all such rights shall thereupon become vested in the Agent which shall thereupon have the sole right to exercise such consensual rights and to receive and hold as Collateral all interest payments.
(ii) All interest payments which are received by the Pledgor contrary to the provisions of paragraph (i) of this Section 7(b) shall be received in trust for the equal and ratable benefit of the Bank and the holders of Series 3 CP Notes, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Agent as Collateral in the same form as so received (with any necessary indorsement).

SECTION 8. Transfers and Other Liens. The Pledgor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral or (ii) create or permit to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral, except for the pledge under this Agreement and except for the pledge with respect to the Citibank Collateral under the Pledge Agreement.

SECTION 9. Agent Appointed Attorney-in-Fact. The Pledgor hereby irrevocably appoints the Agent the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor, from time to time in the Agent's discretion to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, indorse and collect all instruments made payable to the Pledgor representing any interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

SECTION 10. Agent May Perform. If the Pledgor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent or the Collateral Agent incurred in connection therewith shall be payable by the Pledgor under Section 12.

SECTION 11. Collateral Agent; Reasonable Care. (a) The Collateral shall be held by the Collateral Agent at its address at 45 Wall Street, New York, New York, or by such other trust company or bank as may be agreed to by the Pledgor and the Collateral Agent, as agent of the Agent. The Collateral Agent shall hold the Citibank Collateral and the pledged Collateral (other than the Citibank Collateral) separate and apart until such time as this Agreement shall cease to be of further force and effect pursuant to the provisions of Section 16 hereof or until such time as the Pledge Agreement shall cease to be of further force and effect pursuant to the provisions of Section 17 thereof.
The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral is held as aforesaid, or if any Collateral in the Agent's possession is accorded treatment substantially equal to that which the Agent accords its own property.

(b) Neither the Agent nor the Collateral Agent shall have any responsibility for (i) ascertaining or taking action with respect to calls, redemptions, maturities or other matters relative to any Collateral, whether or not the Agent or the Collateral Agent has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

SECTION 12. Remedies upon Default. If any Event of Default shall have occurred and be continuing under the Citibank Loan Agreement or the Reimbursement Agreement:

(a) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a pledgee and secured party after a default under applicable law in effect in the State of New York at that time, and the Agent may also, without notice, or if notice is required by law, upon at least three days' notice (which the Pledgor agrees shall constitute reasonable notification) sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, or at any of the Agent's offices or elsewhere, for cash or credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given, and may adjourn any sale from time to time by announcement.

(b) Any cash held by or on behalf of the Bank or by or on behalf of the Agent as Collateral and all cash proceeds received by the Bank or by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent or the Collateral Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent and Collateral Agent pursuant to Section 13) in whole or in part by the Agent against, all or any part of the Pledgor's Liabilities, to the equal and ratable payment to (i) the holders of Series 3 CP Notes of all unpaid amounts due on Series 3 CP Notes, (ii) the Bank of all Pledgor's Liabilities under all Other Agreements and (iii) the Bank of all Pledgor's Liabilities
under this Agreement. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Pledgor's Liabilities shall be paid over to the Pledgor.

SECTION 13. Expenses. The Pledgor agrees to pay to the Agent and the Collateral Agent the following expenses, upon such documentation as the Pledgor may reasonably require, any and all expenses, including the fees and expenses of the Appraiser and the fees and expenses of its counsel and counsel for the Collateral Agent and of any experts and agents, which the Agent or the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Bank or the Collateral Agent hereunder or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

SECTION 14. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the Agent, and by the Collateral Agent, if its rights or obligations hereunder are affected, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 15. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraph, telex and EDP Terminal) and, if to the Pledgor, mailed, or telegraphed, telexed, sent or delivered to it, addressed to it at Suite 8901, One World Trade Center, New York, New York 10048; if to the Agent or the Bank, mailed, telegraphed, telexed, sent or delivered to it, addressed to it at 111 Wall Street, New York, New York 10005, Attention: Public Finance Department (MAC Account); if to the Collateral Agent, mailed, telegraphed, telexed, sent or delivered to it, addressed to it at 45 Wall Street, New York, New York 10005, Attention: Pat Santivasci, Assistant Vice President, or as to any party at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 15. All such notices and other communications shall, when mailed, telegraphed, telexed or sent by EDP Terminal, respectively, be effective when deposited in the mails, delivered to the telegraph company or sent by telex or EDP Terminal, respectively, addressed as aforesaid.
SECTION 16. Continuing Pledge. This Agreement shall create a continuing pledge in the Collateral and shall (i) remain in full force and effect until the latest of the payment in full (after the Credit Termination Date) of the Pledgor’s Liabilities and the payment in full (on or after the Credit Termination Date) of the Series 1 CP Notes and the Series 3 CP Notes, (ii) be binding upon the Pledgor, its successors and assigns and (iii) inure to the benefit of the Agent and the Collateral Agent and their respective successors and assigns. Upon this Agreement being of no further force and effect as aforesaid, the Pledgor shall be entitled to the return, upon its request and at its expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

SECTION 17. Exculpation and Indemnification of the Collateral Agent. The Collateral Agent shall not be liable to the other parties hereto or any other Person (other than with regard to the custody and preservation of the Collateral) for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith and in the exercise of its own best judgment, and may rely conclusively and shall be protected in acting upon any order, notice, demand, certificate, opinion or advice of counsel (including counsel chosen by the Collateral Agent), statement, instrument, report or other paper or document (not only as to its due execution and validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained) which is believed by the Collateral Agent to be genuine and signed or presented by the proper person or persons. The Collateral Agent shall not be bound by any notice or demand, or any waiver, modification, termination or rescission of this Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Collateral Agent signed by the proper party or parties and if the duties or rights of the Collateral Agent are affected, unless it shall give its prior written consent thereto. To the maximum extent permitted by law, the Collateral Agent shall be indemnified and held harmless by the Pledgor from and against any expenses, including counsel fees and disbursements, or loss suffered by the Collateral Agent in connection with any action, suit or other proceeding involving any claim, or in connection with any claim or demand, which in any way, directly or indirectly arises out of or relates to this Agreement, the services of the Collateral Agent hereunder or the property held by it hereunder, brought by the other parties hereto or any other Person.
SECTION 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 19. Security Agreement. Upon the execution of this Agreement and the effectiveness of the Reimbursement Agreement, the provisions of the Security Agreement shall be superseded in their entirety by the provisions of this Agreement and the Security Agreement shall be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By

Executive Director

CITIBANK, N.A.

By

Senior Vice President

UNITED STATES TRUST COMPANY OF NEW YORK, as Collateral Agent

By

Title: ASST. VICE PRESIDENT
## Schedule I

Attached to and forming a part of that certain
Pledge and Security Agreement dated October 24, 1983
among Municipal Assistance Corporation For The City of New York,
Citibank, N.A., and United States Trust Company of New York

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October 24, 1983

Municipal Assistance Corporation For
The City of New York
8901 One World Trade Center
New York, New York 10048

Attention: Mr. T. Dennis Sullivan, II
Executive Director

Dear Mr. Sullivan:

1. This will confirm our agreement whereby The First Boston Corporation, Salomon Brothers Inc. and Citibank, N.A., as dealers (said dealers are herein referred to individually as a "Dealer" and collectively as the "Dealers"), in connection with sales from time to time of short-term promissory notes (the "Tax-Exempt Commercial Paper") of the Municipal Assistance Corporation For The City of New York (the "Corporation"), will purchase Tax-Exempt Commercial Paper from the Corporation as provided in this Agreement. The Dealers have agreed that a representative shall act for the Dealers hereunder and shall be determined pursuant to a rotation schedule in which each Dealer shall act as representative in the following order: (i) The First Boston Corporation, (ii) Salomon Brothers Inc. and (iii) Citibank, N.A. The term of service as representative by each Dealer shall be determined in the sole discretion of the Corporation, and if any Dealer does not have access to the Corporation's Tax-Exempt Commercial Paper "Sale Entry Program" at the time such Dealer is to begin serving as representative, the next Dealer in the foregoing rotation schedule which does have such access shall serve as representative instead. All references in this Agreement to the "Representative" shall be deemed to refer to the Dealer who is the representative at the relevant time pursuant to the rotation schedule. The Tax-Exempt Commercial Paper which is secured by the Revolving Credit and Term Loan Agreement, dated as of January 6, 1983, among the Corporation, Citibank, N.A., Manufacturers Hanover Trust Co. and Citibank, N.A. as Agent (the "Series 2 Credit Agreement"), is referred to herein as the "Series 2 TECP" and the Tax-Exempt Commercial Paper which is secured by the Letter of Credit and Reimbursement Agreement, dated October 24, 1983, between the Corporation and Citibank, N.A.
(the "Series 3 Reimbursement Agreement"), is referred to herein as the "Series 3 TECP." The term "TECP" shall refer to both Series 2 TECP and Series 3 TECP. It is understood that (a) the aggregate amount of Series 2 TECP issued and outstanding at any time (including both principal and interest to accrue to maturity) shall not exceed $150,000,000, (b) the Series 2 TECP will have a maturity at the time of issuance not exceeding 45 days or July 1, 1987, whichever is earlier, and will be in denominations of not less than $250,000 each, (c) Series 2 TECP having the same maturity date will not be issued in an aggregate amount (including both principal and interest to accrue to maturity) exceeding the lesser of $75 million or 50% of the Commitments (as defined in the Series 2 Credit Agreement) outstanding at the time of issuance thereof, (d) the aggregate amount of Series 3 TECP issued and outstanding at any time (including both principal and interest to accrue to maturity) shall not exceed $100,000,000 minus the aggregate amount then issued and outstanding (including both principal and interest to accrue to maturity) of the Corporation's Series 1 Tax-Exempt Commercial Paper secured by the Revolving Credit and Term Loan Agreement, dated as of June 3, 1982, between the Corporation and Citibank, N.A. (the "Series 1 TECP"), and (e) the Series 3 TECP will have a maturity at the time of issuance not exceeding 270 days or October 23, 1985, whichever is earlier, and will be in denominations of not less than $250,000 each. It is further understood that the Corporation will no longer issue Series 1 TECP after the date hereof, and as of the commencement of business on October 24, 1983, the Corporation had issued and outstanding $99,000,000 of Series 1 TECP.

2. The Corporation agrees that, in connection with the first issuance and sale by the Corporation of any Series 3 TECP, and on any date thereafter on which a new or revised opinion is issued with respect to the Series 2 TECP or Series 3 TECP, there will be delivered to the Representative the written opinion or opinions, as the case may be, of Messrs. Hawkins, Delafield & Wood, New York, New York, Bond Counsel to the Corporation, in the forms attached hereto as Exhibits A and B, respectively, or in such new or revised forms as are acceptable to the Dealers and their counsel. The Dealers shall be authorized to deliver copies of such opinions to the purchasers of such Series 2 TECP or Series 3 TECP, which opinions, in any event, shall be attached to or be part of each related TECP Note delivered to a purchaser. If on any date Bond Counsel informs the Corporation that, because of a change in law or otherwise, purchasers of Series 2 TECP or Series 3 TECP may no longer rely on the opinion of Bond
Counsel in connection with any sale of such TECP, the Corporation shall immediately so notify the Representative and the Corporation shall not issue such TECP at any time thereafter unless such Bond Counsel, or other Bond Counsel acceptable to the Dealers, agrees to issue an opinion (acceptable in substance and form to the Corporation and the Dealers) in connection with sales of such TECP. The Corporation further agrees that in connection with the first issuance and sale by the Corporation of Series 3 TECP, there will be delivered to the Representative the written opinion of the firm of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, in the form attached hereto as Exhibit C.

3. On any date that the Corporation schedules to be a sale date for TECP (a "Sale Date") and the Dealers have purchasers for all of the TECP being sold on such Sale Date, the Dealers shall pay to the Corporation a price which shall be computed as if there were applied a per annum interest rate or yield not to exceed .125% per annum above the per annum interest rate or yield at which the Dealers are selling such TECP to investors. In lieu of payment in such manner, the Dealers and the Corporation may agree that the Dealers shall pay to the Corporation on such Sale Date a price equal to the purchase price paid by the purchasers of such TECP, and the Corporation shall pay to the Dealers after the end of each quarter an amount computed to provide the Dealers compensation equal to that which would have resulted from computation and payment on each Sale Date within such quarter in accordance with the immediately preceding sentence.

4. If on any Sale Date the Representative informs the Corporation that it is the opinion of all of the Dealers that there are no purchasers willing to purchase any of the TECP being offered on that Sale Date (hereinafter referred to as a "TECP Market Closing"), each Dealer who has not indicated to the Representative that the TECP Market Closing is due to the credit-worthiness of the Corporation shall purchase the Corporation's TECP on such Sale Date, subject to the following conditions:

(a) the TECP being purchased shall mature within seven days of issuance;

(b) any such Dealer shall only be obligated to purchase TECP on such Sale Date if (i) such Dealer has not previously purchased and held TECP pursuant to this paragraph for five consecutive seven-day periods in the twelve months immediately preceding such Sale Date, or (ii) such Dealer shall not have previously purchased and held TECP pursuant to this paragraph or purchased and held TECP pursuant to the
next succeeding paragraph for more than an aggregate of 49 days during the twelve months immediately preceding such Sale Date, provided that for purposes of computations under this subsection (b) there shall not be included TECP held overnight in an amount less than $2,000,000;

(c) the TECP being purchased shall bear interest at a rate equal to 58% of Citibank, N.A.'s base rate, as such term is used in the Series 2 Credit Agreement and the Series 3 Reimbursement Agreement;

(d) the Corporation shall have delivered all certificates required by this Agreement in connection with the sale of TECP;

(e) on such Sale Date the Corporation shall be in compliance with all terms of this Agreement, the Series 2 Credit Agreement and the Series 3 Reimbursement Agreement, no notice of an extraordinary situation (as such term is used in Section 5.02 of the Series 2 Credit Agreement and Section 6.02 of the Series 3 Reimbursement Agreement) shall have been given under the Series 2 Credit Agreement or the Series 3 Reimbursement Agreement, and no event of default or event which, with notice or the passage of time, or both, would constitute an event of default, shall exist thereunder;

(f) the Series 2 Credit Agreement, the Series 3 Reimbursement Agreement and the resolutions of the Corporation authorizing the Series 2 TECP program, dated December 20, 1982, and the Series 3 TECP program, dated September 29, 1983, respectively (the "Resolutions"), shall be in full force and effect and shall not have been amended without the consent of any such Dealer;

(g) Citibank, N.A. and Manufacturers Hanover Trust Co. shall not have failed to comply with any term of the Series 2 Credit Agreement, and Citibank, N.A. shall not have failed to comply with any term of the Series 3 Reimbursement Agreement, if such failure is material in the judgment of any such Dealer; and

(h) the obligation of any such Dealer to purchase TECP on such Sale Date shall be pro rata with the other participating Dealers, unless the Dealers agree among themselves to the contrary, but shall be limited in the case of each Dealer to $125 million principal amount of TECP minus any TECP held by such Dealer on such Sale Date pursuant to this Agreement.
The Corporation shall not increase the amount of TECP outstanding at any time that any Dealer holds TECP pursuant to this paragraph.

5. If on any Sale Date the Representative informs the Corporation that there are purchasers willing to purchase a portion (but not all) of the TECP being sold on such Sale Date, each Dealer shall purchase such unsold portion on such Sale Date, subject to the following conditions:

(a) the conditions set forth in clauses (a), (b), (d), (e), (f), (g) and (h) of paragraph 4 shall apply to each such purchase; and

(b) the TECP being purchased shall be priced at an effective yield as may be mutually agreed upon by the Dealers and the Corporation commensurate with prevailing market conditions, not to exceed 58% of Citibank, N.A.'s base rate, as such term is used in the Series 2 Credit Agreement and the Series 3 Reimbursement Agreement.

Notwithstanding the foregoing, if on any Sale Date all of the Dealers indicate that the TECP should not be sold on such Sale Date due to the credit-worthiness of the Corporation, the Dealers shall not be obligated to purchase, and the Corporation shall not sell, any TECP on such Sale Date.

6. On any Sale Date that the Dealers have purchasers for a portion (but not all) of the TECP being sold on such Sale Date and the Dealers are not obligated to purchase the unsold portion of the TECP pursuant to paragraph 5 of this Agreement, the Dealers shall pay to the Corporation (a) for the portion of TECP sold on such Sale Date, a price computed in accordance with paragraph 3 of this Agreement and (b) for the unsold portion of the TECP, a price determined on mutually agreeable terms. On any Sale Date that the Dealers do not have purchasers for any of the TECP and the Dealers are not obligated to purchase the TECP pursuant to paragraph 4 of this Agreement, the Dealers may purchase, on a pro rata basis (unless the Dealers agree among themselves to the contrary), all the TECP at a price determined on mutually agreeable terms.

7. None of the Dealers shall be obligated to purchase TECP under paragraphs 3 or 6 of this Agreement from the Corporation at any time except on mutually agreeable terms as to the interest rate, maturity and principal amount of the TECP.
8. If, at the end of customary trading hours for commercial paper, the Dealers have agreed to purchase TECP which the Dealers do not on that day resell to investors, the Dealers' commitment to purchase such TECP shall in all cases be subject to the uninterrupted functioning of the overnight call money market in which financial dealers must borrow to finance their inventories of short-term securities.

9. It is also understood that the Corporation shall reimburse the Dealers for reasonable out-of-pocket expenses associated with the TECP program, including the reasonable fees and expenses of one special joint legal counsel for the Dealers (designated by the Dealers) up to $50,000 for each of the Series 2 TECP and Series 3 TECP programs, but in each case excluding fees and expenses directly or indirectly related to litigation except to the extent provided for in paragraphs 16 and 17 hereof. The Corporation shall have the right to request that the Dealers furnish documentation in reasonable detail to support any claim for reimbursement under this paragraph.

10. The Series 2 Credit Agreement provides for maximum Commitments during its initial term in the amount of $150,000,000. So long as any Series 2 TECP remains outstanding, the Corporation agrees (a) to maintain unutilized borrowing authority under the Series 2 Credit Agreement (or comparable agreements with other banks as approved by the Representative), not less than the aggregate amount of Series 2 TECP then outstanding (including principal plus interest to accrue to maturity) and (b) to advise the Representative of the status of the Series 2 Credit Agreement and borrowings thereunder at the time of issuance of any Series 2 TECP.

The Series 3 Reimbursement Agreement provides for the issuance by Citibank, N.A., to United States Trust Company of New York, as agent for the holders of Series 3 TECP, of a letter of credit (the "Letter of Credit") in an amount equal to $100,000,000. The Corporation agrees (a) not to have issued and outstanding at any time Series 3 TECP in an aggregate amount (including both principal and interest to accrue to maturity) exceeding the amount of the Letter of Credit minus the aggregate amount then issued and outstanding (including both principal and interest to accrue to maturity) of the Series 1 TECP, and (b) to advise the Representative, at the time of issuance of any Series 3 TECP, of the status of the Series 3 Reimbursement Agreement, the
maximum amount of the Letter of Credit, the aggregate amount of the Corporation's Advances (as defined in the Series 3 Reimbursement Agreement) and the aggregate amount of the Series 1 TECP then issued and outstanding.

In this connection, the Corporation agrees to deliver to the Representative on each Sale Date a certificate which shall include a statement that the Corporation is not issuing TECP in violation of any agreement, including the Series 2 Credit Agreement and the Series 3 Reimbursement Agreement, that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder, and that Citibank, N.A. has not informed the Corporation of the existence of an extraordinary situation (as defined in the Series 2 Credit Agreement and the Series 3 Reimbursement Agreement).

11. Each Dealer's agreement to purchase TECP shall cease upon any amendment to the Series 2 Credit Agreement or the Series 3 Reimbursement Agreement not consented to by such Dealer. If any provision of any subsequent agreement relating to the liquidity support for this TECP program is unacceptable to any Dealer, such Dealer may immediately resign from its position.

12. The Dealers shall prepare, and revise from time to time as they deem necessary, a commercial paper memorandum on the basis of information furnished from time to time by the Corporation, Citibank, N.A. and Manufacturers Hanover Trust Co. to the Dealers, the most recent official statement or other documents prepared in connection with the Corporation's issuance of notes or bonds and published information relating to Citibank, N.A. and Manufacturers Hanover Trust Co. The Corporation will promptly notify the Dealers of any information it may become aware of concerning any material adverse change in the financial condition of the City or State of New York. Prior to distributing any such commercial paper memorandum, the Dealers shall furnish copies thereof to the Corporation.

13. The Representative shall have the right to publish and circulate advertisements relating to the TECP program; provided, however, that each advertisement must be approved in writing by the Corporation before being published or circulated. To the extent that any Dealer is named in
such advertisements, all Dealers shall be named, beginning with the Representative and following in the order of the rotation schedule set forth in paragraph 1 hereof. Similarly, the Corporation shall not advertise the TECP program in any publication without the prior written approval of the Representative.

14. The Corporation agrees promptly to furnish the Dealers (a) copies of any official statement of the Corporation prepared in connection with the Corporation's issuance of notes or bonds and (b) such other reports and financial statements it may submit to the Financial Control Board, or which are made available to the Corporation's bondholders or to Citibank, N.A. or Manufacturers Hanover Trust Co. pursuant to the Series 2 Credit Agreement or the Series 3 Reimbursement Agreement.

15. All information provided to the Dealers by the Corporation will be accurate and complete in all material respects and will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. On each Sale Date, an authorized officer of the Corporation will deliver a written certificate to the Representative certifying that (a) there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation, (b) excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement; The Letter of Credit" with respect to Citibank, N.A. and Manufacturers Hanover Trust Co., the commercial paper memorandum distributed on such Sale Date does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, (c) the Corporation is not aware, from any source (which sources shall include, but are not limited to, the Director of Budget for the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of TECP, subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum, and (d)(i) there has been no change in existing law with respect to the matters covered by the most recent related opinion of Bond Counsel since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the
Resolutions and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the related opinion of Bond Counsel as provided in paragraph 2 hereof.

Citibank, N.A. on behalf of Citicorp, of which it is a wholly-owned subsidiary, will deliver to the Corporation and the Representative complete and correct copies of Citicorp's annual and interim financial reports filed with the Securities and Exchange Commission including, but not limited to, Citicorp's annual reports on Form 10-K, its quarterly reports on Form 10-Q, its reports on Form 8-K, proxy statements and prospectuses, and its annual and quarterly reports to shareholders.

Pursuant to its rights under Section 9.12 of the Series 2 Credit Agreement, the Corporation agrees to cause Manufacturers Hanover Corporation to deliver to the Representative copies of Manufacturers Hanover Corporation's annual and interim financial reports filed with the Securities and Exchange Commission including, but not limited to, Manufacturers Hanover Corporation's annual reports on Form 10-K, its quarterly reports on Form 10-Q, its reports on Form 8-K, proxy statements and prospectuses, and its annual and quarterly reports to shareholders.

16. To the extent it may legally do so, the Corporation agrees to indemnify the Dealers and hold the Dealers harmless against any loss, damage, claim, liability or expense (including reasonable cost of defense) arising out of or based upon any allegation that any of the information provided by the Corporation to the Dealers pursuant to this agreement, including, without limitation, all reports mailed to bondholders of the Corporation, all information provided by the Corporation to securities analysts and the most recent official statement and other documents prepared by the Corporation in connection with the last issuance of bonds or notes, includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

17. If the indemnification provided for in paragraph 16 is unavailable to a Dealer in respect of any losses, claims, damages or liabilities referred to therein, then the Corporation, in lieu of indemnifying such Dealer, shall, to the extent the Corporation may legally do so, contribute to the amount paid or payable by such Dealer as a
result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the Dealers on the other from the relevant offering or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Corporation on the one hand and of the Dealers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Corporation on the one hand and the Dealers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Corporation bear to the total compensation, if any, received by the Dealers in respect of such offering as provided herein. The relative fault of the Corporation on the one hand and of the Dealers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation or by the Dealers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation and the Dealers agree that it would not be just and equitable if contribution were determined by pro rata allocation (even if the Dealers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this paragraph.

18. This Agreement shall terminate upon (i) thirty days' written notice by either the Corporation or the Dealers, or (ii) upon expiration of the Letter of Credit if not replaced by a renewal Letter of Credit, or the expiration of any renewal Letter of Credit provided for under the Series 3 Reimbursement Agreement. In addition, any Dealer's rights and obligations under this Agreement shall terminate upon the termination with respect to such Dealer of the Agreement Among Dealers, dated October 24, 1983. The provisions in this Agreement relating to indemnification and contribution shall survive termination of this Agreement.

19. This Agreement supersedes the Dealer Agreement, dated as of January 6, 1983, among the Corporation, The First Boston Corporation, Salomon Brothers Inc. and Citibank, N.A., which shall be deemed to have terminated on the date hereof,
except with respect to the indemnification and contribution provisions thereof.

Very truly yours,

THE FIRST BOSTON CORPORATION

By

SALOMON BROTHERS, INC.

By

CITIBANK, N.A.

By

ACCEPTED AND AGREED TO
ON THE DAY, MONTH AND YEAR
FIRST ABOVE-WRITTEN

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By

Executive Director
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Public Benefit Corporation of the State of New York)
Tax-Exempt Commercial Paper Obligations

The Tax-Exempt Commercial Paper Obligations

The Tax-Exempt Commercial Paper obligations consist of two separate series of obligations (each a "Series") each of which will be issued pursuant to a resolution of the Municipal Assistance Corporation For The City of New York (the "Corporation") as interest bearing or discount securities in minimum denominations of $250,000 with maturities not to exceed, in the case of the Series 2 TECP (as defined below) 45 days or January 6, 1985, and in the case of the Series 3 TECP (as defined below) 270 days or October 23, 1985, in each case whichever is earlier (the Series issued under the resolution adopted December 20, 1982, herein referred to as "Series 2 TECP" and the Series issued under the resolution adopted September 29, 1983 herein referred to as the "Series 3 TECP"); the Series 2 TECP and the Series 3 TECP collectively being the "TECP" and each such resolution herein referred to as a "Resolution" or, collectively, the "Resolutions"). The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. will act as dealers for the sale of the TECP (the "Dealers"). Principal of and interest on the TECP will be payable at the office of the Issuing and Paying Agent, Citibank, N.A., New York, New York.

The Corporation has previously issued a series of its tax-exempt commercial paper obligations under a resolution adopted June 3, 1982, as amended December 20, 1982 ("Series 1 TECP"). A portion of the proceeds of Series 3 TECP will be used to retire outstanding Series 1 TECP as it matures. The Corporation will no longer issue Series 1 TECP.

Bond Counsel Opinion

Messrs. Hawkins, Delafield & Wood, New York, New York, Bond Counsel to the Corporation, has stated, in its opinion dated January 6, 1983, with respect to the Series 2 TECP and in its opinion dated October 24, 1983 with respect to the Series 3 TECP, that, under statutes
the Corporation's Second General Bond Resolution adopted November 25, 1975, as amended (the "Second Bond Resolution", together with the First Bond Resolution, the "First and Second Bond Resolutions"); and (v) advances made by Citibank, N.A. and Manufacturers Hanover Trust Co. (the "Series 2 Banks") under the revolving credit facility described below under "The Bank Agreement".

The Corporation has established under the Series 2 Resolution a Proceeds Account and a Payment Account into which the proceeds of the sale of Series 2 TECP will be deposited. The Proceeds Account will hold proceeds of the sales of Series 2 TECP until expended by the Corporation for any of the purposes described below under "Use of Proceeds". The Payment Account will hold all amounts, including any advances made under the Bank Agreement (as defined below), necessary to pay the Series 2 TECP at maturity. Amounts in both accounts are pledged to the holders of Series 2 TECP for the payment of principal and interest on Series 2 TECP. The Proceeds Account under the Series 2 Resolution will be held by United States Trust Company of New York, and the Payment Account under the Series 2 Resolution will be held for the benefit of the holders of Series 2 TECP by Citibank, N.A. as Issuing and Paying Agent.

The Series 3 TECP are general obligations of the Corporation payable from (i) amounts drawn by the Agent under the Letter of Credit (as described below under "The Bank Agreement; The Letter of Credit"); and (ii) revenues of the Corporation available after satisfaction of the Corporation's obligations to the holders of its bonds and notes issued under the Corporations' First and Second Bond Resolutions.

In addition, Series 3 TECP is secured on an equal and ratable basis with the Letter of Credit Bank (as defined below) by certain collateral pledged by the Corporation to secure its obligations under the Letter of Credit Agreement described below.

The TECP does 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 TECP. The Corporation has no taxing power.
The Corporation has pledged certain collateral to secure, on an equal and ratable basis, the Letter of Credit Bank pursuant to the Letter of Credit Agreement and holders of Series 3 TECP; in the event Series 3 TECP are presented and not paid at maturity, the claims of the holders of Series 3 TECP against such collateral will be on an equal basis with the claims of the Letter of Credit Bank under the Letter of Credit Agreement.

The Bank Agreement has an initial term expiring January 6, 1985 and the Letter of Credit Agreement has an initial term expiring November 7, 1985 and each is renewable annually thereafter. The Corporation will not (a) have outstanding at any time Series 2 TECP in an aggregate amount (including principal and interest) in excess of the unused portion of the commitment of the Series 2 Banks under the Bank Agreement, (b) have outstanding at any time Series 3 TECP in an aggregate amount (including principal and interest), together with the aggregate amount of any Series 1 TECP (including principal and interest) then outstanding, in excess of the amount available to be drawn under the Letter of Credit, (c) increase the outstanding amount of TECP at any time that there exists an outstanding advance under the Bank Agreement or the Letter of Credit Agreement, or (d) issue Series 2 TECP having the same maturity date in an aggregate amount (including both principal and interest) exceeding the lesser of $75 million or 50% of the commitments under the Bank Agreement at the time of issuance thereof.

The Banks' commitments to advance funds under the Bank Agreement and Letter of Credit Agreement in excess of the outstanding amount of TECP under each respective agreement may be terminated upon the occurrence of certain events of default by the Corporation. Upon termination of such commitment under the Bank Agreement, whether due to an event of default thereunder or otherwise, the Series 2 Banks remain obligated to make any necessary advances to the Issuing and Paying Agent, for the purpose of paying all outstanding Series 2 TECP and the Series 2 Banks have waived any right they may have not to fund such repayment on the ground that the Corporation shall have filed a petition in bankruptcy and shall have become a debtor under Chapter 9 of the Federal Bankruptcy Code. The Letter of Credit is irrevocable and the Letter of Credit Bank remains obligated to honor drafts of the Agent for the Series 3 TECP holders under
dated Statement of Condition of Manufacturers Hanover for the year ended December 31, 1982. Written requests should be directed to: Manufacturers Hanover Trust Co., 130 John Street, New York, New York 10058. Attention: Assistant Comptroller.

Ratings

The Series 1 and Series 2 TECPC of the Corporation have received a rating of A-1+ from Standard & Poor's Corporation, P-1 from Moody's Investors Service, Inc. and F-1 from Fitch Investors Service. The Series 3 TECPC has received the same respective ratings from Standard & Poor's Corporation and Fitch Investors Service, and the Corporation has applied for a rating for the Series 3 TECPC from Moody's Investors Service.

Such ratings reflect only the respective views of the rating organizations. Any explanation of the significance of the ratings may only be obtained from the respective rating organizations. Generally, rating agencies base their ratings on such information and other investigations, studies and assumptions deemed appropriate. There can be no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely by the respective rating agencies, if in their respective judgments circumstances so warrant. Any revision or withdrawal of a rating may have an effect on the marketability or market price of the TECPC.

Use of Proceeds

The TECPC is being issued, and the proceeds of the sale of any TECPC shall be applied, for any or all of the following purposes: (i) to make payment to the City upon certification by the Mayor of the City to the Corporation that such payment is required by the City to pay for items permitted to be included in the City's capital budget during the fiscal year in which the amount is to be paid, provided that TECPC shall not be issued for this purpose after December 31, 1984; (ii) in the case of Series 2 TECPC, to pay or provide for payment of Series 2 TECPC at maturity and in the case of Series 3 TECPC, to pay or provide for payment of any outstanding Series 1 TECPC at maturity; and (iii) to pay indebtedness, if any, of
Source of Revenues

The Corporation derives its revenues from three sources: (i) collections of State sales and compensating use taxes formerly imposed by the City, now imposed by the State within the City (the "Sales Tax"); (ii) collection of the State stock transfer tax (the "Stock Transfer Tax"); and (iii) revenues available from the General Fund of the State as per capita State aid pursuant to Section 54 of the State Finance Law which otherwise would have been payable to the City (the "Per Capita Aid").

The TECP, to the extent it is payable out of the Sales and Stock Transfer Taxes or Per Capita Aid, is subordinate to the rights of holders of any obligations issued or to be issued under the First Bond Resolution, or bonds issued or to be issued under the Second Bond Resolution. The rights of the holders of the TECP to be paid from these three sources may also (at the Corporation's discretion) be subordinated to the rights of holders of debt issued under other separate resolutions. The Corporation does not presently intend to pay maturing TECP from any of these three sources.

The State is not bound or obligated to continue to appropriate such Per Capita Aid or to continue the imposition of such taxes or to make the necessary payments of such Per Capita Aid or the necessary appropriations of the revenues derived from such taxes.

Collection of Revenues

The revenues described under "Source of Revenues" are paid to the Corporation from two special funds established pursuant to the State Finance Law: the Municipal Assistance State Aid Fund and Municipal Assistance Tax Fund. These funds are held by the State Comptroller. The State Comptroller makes payments from these funds to the Corporation's debt service funds and capital reserve funds under the First and Second Bond Resolutions, and the operating fund as provided by law, in accordance with certificates prepared by the Corporation at least quarterly which specify the requirements of the Corporation.

After the Corporation's certified requirements have been satisfied in full for a particular quarter,
exclusively applied to City capital purposes, reserve fund requirements, or the refunding of the Corporation's outstanding obligations.

The Corporation and the City have developed a debt issuance plan (the "Plan") to provide the City with long-term capital financing through the City's 1985 fiscal year, at which time according to the Plan the City hopes to achieve self-sufficiency in the capital markets. The Plan calls for the Corporation to sell publicly an additional $550 million of its obligations by December 31, 1984.

Proceeds from the sale of the Corporation's obligations are transferred to the City by the Corporation's purchase of bonds issued to it by the City.

Events Affecting Marketability of The TECP

There can be no assurance that there will be a secondary market for the TECP and any market for and market price of the TECP may be affected by certain factors, including financial developments with respect to the Corporation, the Banks, the State or the City.

Miscellaneous

Periodic public reports relating to the financial condition of the Corporation, its operations and the balances, receipts and disbursements of the various funds of the Corporation are prepared by the Corporation. Copies of such reports and additional information concerning the Corporation's financial affairs and other matters may be obtained upon request from the Corporation, One World Trade Center, Suite 8901, New York, New York 10048, telephone (212) 775-0010.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS COMMERCIAL PAPER MEMORANDUM IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS COMMERCIAL PAPER MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN
GENERAL CERTIFICATE  
DATED OCTOBER 24, 1983  
OF THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

I, MAXINE H. GILLMAN, 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. That the members of the Board of Directors of the Corporation, their Corporation offices, if any, and the dates of the expiration of their terms are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Corporation Office</th>
<th>Expiration Of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felix G. Rohatyn</td>
<td>Chairman</td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Edward M. Kresky</td>
<td>Vice Chairman</td>
<td>December 31, 1985</td>
</tr>
<tr>
<td>Francis J. Barry</td>
<td></td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Kenneth J. Bialkin</td>
<td></td>
<td>December 31, 1982*</td>
</tr>
<tr>
<td>George M. Brooker</td>
<td></td>
<td>December 31, 1977*</td>
</tr>
<tr>
<td>Eugene J. Keilin</td>
<td></td>
<td>December 31, 1982*</td>
</tr>
<tr>
<td>Dick Netzer</td>
<td></td>
<td>December 31, 1983</td>
</tr>
<tr>
<td>Andrew P. Steffan</td>
<td></td>
<td>December 31, 1980*</td>
</tr>
<tr>
<td>Robert C. Weaver</td>
<td></td>
<td>December 31, 1980*</td>
</tr>
</tbody>
</table>

* Holdover pursuant to law.

3. That each of the said persons named in Paragraph 2 is the duly elected or appointed, designated, qualified and acting Director of the Corporation holding the office, if any, indicated above.
4. That the firm of Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York, was appointed General Counsel to the Corporation on June 10, 1975.

5. That 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. That the By-Laws of the Corporation adopted April 7, 1978, as amended March 28, 1979, September 23, 1981, and June 3, 1982, are in full force and effect on the date hereof and have not been repealed, modified or amended.

7. That the Second General Bond Resolution of the Corporation adopted November 25, 1975, as amended and supplemented (the "Second General Bond Resolution"), and the Series 47 Resolution of the Corporation adopted September 29, 1983 (both such resolutions being hereinafter called the "Resolutions"), attached to the Record of Proceedings as Documents No. 3 and 4, copies of which are being delivered contemporaneously herewith to the Trustee named in such Resolutions, are true and correct copies of the duly adopted originals thereof in their entirety 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.

8. That the Resolution Authorizing Not In Excess Of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time and the Bank Note Resolution Authorizing A Bank Note To Citibank, N.A. In An Aggregate Principal Amount Not To Exceed $100,000,000, both adopted September 29, 1983 (the "Series 3 CP Note Resolution" and the "Bank Note Resolution," respectively), attached to the Record of Proceedings as Documents No. 1 and 2, are true and correct copies of the duly adopted originals thereof in their entirety 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.

United States Trust Company of New York (the "Security Agreement"), and the Dealer Agreement dated October 24, 1983, among the Corporation, The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. (the "Dealer Agreement"), attached to the Record of Proceedings as Documents No. 5, 6, 7 and 8, respectively, are true and complete copies of the duly executed 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.

10. That the Extract of the Minutes of the Meeting of the Corporation attached to the Record of Proceedings as Document No. 11 is a true and correct copy of the original thereof on file and of record in the principal office of the Corporation and that the same is in full force and effect on the date hereof and has not been repealed, modified or amended.

11. That the specimen of the Series 3 commercial paper note ("Series 3 CP Note") and the copy of the bank note (the "Bank Note") attached hereto as Exhibits A and B, respectively, are identical in all respects except, with respect to the Series 3 CP Note specimen, as to number and denomination, with the Series 3 CP Notes and the Bank Note this day made available for sale and delivered, respectively, to the Issuing and Paying Agent named in the Series 3 CP Note Resolution and to Citibank, N.A., and said specimen and copy are substantially in the form required by each respective resolution.

12. That the Series 3 CP Notes issued on the date hereof and to be made available in the future to the Issuing and Paying Agent for sale to the public, a specimen of which is attached hereto, which obligations are more fully described in the Series 3 CP Note Resolution, 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 Felix G. Rohatyn, Chairman of the Corporation, who has adopted such signature and the affixing thereon of a facsimile of the official seal of the Corporation attested to by the facsimile signature of Maxine H. Gillman, Secretary of the Corporation, who did and does hereby adopt such signature.

13. That the Bank Note delivered to Citibank, N.A., a copy of which is attached hereto, which obligation is more fully described in the Bank Note Resolution, has been duly and completely executed in the name of the Corporation and on its
behalf by the signature of T. Dennis Sullivan II, Executive Director of the Corporation, who has adopted such signature, and the affixing thereon of the official seal of the Corporation attested to by the signature of Maxine H. Gillman, Secretary of the Corporation, who did and does hereby adopt such signature.

14. That at the time of the signing and execution of the Series 3 CP Notes and the Bank Note and on the date hereof, Felix G. Rohatyn and T. Dennis Sullivan II were and are the duly chosen, qualified and acting Chairman and Executive Director, respectively, of the Corporation authorized to execute the Series 3 CP Notes and the Bank Note, respectively.

15. That a facsimile of the seal, an impression of which appears below, has been imprinted on the Series 3 CP Notes and such seal has been impressed on the Bank Note, which seal is the legally adopted, proper and only official seal of the Corporation.

16. That the conformed copy of the Waiver Upon Consent attached to the Record of Proceedings as Document No. 16 is a true and complete copy of the Waiver Upon Consent of certain provisions of the Bond Purchase Agreement dated as of November 15, 1978 (the "Bond Purchase Agreement") among the Corporation and various financial institutions and pension funds of the City of New York (the "City"), the duly executed original counterparts of which are on file and of record in the principal office of the Corporation, and that such Waiver Upon Consent has been duly obtained in accordance with the provisions of Section 5.1 of the Bond Purchase Agreement and 6.20 of the Agreement to Guarantee dated as of November 15, 1978, and is in full force and effect as of the date hereof and has not been repealed, modified or amended.

17. That documents evidencing the approval of the Comptroller of the State of New York as to the terms of sale of the Series 3 CP Notes, the Bank Note and the Series 47 Bonds, the approval by the Secretary of the Treasury of the United States of the terms of the Waiver Upon Consent to which reference is made in the immediately preceding paragraph, and the consents of the Mayor and the Comptroller of the City as to the pledge of City bonds pursuant to the terms of the Reimbursement Agreement and the Security Agreement, true and complete copies of which are attached to the Record of Proceedings as Documents No. 15, 18, and 19 respectively, have been duly executed and the originals are on file and of record in the principal office of the Corporation and are in full force and effect as of the date
hereof and have not been repealed, modified or amended, and no other corporate action or governmental or other approvals are required with respect to the issuance of the Series 3 CP Notes and the Bank Note.

18. That, by the terms of the Series 3 CP Note Resolution and actions taken by one or more Authorized Officers of the Corporation on or before the date hereof, the Corporation has duly authorized the execution of the Reimbursement Agreement, the Agency Agreement, the Security Agreement and the Dealer Agreement, and has duly authorized the distribution of an offering statement, attached to the Record of Proceedings as Document No. 9, as the same may hereafter be amended with the consent of an Authorized Officer, in connection with the sale of Series 3 CP Notes.

19. That each of the representations of the Corporation set forth in Section 4.01 of the Reimbursement Agreement, Section 6 of the Security Agreement and Section 7 of the Agency Agreement is true, accurate and complete in all material respects as though made with respect to and as of the date hereof.

20. That no event has occurred and is continuing, or would result from the issuance of the Letter of Credit (as defined in the Reimbursement Agreement), which constitutes an Event of Default (as defined in the Reimbursement Agreement) or would constitute such an Event of Default but for the requirement that notice be given or time elapse or both.

21. That 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 best of the knowledge of the Corporation threatened) against the Corporation wherein an unfavorable decision, ruling or finding might in any material respect adversely affect the issuance of the Series 3 CP Notes or the Bank Note or which in any way might adversely affect provisions for the payment of principal of or interest on the Series 3 CP Notes or the Bank Note or the validity of the Series 3 CP Notes or the Bank Note, the Resolutions, the Series 3 CP Note Resolution or the Bank Note Resolution or any agreement or instrument to which the Corporation is a party which is required in connection with the issuance of the Series 3 CP Notes or the Bank Note.
22. That the persons set forth below, together with their respective offices, signatures and terms, are Authorized Officers of the Corporation empowered to execute documents and give oral and written instructions in connection with the Series 3 CP Notes:

<table>
<thead>
<tr>
<th>Name and Signature</th>
<th>Office</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. Dennis Sullivan II</td>
<td>Executive Director</td>
<td>Indefinite</td>
</tr>
<tr>
<td><img src="image1.png" alt="Signature" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephen J. Weinstein</td>
<td>Deputy Executive Director and Counsel</td>
<td>Indefinite</td>
</tr>
<tr>
<td><img src="image2.png" alt="Signature" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steven J. Kantor</td>
<td>Deputy Executive Director and Treasurer</td>
<td>Indefinite</td>
</tr>
<tr>
<td><img src="image3.png" alt="Signature" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maxine H. Gillman</td>
<td>Secretary</td>
<td>Indefinite</td>
</tr>
<tr>
<td><img src="image4.png" alt="Signature" /></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IN WITNESS HEREOF, I have hereunto set my hand and the seal of the Corporation this 24th day of October, 1983.

Maxine H. Gillman
Secretary
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 from time to time of Series 3 Commercial Paper Notes (the "Notes"), the outstanding principal amount of which, together with the interest to accrue on such amount to the maturity of the Notes, may not exceed $100,000,000 at any time, 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 Notes are authorized and issued under and pursuant to the Act and the resolution of the Corporation authorizing the Issuance, adopted September 29, 1965 (the "Note Resolution").

In our opinion, the Notes are valid, direct and legally binding obligations of the Corporation, enforceable in accordance with their terms, respectively, and the terms of the Note Resolution, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights and remedies generally. The holders of the Notes are entitled to the benefits of an Irrevocable Letter of Credit issued, at the request of the Corporation, by Citibank, N.A., in favor of United States Trust Company of New York, as agent (the "Agent") for the holders from time to time of the Notes, under which Citibank, N.A., has agreed to pay an amount equal to all principal of and interest on the Notes upon demand by the Agent, as more fully set forth in such Letter of Credit.

We are of the opinion that, under existing statutes and court decisions, interest on the Notes is exempt from Federal income, taxes and personal income taxes imposed by the State of New York or any political subdivision thereof (excluding the City of New York).

In the case of Notes issued as to which the initial offering price is less than the face amount thereof, the difference between the initial offering price and the face amount constitutes original issue discount. We are of the opinion that an apportionment portion of such discount, dependent upon the holding period of the Notes by each purchaser, or the pro rata original issue discount if any such Note is held by a purchaser from the date of issue, shall be taken into account in determining the amount of gain or loss realized by the holder of the Notes upon disposition of such Notes. The portion so treated will be that part of the original issue discount of such Notes which is based upon the relationship that the number of days (computed on a calendar year basis) for which the Notes were owned by each holder bears to the total number of days elapsed from the date of issuance to the maturity date of the Notes.

You may continue to rely upon this opinion as to Notes issued after the date of issuance of this opinion (designated as "OPINION DATE" on the face of the Notes) to the extent (i) there is no change in existing law subsequent to such date of issuance, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Note Resolution and (iii) the Corporation has received no change in such Notes.

Very truly yours,

HAWKINS, DELAFIELD & WOOD
BANK NOTE

$100,000,000

Dated: October 24, 1983

FOR VALUE RECEIVED, the undersigned, MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), HEREBY PROMISES TO PAY to the order of Citibank, N.A. (the "Bank") the principal sum of One Hundred Million Dollars ($100,000,000) or, if less, the aggregate principal amount of all Advances (as defined below) made by the Bank to the Corporation pursuant to the Reimbursement Agreement (as defined below) outstanding on the Credit Termination Date (as defined in the Reimbursement Agreement) in 20 substantially equal consecutive installments on the first day of each February, May and November and on each July 15 occurring during the five-year period commencing on the Credit Termination Date; provided, however, that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of all such Advances.

The Corporation promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Reimbursement Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Bank at 399 Park Avenue, New York, New York 10043, in same day funds. All Advances made by the Bank to the Corporation, and all payments made on account of principal hereof, shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the grid attached hereto which is a part of this Bank Note.

Pursuant to Titles I, II and III of Article 10 of the Public Authorities Law (Chapter 43A of the Consolidated Laws of the State of New York, as amended) any provision therein or in this Bank Note relating to taxes, imposed under Article 12 or Section 1107 or 1108 of the Tax Law or to the fund created by Section 92-b, 92-d or 92-e of the State Finance Law shall be deemed executory only to the extent of the moneys available to the State of New York (the "State") in such funds from time to time and no liability on account thereof shall be incurred by the State beyond the moneys available in such funds.

This Bank Note shall not be a debt of either the State or The City of New York (the "City"), and neither the State nor the City shall be liable hereon, nor shall this Bank Note be payable out of any funds other than those of the Corporation.

Neither the Directors of the Corporation nor any other person executing this Bank Note shall be subject to any personal liability or accountability by reason of the issuance thereof.

This Bank Note is the Note referred to in, and is entitled to the benefits of, the Letter of Credit and Reimbursement Agreement dated October 24, 1983 (the "Reimbursement Agreement") between the Corporation and the Bank, which Reimbursement Agreement, among other things,
(1) provides for the issuance by the Bank of an irrevocable non-transferable letter of credit (the "Letter of Credit") in favor of the Agent for Holders of Series 3 CP Notes (as defined in the Reimbursement Agreement) in the amount of $100,000,000 as such amount may be reduced pursuant to the terms of such Letter of Credit, (ii) provides that if the Bank shall make any payment under the Letter of Credit and the Corporation does not reimburse the Bank for its Reimbursement Obligation (as defined in the Reimbursement Agreement) with respect to such payment on the date upon which such payment is made, such Reimbursement Obligation shall constitute a term advance made by the Bank to the Corporation on the date and in the amount of such payment (an "Advance" and collectively "Advances"), the indebtedness of the Corporation to the Bank resulting from each such Advance being evidenced by this Bank Note, and (iii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for mandatory and optional prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Attest:

[Signature]

Secretary

[Signature]

Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

EXTRACT OF MINUTES OF MEETING OF BOARD OF DIRECTORS
HELD ON SEPTEMBER 29, 1983

After discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Series 3 Commercial Paper Note Resolution, the Bank Note Resolution and the Series 47 Resolution, each substantially in the form as presented to the meeting, with such nonsubstantive changes as General Counsel and Bond Counsel may in their discretion require, be and hereby are adopted.
ARBITRAGE CERTIFICATE

Municipal Assistance Corporation For The City of New York
Series 3 Commercial Paper Notes

I. GENERAL

1.1. I, Steven J. Kantor, Deputy Executive Director and Treasurer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFY with respect to the Corporation's commercial paper notes (the "Series 3 Notes"), which are authorized to be issued pursuant to a note resolution of the Corporation adopted September 29, 1983 (the "Note Resolution") in an unlimited aggregate principal amount provided that the principal of and interest to accrue to maturity on all Series 3 Notes outstanding shall not exceed $100,000,000 at any time, as follows:

1.2. I am an officer of the Corporation charged with the responsibility for issuing the Series 3 Notes.

1.3. This certificate is made for the purpose of establishing the reasonable expectations of the Corporation as to the amount and use of the proceeds of the Series 3 Notes and their repayment. It is intended and may be relied upon as a certification described in Section 1.103-13(a)(2)(ii) of the Treasury Regulations under Section 103(c) of the Internal Revenue Code of 1954 as amended (the "Code") and is being executed and
delivered as part of the record of proceedings in connection with the Series 3 Notes.

1.4. The Commissioner of Internal Revenue has not published notice of, nor has the Corporation been notified of any listing or proposed listing of the Corporation by the Internal Revenue Service as an issuer whose certification may not be relied upon for arbitrage purposes by holders of its obligations.

1.5. This certificate sets forth the facts, estimates and circumstances now in existence which are the basis for the Corporation's expectation that the proceeds of the Series 3 Notes will not be used in a manner that would cause the Series 3 Notes to be "arbitrage bonds" under Section 103(c) of the Code. To the best of my knowledge and belief, the expectations contained herein are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

II. PURPOSE OF ISSUE

2.1. The Corporation is issuing the Series 3 Notes pursuant to the modification to and extension of the four year plan of financing developed in November 1978 (the "Four Year Plan"), which is designed to provide alternative methods of financing the capital program of the City of New York (the "City") until such time as the City has regained full access to
the long-term public credit markets. The Series 3 Notes are intended to supplant the $100 million Series 1 Notes (the "Series 1 Notes"), issued from time to time pursuant to a note resolution adopted on June 3, 1982 (the "Series 1 Note Resolution"). The Corporation's commercial paper program (the "Commercial Paper Program") is comprised of the Series 3 Notes, together with the Corporation's Series 2 Notes which are authorized to be issued pursuant to a note resolution adopted December 20, 1982 in an unlimited aggregate principal amount provided that principal and interest to accrue to maturity shall not exceed $150 million outstanding at any time (the "Series 2 Notes"), from the date hereof. In order to implement the objectives of the modified Four Year Plan at the lowest possible cost to the City, the proceeds of the Series 3 Notes will be used (i) to pay maturing Series 1 Notes until no such Series 1 Notes are outstanding and (ii) to reimburse Citibank, N.A. ("Citibank") for the payment of maturing Series 3 Notes, as more fully described herein.

III. AMOUNT AND USE OF PROCEEDS

3.1. The Series 3 Notes will be issued from time to time in varying principal amounts as discount or interest-bearing obligations, at the option of each investor. No more than $100,000,000 of Series 3 Notes, comprised of principal and
interest to accrue to maturity, may be outstanding at any time. The Corporation will receive the purchase price of the Series 3 Notes on the day they are sold, less compensation to the underwriters as described in Section 4.2 herein.

3.2. Proceeds of the Series 3 Notes which are used to retire maturing Series 1 Notes will be deposited immediately upon receipt in the Payment Account established pursuant to the Series 1 Note Resolution and expended for such purpose on the date of receipt. It is expected that the Series 1 Notes will be fully retired by the 45th day from the date hereof.

3.3. With respect to the original proceeds of the Series 1 Notes which will become transferred proceeds of the Series 3 Notes:

a. Such proceeds will be used to finance City capital expenditures through the purchase of bonds of the City of New York ("City Bonds").

b. Section 3037 of the New York State Municipal Assistance Corporation Act, as amended (the "Act"), requires the Corporation to take back City Bonds in exchange for monies paid to the City for true capital purposes, and the Series 1 Note Resolution sets forth as a purpose for the issuance of the Series 1 Notes the payment of a portion of the proceeds to the City as required for capital financing
purposes. As a result of Section 3037 of the Act and the terms of the Series 1 Note Resolution, the Corporation, by issuing the Series 1 Notes, has entered into a binding commitment to purchase City Bonds and, pursuant to the letter referred to in paragraph 3.3(c) below, the City has agreed to sell City Bonds to the Corporation. The Corporation expects to hold the City Bonds to maturity although certain of such bonds may become subject to the lien referred to in Section 5.5 herein or the lien of the pledge in favor of Citibank and Manufacturers Hanover Trust Co. securing the Corporation's obligations to such banks under the credit agreement securing the Series 2 Notes.

c. The City will use the proceeds of sale of the City Bonds acquired with proceeds of the Series 1 Notes to finance a portion of its capital program. The Corporation reasonably expects, on the basis of a letter from the Comptroller's office and the Office of Management and Budget of the City attached hereto as Exhibit A and an arbitrage certificate of the City to be delivered at such time(s) as such City Bonds are purchased, that such proceeds will be used in a manner consistent with the arbitrage regulations promulgated under Section 103(c) of the Code as though the City Bonds had been issued as of the date of the initial
issuance of Series 1 Notes (July 26, 1982) and that such City Bonds will be exempt obligations under Section 103 of the Code.

d. All such proceeds will be expended by the City on or before July 26, 1984, upon certification by the City for its capital financing requirements as described in Exhibit A. Pending disbursement to the City for capital financing purposes, the Corporation will invest such proceeds without restriction as to yield.

3.4. All investment proceeds of the Series 1 Notes which will become transferred proceeds of the Series 3 Notes will be expended on or before July 26, 1984 and will be invested without restriction as to yield during the interim.

3.5. The Corporation expects to use principal and interest payments to be received on the City Bonds for debt service on all its outstanding obligations. Such payments will be deposited in either the Debt Service Fund (for obligations issued under a general bond resolution of the Corporation dated July 2, 1975 (the "First Resolution").) or the Bond Service Fund (for bonds issued under a general bond resolution of the Corporation dated November 25, 1975 (the "Second Resolution").) will be so used within one year of receipt, and will be invested without restriction as to yield during the interim. The
Corporation reasonably expects to use a portion of such payments to reimburse the payment of the interest component on the Series 3 Notes, as described in Section 5.4 herein. Prior to transfer into the Letter of Credit Account (as hereinafter defined), such payments will be held in the City Debt Service Account. With respect to that portion of the City Debt Service Account to be used for such purpose, such portion will be depleted at least once a year and funds deposited in such portion may be invested without restriction as to yield during the interim.

3.6. With respect to the proceeds of the Series 3 Notes to be used to reimburse Citibank for the payment of maturing Series 3 Notes (the "Reimbursement Notes"):

a. The Corporation and Citibank have entered into a Letter of Credit and Reimbursement Agreement dated as of October 24, 1983 (the "Bank Agreement"), pursuant to which Citibank has agreed to advance the funds required for the payment of principal and the interest component on maturing Series 3 Notes on the date of maturity, subject to same-day reimbursement by the Corporation from the proceeds of Reimbursement Notes sold on such date or from other available funds of the Corporation.

b. The Corporation, from time to time, will issue Reimbursement Notes in an amount equal to the
principal amount of Series 3 Notes maturing on each day throughout the life of the Commercial Paper Program. Citibank, as issuing and paying agent, will deposit the proceeds of the Reimbursement Notes into the Letter of Credit Account (the "Letter of Credit Account") established pursuant to the Agency Agreement dated October 24, 1983 among the Corporation, Citibank and United States Trust Company of New York (the "Agency Agreement") immediately upon receipt. Immediately following each such deposit, all such proceeds will be transferred to Citibank for the reimbursement of payment of the Series 3 Notes maturing on each such date.

IV. TERMS OF THE NOTES AND THE PURCHASE THEREOF

4.1. The Series 3 Notes are general obligations of the Corporation, payable from the Corporation's revenues after satisfaction of debt service on First Resolution and Second Resolution obligations. The Series 3 Notes are also entitled to the benefits of an irrevocable letter of credit as described in Section 5.1 herein. The maturity of each Series 3 Note may be chosen by the individual investor; however, no maturity may exceed 270 days or October 23, 1985. The Series 3 Notes will bear interest, or have an effective interest rate per annum, in
accordance with the market for obligations of such type at the
time of issuance thereof, except as set forth in paragraph 4.2
herein.

4.2. The Corporation has entered into an agreement
(the "Agreement") with First Boston Corporation, Salomon Brothers
Inc and Citibank, N.A. (collectively, the "Dealers") whereby the
Dealers will purchase Series 2 and Series 3 Notes pursuant to the
terms of the Agreement at a price which will be computed as if
there were applied a per annum interest rate or yield not to
exceed .125% per annum above the per annum interest rate or yield
at which the Dealers are selling such Notes (or a portion
thereof) to investors. If, on any date that Series 3 Notes are
to be sold, there are no investors for such Notes, the Dealers
are obligated under certain conditions contained in the Agreement
to purchase such Series 3 Notes for their own account in which
event the Series 3 Notes will bear interest at a rate equal to
58% of Citibank's "base rate," as that term is defined in the
Bank Agreement. Based on custom prevailing in the tax-exempt
commercial paper market, the Corporation believes the mechanism
for determining the purchase price of the Series 3 Notes to be
reasonable.
V. DEBT SERVICE

5.1. Holders of Series 3 Notes are entitled to the benefit of an irrevocable letter of credit (the "Letter of Credit") issued on the date hereof by Citibank for the account of the Corporation, to the United States Trust Company of New York, as agent for the holders of Series 3 Notes (the "Agent"). The Corporation has caused Citibank to issue the Letter of Credit to provide for the payment of Series 3 Notes at maturity as described herein. The Letter of Credit will expire on November 7, 1985, at which time a new letter of credit may be issued upon mutual agreement.

5.2. Under the terms of the Bank Agreement, the Agency Agreement and the Letter of Credit, Series 3 Notes will be paid at maturity with funds drawn by the Agent under the Citibank Letter of Credit and deposited into the Series 3 Commercial Paper Note Account established pursuant to the Agency Agreement. Such funds will be deposited on the day required for the payment of Series 3 Notes, as such notes mature from time to time, upon a drawing under the Letter of Credit by the Agent on the day any such notes mature. It is expected that no funds will be retained in such account for longer than a 24-hour period.

5.3. The Corporation expects to reimburse Citibank on a same-day basis for funds expended for the payment of Series 3
Notes. Proceeds of Reimbursement Notes will be deposited on the
day of receipt for the reimbursement of the payment of the
principal component of the maturing Series 3 Notes into the
Letter of Credit Account established pursuant to the Agency
Agreement.

5.4. The Corporation will provide for the
reimbursement of the payment of the interest component of the
maturing Series 3 Notes by depositing into the Letter of Credit
Account available revenues (the "Revenues") after satisfaction of
debt service on obligations issued under its First and Second
General Bond Resolutions. As set forth in Section 3.5 herein,
such Revenues will be used within one year of receipt and will be
invested without restriction as to yield during the interim.
Such Revenues will be deposited from time to time as Series 3
Notes mature and will be expended on the date of deposit for such
purpose.

5.5. The Corporation has pledged certain City Bonds to
the Agent for the equal and ratable benefit of Citibank and the
holders of Series 3 Notes for the purpose of securing the payment
of the Corporation's obligations to Citibank under the Bank
Agreement and the payment of the Series 3 Notes at maturity. It
is not expected that any such bonds or the proceeds of sale
thereof will be required for the payment of Series 3 Notes.
5.6. The Corporation has not established, nor intends to establish, any fund or account, or to pledge any assets, other than as is set forth herein which may be considered security for the payment of the Series 3 Notes.

5.7. The Corporation expects to fund the notes issued pursuant to its Commercial Paper Program (as the same may be amended from time to time) with the proceeds of long-term bonds at such time as the prevailing market rates on such bonds are attractive or the credit agreements supporting the components of such program have expired, whichever is earlier.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 1983.

Steven J. Kantor
Deputy Executive Director and Treasurer
July 26, 1982

Municipal Assistance Corporation
For The City of New York
One World Trade Center
New York, New York 10048

Attn: Mr. Steven Kantor

Re: Commercial Paper Program

Dear Sirs:

In connection with the commencement by the Municipal Assistance Corporation For The City of New York (the "Corporation") of its commercial paper program, and the proposed use of up to $100 million of the proceeds thereof to purchase bonds to be issued by the City of New York (the "City"), we hereby advise you that the City will sell to the Corporation, before July 26, 1984, its bonds (the "Bonds") in an aggregate principal amount equal to the proceeds and that, on or before such date, the City will use the proceeds of the Bonds for the purpose of financing capital expenditures for capital improvement projects permitted to be included in its capital budget for the fiscal year during which the City issues the bonds, or to reimburse its General Fund for temporary advances authorized to be made for such purposes. The City has incurred as of the date hereof, or reasonably expects to incur within six months or, to the extent there are good business reasons, within one year, from the date hereof, substantial binding obligations to commence or acquire capital improvement projects undertaken for the purposes for which the Bonds will be issued.

In addition, the City reasonably expects to proceed with due diligence to completion on capital improvement projects, including those to be financed with proceeds of the commercial
Municipal Assistance Corporation
For The City of New York

July 26, 1982

paper, after substantial binding obligations have been incurred.

Very truly yours,

John Ciccotelli
Deputy Comptroller for Finance
of The City of New York

Alair A. Townsend
Director of Management and Budget
For The City of New York
CERTIFICATE DATED OCTOBER 24, 1983
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED OCTOBER 24, 1983
REGARDING THE SALES OF SERIES 3 TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement; the Letter of Credit" with respect to Citibank, N.A. and Manufacturers Hanover Trust Company, the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of the TECF subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent related opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Series 2 Commercial Paper Note Resolution and the Series 3 Commercial Paper Note Resolution adopted December 20, 1982 and September 29, 1983, respectively, and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the related opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECF; and

(e) that the Corporation is not issuing Series 2 or Series 3 TECF in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of January 6, 1983 (the
"Credit Agreement") and the Letter of Credit and Reimbursement Agreement dated October 24, 1983, between the Corporation and Citibank, N.A., (the "Reimbursement Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder, and that Citibank, N.A. has not informed the Corporation of the existence of an extraordinary situation (as defined in the Credit Agreement and the Reimbursement Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 1983.

T. Dennis Sullivan II
Executive Director
CERTIFICATE DATED OCTOBER 24, 1983 RESPONSIVE TO SERIES 3 COMMERCIAL PAPER NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation for the City of New York (the "Corporation") HEREBY CERTIFIES as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted September 29, 1983 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the Series 3 commercial paper notes being issued on the date hereof (the "Series 3 Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Series 3 Notes with provision for interest or original issue discount exempt from Federal, State and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Series 3 Notes with provision for interest or original issue discount exempt from Federal, State and City income taxes have been complied with. The Series 3 Notes in the hands of the Holders thereof will be valid and enforceable, obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Series 3 Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of the Resolution as of the date hereof.

6. No default in the payment of the principal of or interest on any of the Outstanding Bonds, Notes (if any) or Other Obligations (if any) (as defined in the Bond Resolutions) has occurred, and
no event of default or event which with notice or lapse of time, or both, would constitute an Event of Default (as defined in the Bond Resolutions) has occurred and is continuing.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 1983.

[Signature]
T. Dennis Sullivan II
Executive Director
19 October 1983

Honorable Edward V. Regan
Comptroller
STATE OF NEW YORK
Department of Audit and Control
A. E. Smith Office Building
Albany, New York 12224

Dear Mr. Regan:

As you will recall, on August 1, 1983, I wrote to obtain your approval of the sale of the Corporation's Series 3 commercial paper notes and attendant obligations (the "Series 3 Program") which are intended to supplant the $100 million Series 1 portion of the Corporation's $250 million commercial paper program previously approved by you. Sale of Series 3 notes has not yet begun, but is expected to begin on October 24, 1983. Since the date of your original approval (August 2, 1983), refinements have been made in the Series 3 Program through the ongoing process of negotiation. The purpose of this letter is to describe the Series 3 Program as presently constituted, to transmit the relevant authorizing resolutions and documents, and to request your approval of the sale of obligations pursuant to the present Series 3 Program, as required by Section 3012(1)(e) of the Corporation's enabling legislation. As stated in my August 1, 1983 letter, the Series 3 Program will in no way affect the continuing operation of the $150 million Series 2 commercial paper program, begun in January 1983.

The Corporation and Citibank, N.A. will enter into a Letter of Credit and Reimbursement Agreement pursuant to which Citibank will provide a direct pay letter of credit in a maximum aggregate amount (including interest to accrue to maturity) not to exceed $100 million at any time, for a period extending for two years from commencement of the Series 3 Program. The direct pay letter of credit mechanism is different from the structure of both the Series 1 and Series 2 Programs, which are supported by individual revolving lines of credit.
Under the Series 3 Program, bank funds would be used to pay maturing Series 3 notes, subject to same-day reimbursement from funds of the Corporation which, in the normal course of business and throughout the life of the Series 3 Program, would consist largely of the proceeds of additional Series 3 notes. By utilizing a direct pay letter of credit for the Series 3 Program instead of a revolving line of credit, the Corporation expects to increase the maximum maturity on its Series 3 notes to 270 days by alleviating the bankruptcy law considerations which resulted in placing a 45 day maximum maturity on the Series 1 and Series 2 notes. Such increase in maximum maturity is expected to expand the Corporation's market for its commercial paper. Until the Series 1 notes are ultimately phased out (45 days after the commencement of the Series 3 Program), proceeds of Series 3 notes which are sold to retire the outstanding Series 1 notes will be so used directly.

In the event that the Corporation does not reimburse Citibank for funds expended to pay maturing Series 3 notes on the day such funds were expended, such Citibank expenditure would constitute an advance and, upon termination of the Series 3 Program, would be repayable over a period of not less than five years. The five year amortization period, identical to that in the Series 1 and Series 2 Programs, ensures that the eventual funding of the Series 3 notes will avoid any adverse fiscal impact on the City of New York's (the "City") operating budget in any one year.

The Series 3 Program, like the Series 1 and Series 2 Programs, will take advantage of the continuing marked differential in the public credit market between long-term and short-term tax-exempt yields. As the Corporation is currently holding approximately $250 million of proceeds from its Series 1 and Series 2 notes for payment to the City for City capital expenditures, the maximum to be provided the City by the commercial paper program under the Debt Issuance Plan formulated by the Corporation and the City, it is expected that all proceeds of the Series 3 notes will be used to reimburse Citibank for payment of the outstanding Series 3 notes or to pay previously issued Series 1 notes until no such notes are outstanding. As a result of the differential between long-term and short-term rates, the Corporation expects to achieve significant savings with the Series 3 Program, as compared to a bond issuance. In addition, a reduction in the cost of the supporting credit
facility over the Series 1 facility will produce savings of $750,000 a year in issuance expenses.

The Corporation has requested the approval of the Mayor and Comptroller of the City to the pledge of City bonds to secure the payment of the Corporation's obligation to Citibank under the Series 3 Program. It is expected that those City bonds presently securing the Corporation's obligations to Citibank under the Series 1 Program will be transferred to the Series 3 Program as the Series 1 Program is phased out. Apart from your final approval, no other approvals will be required before the sale of Series 3 notes may begin.

The Corporation has requested each of the rating agencies to rate the Series 3 notes. It is not expected that any difference in the Series 3 Program from the Series 1 and 2 Programs will result in the Corporation's obtaining a less favorable rating from each agency for the Series 3 notes. Standard & Poor's Corporation, Fitch Investors Service, Inc. and Moody's Investor Services, Inc., rate the Series 1 and Series 2 notes "A1+", "F-1" and "P1", respectively.

Outlined below are the salient provisions of the authorizing resolutions adopted by the Corporation's Board of Directors on September 29, 1983, as well as the Letter of Credit and Reimbursement Agreement between the Corporation and Citibank, N.A. (the "Series 3 Credit Agreement") and related documents for the Series 3 Program.

The Series 3 notes are authorized to be issued pursuant to a Commercial Paper Note Resolution (the "Note Resolution") and not pursuant to either the Corporation's First or Second General Bond Resolutions or the resolutions authorizing sales under the Series 1 or 2 Programs. The Note Resolution provides that the Series 3 notes, which will be general obligations of the Corporation subordinate to obligations issued under the First or Second General Bond Resolution, may be issued from time to time during the course of the Series 3 Program, subject to the following limitations, among others: the aggregate principal amount of the Series 3 notes, when added to interest payable at maturity on the Series 3 notes and principal and interest payable at maturity on the outstanding Series 1 notes as such program is phased out, may not exceed $100 million outstanding at any time; no Series 3 notes may mature later than July 1, 1987; and the term of any Series 3 note may not exceed 270 days.
Both Series 2 and 3 notes will be marketed pursuant to an agreement (the "Dealer Agreement") among the Corporation, The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. (collectively, the "Dealers"), which will supersede the dealer agreement for the Series 1 and 2 Programs. Effective the date of closing of the Series 3 Program, no additional Series 1 notes will be sold. The Senior Dealer will be designated on a rotating basis. Both Programs may be described in an offering memorandum to be prepared and made available by the Dealers to prospective purchasers. Both series of notes will be issued in denominations of not less than $250,000 and will mature on dates not more than 45 days after issuance, in the case of Series 2 notes, and 270 days after issuance, in the case of Series 3 notes, both as selected by the individual investors. The notes may be sold at a discount, in which event the obligations will not bear interest, or as interest-bearing obligations. The notes will be issued in bearer or registered form. The effective rate of interest on any note may not exceed the maximum rate permitted by applicable law at the time of issuance. It is anticipated that the notes will be priced competitively in accordance with market conditions existing at the time of issuance.

In addition to the line of credit provided by Citibank and Manufacturers Hanover Trust Co. with respect to Series 2 and the Citibank Letter of Credit with respect to the Series 3 Credit Agreement, the Corporation's arrangement with the Dealers obviates the need to utilize either or both of the credit agreements for periods of up to five weeks. In the event that purchasers cannot be found, for all or a portion of the notes to be marketed on a given day, the Dealers have agreed, upon certain conditions, to purchase for their own accounts notes with maturities of seven days. The Dealers are obligated to make such purchases for a maximum of five successive seven-day periods if during that period there are no investors found for any or all of the notes, subject only to annual holding limitations and their determination that the inability to market the notes is not due to the creditworthiness of the Corporation.

The Corporation's obligation to repay the advances, if any, made under the Series 3 Credit Agreement, will be evidenced by a note (the "Bank Note") which will be executed simultaneously with the Series 3 Credit Agreement. The Bank Note is payable in an aggregate principal amount equal to the amount of the advances actually made by Citibank but not
to exceed $100 million. Amortization of the Bank Note will be made on a quarterly basis in substantially equal installments over a period of approximately, but not less than, five years commencing upon termination of the Series 3 Credit Agreement.

Proceeds of the Series 3 notes will be used to pay maturing Series 1 notes or to reimburse Citibank for the payment of maturing Series 3 notes, to repay advances under the Series 3 Credit Agreement or to finance City capital expenditures (a circumstance which is not presently foreseen). The Corporation's reimbursement obligations and the Bank Note to Citibank may be paid with proceeds of a long-term bond issuance of the Corporation or revenues of the Corporation not otherwise required for payment of debt service on outstanding bonds issued under the First or Second General Bond Resolution.

Interest is payable on the Bank Note from the date any advance is made until payment at the following rates: from the date of any such advance to the termination date of the Credit Agreement, 0.5% above the higher of Citibank's "base rate" or "alternate base rate" (as defined in the Series 3 Credit Agreement); from the termination date to its second anniversary, 1% above the higher of such rates; and thereafter until final payment of the Bank Note, 1.5% above the higher of such rates. Upon the occurrence of an event of default under the Series 3 Credit Agreement the rate is increased to 2.0% above such rates.

In addition, the Bank Note may be converted at the option of Citibank or, under certain circumstances, the Corporation, to Second Resolution Bonds to be issued by the Corporation. In the event that the Bank Note is to be converted to bonds, the Corporation will issue Series 47 Bonds pursuant to its Series 47 Resolution. Such Series 47 Bonds will mature not later than eleven years after the first day of July next succeeding their delivery. The Series 47 Bonds may mature serially or be amortized by operation of substantially equal mandatory sinking fund payments.

The interest rate on such bonds will be established by the Corporation, with the concurrence of Citibank, taking into consideration the market prices and yields to maturity of other Second Resolution Bonds then outstanding which have substantially similar characteristics. If Citibank does not concur, an independent appraiser is to determine the rate in
19 October 1983
Hon. Edward V. Regan
Page 6

accordance with the market criteria to be set forth in the Series 3 Credit Agreement.

Your approval of the sale of the obligations comprising the Series 3 Program, upon the terms described herein and set forth in detail in the relevant documents and resolutions, is respectfully requested. We further request your approval of the system of accounts of the Corporation, as required by Section 3013(4) of the Corporation's enabling legislation, to the extent the same will be prescribed in its Note Resolution, Bank Note Resolution and Series 47 Resolution, all adopted by the Corporation's Board of Directors on September 29, 1983.

Sincerely,

[Signature]

T. Dennis Sullivan II
Executive Director
TDS:bba

Enclosures: Series 3 Commercial Paper Note Resolution
Bank Note Resolution
Series 47 Resolution
Letter of Credit and Reimbursement Agreement
Agency Agreement
Amended and Restated Security Agreement
Dealer Agreement

The sale of the above described obligations of the Municipal Assistance Corporation For The City of New York comprising its Series 3 commercial paper Program upon the terms above described and the system of accounts of the Corporation to the extent the same are prescribed in the Series 3 commercial paper Note Resolution, the Bank Note Resolution, and Series 47 Resolution, are hereby approved.

[Signature]
Edward V. Regan, Comptroller

Dated: October 21, 1983
WAIVER UPON CONSENT

dated as of April 30, 1982

WHEREAS, the Municipal Assistance Corporation for The City of New York (the "Corporation") entered into a Bond Purchase Agreement dated as of November 15, 1978 (the "Bond Purchase Agreement") with the Financial Institutions and Pension Funds listed on Schedule I thereto (collectively, the "Purchasers");

WHEREAS, Section 5.11(b) of the Bond Purchase Agreement makes provision for waiver of any of the provisions of Section 4 thereof upon the consent of both the Financial Institutions and the Pension Funds in the percentages specified therein;

WHEREAS, the Corporation has by letter dated April 21, 1982 to the Financial Institutions and Pension Funds expressed its desire to issue short term notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the criteria described herein, and has developed a Commercial Paper Program it proposes to undertake;

WHEREAS, in order to commence its Commercial Paper Program the Corporation has requested the Financial Institutions and Pension Funds to consent to a waiver of the covenant of the Corporation contained in the last sentence of Section 4.3(b) of the Bond Purchase Agreement (which provides that "No short term notes of the Corporation shall be renewed or refunded by the issuance of other short term notes of the Corporation") and, if and to the extent it may be applicable to the Commercial Paper Program, the covenant of the Corporation contained in the second sentence of Section 4.3(a) of the Bond Purchase Agreement (which provides that "The Corporation shall not issue any bonds otherwise than under the First or Second Bond Resolution" unless, among other things, the proceeds are used to purchase City bonds which have interest rates and maturities comparable to such bonds of the Corporation and which are held by the Corporation to maturity or earlier redemption);

NOW, THEREFORE, on the basis of the representations in the Corporation's letter, the undersigned hereby consents to waive compliance by the Corporation with its obligations under the last sentence of Section 4.3(b) of the Bond Purchase
Agreement as it applies to the Commercial Paper Program, and Section 4.3(a) as it may apply to the Commercial Paper Program, but only if the Corporation and such program comply with the following terms and conditions:

1. The aggregate principal amount of Commercial Paper issued by the Corporation pursuant to its Commercial Paper Program shall not exceed $250 million stated principal amount outstanding at any time.

2. Except as otherwise provided in this paragraph 2, the net proceeds from the Corporation's sale of Commercial Paper shall be applied only to one or more of the following purposes: (i) to provide funds to The City of New York for capital purposes; (ii) to refund outstanding Commercial Paper; and (iii) to repay the Banks for payment or advances for the payment of Commercial Paper at maturity. No Commercial Paper shall be issued by the Corporation after December 31, 1984 except, until June 30, 1987, for the sole purpose of refunding the principal amount of outstanding Commercial Paper or to repay the Banks for payment, or advances for the payment at maturity, of the principal amount of Commercial Paper; provided that if Commercial Paper was sold by the Corporation upon original issuance at discount, the face amount of such Commercial Paper may be refunded by Commercial Paper in the same face amount sold at discount.

3. No Commercial Paper shall mature or be outstanding after July 1, 1987.

4. No Commercial Paper shall be issued by the Corporation unless at the time of issuance one or more banks (the "Banks"), each with aggregate capital and surplus of at least the greater of $100 million or ten times the Commercial Paper backup commitment to the Corporation of such bank, (a) shall have irrevocably and unconditionally agreed to pay, or to make advances for payment of, maturing Commercial Paper in an aggregate amount at least equal to principal of, and interest (or discount) to maturity on, the Commercial Paper to be issued and all Commercial Paper outstanding (excluding any
Commercial Paper to be refunded by the Commercial Paper to be issued), and (b) shall be irrevocably committed to accept from the Corporation, for each such payment or advance, repayment in equal consecutive installments of principal over a period of not less than five years.

5. If the Corporation agrees with the Banks paying, or making an advance to pay, maturing Commercial Paper to exchange the Corporation's repayment obligation for obligations of the Corporation to which sales tax, stock transfer tax or per capital aid revenues are directly pledged, such obligations shall be Second Resolution Bonds and shall have an average life from the date of issuance of such Second Resolution Bonds of at least five years less six months for each twelve month period which has elapsed since the commencement date of the Corporation's obligation to amortize its indebtedness to the Banks under the Banks' commitment referred to in paragraph 4 hereof.

6. (a) The Corporation shall not initially secure its repayment obligation to the Banks by a pledge of cash or United States government securities.

(b) If the Banks may require the Corporation to substitute cash or United States government securities for other assets so pledged, the agreement with the Banks shall provide that the Corporation may elect either to make such substitution or to issue Second Resolution Bonds in exchange for the Corporation's repayment obligation. The Corporation shall not elect to make such substitution unless either: (i) it can make such substitution, but not in excess of $50 million, from assets (other than City bonds so pledged) held by it prior to the Banks requiring the Corporation to make such election, or (ii) it cannot issue such Second Resolution Bonds consistent with applicable provisions of law, its resolutions or its agreements with holders and purchasers of its bonds and warrants to purchase bonds.
(c) If the Corporation shall agree to secure its repayment obligations to the Banks by a pledge of City Bonds, any City bonds pledged by the Corporation to the Banks which have agreed to pay, or to make advances to the Corporation to pay, maturing Commercial Paper shall not at any time after September 15, 1982, include any City bonds which mature within twelve months.

7. No Commercial Paper shall be issued by the Corporation except for refunding of Commercial Paper, unless at the time of issuance (a) there are bonds of the City outstanding rated no less than Baa by Moody's Investor's Service, Inc. or BBB by Standard & Poor's Corporation (or other comparable investment grade designation which may hereafter be used generally by either such agency), and (b) the results of operations under the City's audited Statement of Operations for the most recently completed Fiscal Year (or the prior Fiscal Year if such issuance of Commercial Paper is within the first four months of a Fiscal Year), prepared in accordance with generally accepted accounting principles, shall show total revenues to be equal to or greater than total expenditures.

8. No Commercial Paper shall be issued by the Corporation except for refunding of Commercial Paper, unless at the time of issuance the amounts described in paragraphs (1) and (2) of Section 202.3 of the Second Bond Resolution, after deducting the amounts described in paragraphs (3)(a) and (3)(c) of such Section, will be at least 2.2 times the aggregate amount described in paragraph (3)(b) of such Section for each Fiscal Year set forth pursuant to such paragraph, including for this purpose the amount of principal and interest payable on the Banks' commitment referred to in paragraph 4 hereof. For the purpose of establishing compliance with this requirement, a principal amount equal to such commitment shall be considered as outstanding and repayable to the Banks as provided under the Commercial Paper Program for the payment of such amount upon the commencement date of the Corporation's obligation to amortize such amount and,
if such amount is to bear interest at a variable rate, such variable shall be fixed as of the date of calculation. The Corporation shall promptly notify in writing each Financial Institution and Pension Fund if the Corporation is precluded from issuing Commercial Paper under this test. Clause (iii) of Section 4.3(b) of the Bond Purchase Agreement is hereby waived in its application to the issuance of Commercial Paper.

9. This waiver does not affect, or relieve the Corporation from complying with, the provisions of clauses (i) and (ii) of the first sentence of Section 4.3(b) of the Bond Purchase Agreement in connection with the issuance of Commercial Paper and the provisions of the second sentence of Section 4.3(b) in connection with the issuance of First or Second Resolution Bonds, provided that, if the short term notes referred to in such second sentence bear interest at a variable rate, such variable shall be fixed as of the date of calculation.

10. All terms used in this waiver and not otherwise defined herein shall have the respective meanings ascribed to them in the Bond Purchase Agreement, the provisions of which, except as waived herein, shall remain in full force and effect and applicable to this waiver.

11. The Corporation shall notify each of the Purchasers of the execution by the Corporation of any agreement pursuant to which one or more Banks agrees to pay, or make advances for payment of, maturing Commercial Paper, and shall make such agreement available to each Purchaser upon request.

12. This waiver shall not be effective with respect to any variation or change in the Corporation's Commercial Paper Program which is inconsistent with, or less advantageous to the Purchasers than, the foregoing terms and conditions of this waiver of certain parts of
Section 4.3 of the Bond Purchase Agreement or that is violative of any other covenant of the Corporation in the Bond Purchase Agreement. This waiver terminates July 1, 1987.

This waiver shall become effective and be binding upon the Corporation and the Purchasers upon receipt of (i) counterparts hereof signed by Financial Institutions and Pension Funds which own (directly or through their nominees) bonds in the amount necessary to effect a waiver under Section 5.11(b) of the Bond Purchase Agreement; and (ii) notice from the United States Secretary of the Treasury that he does not disapprove the granting of the waiver.

Dated as of April 30, 1982

AMERICAN SAVINGS BANK
By: John L. Reilly
1st Senior Vice President

Douglas Singer
Assistant Vice President

THE BANK OF NEW YORK
By: Judith K. Lenz
Vice President

BANKERS TRUST COMPANY
By: Roy Anderes
Vice President

BOARD OF EDUCATION RETIREMENT
SYSTEM OF THE CITY OF NEW YORK
By: Dwight R. Kearns
Executive Director

THE BOWERY SAVINGS BANK
By: Dolores Morrisey
Senior Vice President
and Treasurer

THE CHASE MANHATTAN BANK, N.A.
By: David E. Langsam
Vice President

CITIBANK, N.A.
By: William F. Dore
Vice President

COLLEGE POINT SAVINGS BANK
By: Vincent A. Pulidore
Vice President & Comptroller
COLUMBIAN MUTUAL LIFE INSURANCE CO.
By: Harry T. Gorman
Executive Vice President
and Treasurer

COMPANION LIFE INSURANCE CO.
By: Charles T. Lark
General Counsel

DRY DOCK SAVINGS BANK
By: Norman P. Snow
Executive Vice President
and Treasurer

EMIGRANT SAVINGS BANK
By: Thomas N. Morrow
Vice President

THE GREEN POINT SAVINGS BANK
By: I. J. Lasserdo
Chairman of the Board

MANUFACTURERS HANOVER TRUST COMPANY
By: Angela J. Miknius
Vice President

MARINE MIDLAND BANK, N.A.
By: William N. Hudson, Jr.
Admin. Vice President

METROPOLITAN LIFE INSURANCE COMPANY
By: J. A. Augustini
Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
By: Frederick W. Gaertner
Vice President

NATIONAL BANK OF NORTH AMERICA
By: Hugh Chairnoff
Vice President

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
By: Harold E. Herkommer
Executive Director

NEW YORK CITY POLICE PENSION FUND, ARTICLE 2
By: Captain Philip J. Bowden
Chief Administrative Officer

NEW YORK LIFE INSURANCE COMPANY
By: Gerald Gold
Vice President
NORTH SIDE SAVINGS BANK
By: Thomas M. O'Brien
Vice President

RICHMOND HILL SAVINGS BANK
By: John A. McAuliffe
Vice President & Investment Officer

RIDGEWOOD SAVINGS BANK
By: Joseph McCartney
President

ROOSEVELT SAVINGS BANK
By: Frederick H. Schneider
President

THE SEAMEN'S BANK FOR SAVINGS
By: M. K. Shaughnesy
Treasurer

SECURITY MUTUAL LIFE INSURANCE COMPANY
OF NEW YORK
By: Thomas R. Wunder
Senior Vice President
and Treasurer

TEACHERS INSURANCE AND ANNUITY ASSOCIATION
OF AMERICA
By: Herbert Mann
Assistant Vice President

Prank J. Pados
Senior Vice President

TEACHERS' RETIREMENT SYSTEM OF
THE CITY OF NEW YORK
By: Peter A. Piscitelli
Chairman

UNITED STATES TRUST COMPANY
OF NEW YORK
By: Edwin A. Heard
Vice Chairman of the Board
& Treasurer

THE WILLIAMSBURGH SAVINGS BANK
By: John M. Steffan
Vice President
Mr. Stephen J. Weinstein  
Deputy Executive Director  
Municipal Assistance Corporation  
For The City of New York  
One World Trade Center  
Suite 8901  
New York, New York  10048

July 26, 1982

Dear Mr. Weinstein:

In accordance with the instructions outlined in your letter of April 21, 1982, we have tabulated the results to date on the Reporting Forms and Waivers received by us in connection with the procedures you have established in accordance with the Bond Purchase Agreement dated as of November 15, 1978.

You have informed us that the Secretary of the Treasury of the United States and the Mayor and Comptroller of the City of New York have taken all actions required of them to permit the Corporation to commence a Commercial Paper Program. Accordingly, we are providing you with the final tabulation along with all of the original executed Waivers.

We have received 45 Reporting Forms and 27 Waivers from the Financial Institutions, which are listed in Exhibit A of your April 21, 1982 letter. The results of the tabulation of these Reporting Forms and Waivers are as follows:

1. Total principal amount of bonds originally purchased represented by Reporting Forms received $1,150,900,000

2. Total principal amount of bonds specified on the Reporting Forms received 757,360,000

3. Total principal amount of bonds represented by the executed Waivers received 637,025,000
4. Resulting percentage of executed Waivers received to bonds currently reported as owned by the Financial Institutions (Line 3 divided by Line 2) 84.1%

As all of the Reporting Forms from the Financial Institutions have not been received, you have requested that we provide you with a projected revised tabulation using the assumption that all of the Financial Institutions who have not returned their Reporting Forms still own 100% of the bonds originally purchased and do not consent to the Waiver. Under these conditions, the result shown in 4 above as 84.1% would be 81.5%.

We have received 4 Reporting Forms and 4 Waivers from the Pension Funds, which are listed in Exhibit A of your April 21, 1982 letter. The results of the tabulation of these Reporting Forms and Waivers are as follows:

1. Total principal amount of bonds originally purchased represented by Reporting Forms received $625,000,000

2. Total principal amount of bonds specified on the Reporting Forms received 336,200,000

3. Total principal amount of bonds represented by the executed Waivers received 336,200,000

4. Resulting percentage of executed Waivers received to bonds currently reported as owned by the Pension Funds (Line 3 divided by Line 2) 100%

We have also checked the Reporting Forms, on a series basis, against Exhibit B of your April 21, 1982 letter and found that the above tabulation does not include any consents for a principal amount of bonds in excess of the total of each series purchased by a Financial Institution or Pension Fund under the Agreement.
Mr. Stephen J. Weinstein  
Municipal Assistance Corporation  
For The City of New York  
- 3 -  
July 26, 1982

Attached are a total of 31 original executed Waivers. We will retain copies of such Waivers as well as all of the original Reporting Forms in our files until July 1, 2008.

Yours very truly,

[Signature]

[Company Logo]
July 26, 1982

Reference is made to (i) the Agreement to Guarantee (the "Agreement") dated as of November 15, 1978, by and among the United States of America, acting by and through the Secretary of Treasury, the State of New York, the City of New York (the "City"), the New York State Financial Control Board, and the Municipal Assistance Corporation for the City of New York (the "Corporation"); and to (ii) the Bond Purchase Agreement (the "Bond Purchase Agreement") dated as of November 15, 1978, among the Corporation, various Financial Institutions, and New York City Pension Funds.

Solely for the purpose of permitting the Corporation to issue and sell up to $250 million of short-term notes (commercial paper), and pursuant to Section 6.20 of the Agreement, the undersigned does hereby consent to a waiver of (i) a provision of Section 4.3(a) of the Bond Purchase Agreement, which states in relevant part

The Corporation shall not issue any bonds otherwise than under the First or Second Bond Resolution unless (i) the proceeds of such bonds are used to purchase bonds of the City in the same aggregate principal amount, with comparable interest rates, and such bonds of the City mature serially on dates not more than one year before the maturity . . . of comparable principal amounts of such bonds of the Corporation . . .

and (ii), a provision of Section 4.3(b) of the Bond Purchase Agreement, the last sentence of which states

No short-term notes of the Corporation shall be renewed or refunded by the issuance of other short-term notes of the Corporation.

[Signature]

DONALD T. REGAN
Secretary of the Treasury
CERTIFICATE OF THE CITY OF NEW YORK

Reference is made to a certain Letter of Credit and Reimbursement Agreement dated October 24, 1983 between the Municipal Assistance Corporation For The City of New York ("MAC") and Citibank, N.A. ("Citibank"); an Amended and Restated Security Agreement dated October 24, 1983 (the "Security Agreement"), among MAC as pledgor, Citibank, as agent for itself and for the holders of Series 3 Notes (as hereinafter defined), and United States Trust Company of New York, as collateral agent; a Resolution adopted by the Board of Directors of MAC on September 29, 1983, authorizing the issuance and sale by MAC of not in excess of $100 million of its tax-exempt Series 3 Commercial Paper Notes (the "Series 3 Notes") outstanding at any time; and related documents (collectively, the "Series 3 Commercial Paper Program").

Pursuant to the Series 3 Commercial Paper Program, MAC plans to issue and sell its tax-exempt commercial paper in the form of Series 3 Notes in an unlimited aggregate principal amount, provided that the principal of and interest to accrue to maturity on such Series 3 Notes and its tax-exempt Series 1 Commercial Paper Notes ("Series 1 Notes") outstanding at any time shall not exceed $100,000,000. Such issuance shall be in addition to MAC's existing authority to issue and sell its tax-exempt Series 2 Commercial Paper Notes, which is limited to an aggregate principal amount not in excess of $150,000,000 outstanding at any time. Among other matters, the Security Agreement requires that MAC pledge certain bonds of The City of New York (the "City") acquired by MAC from the City from time to time (the "City Bonds") in order to secure the payment of MAC's Liabilities (as such term is defined in the Security Agreement) to Citibank.
In accordance with Section 3037 of the Public Authorities Law of the State of New York ("PAL § 3037"), MAC has requested that the undersigned furnish written authorization for a pledge of City Bonds to Citibank. PAL § 3037 provides in pertinent part that ". . . the corporation [i.e., MAC] may not sell or transfer to any person other than the city any bond of the city acquired by it pursuant to this section unless the mayor and the city comptroller have requested in writing that the corporation sell or transfer such bond and, if such bond be sold or transferred at private sale, unless the terms of such sale have been approved by the city comptroller."

Based upon the foregoing, the undersigned hereby (i) authorize a pledge of City Bonds in connection with MAC's proposed Series 3 Commercial Paper Program as described above, and (ii) in accordance with PAL § 3037 request that City Bonds be transferred or sold from time to time as the duly authorized representatives of MAC deem necessary or appropriate to fulfill the requirement contained in the aforesaid documents that MAC pledge City Bonds in order to secure the payment of MAC's Liabilities to Citibank under the Series 3 Commercial Paper Program. As further required by PAL § 3037, in the event any City Bonds are sold or transferred at private sale under the Series 3 Commercial Paper Program, the City Comptroller hereby approves the terms of any such sale made in accordance with the aforesaid documents.

The authorization and request made by the undersigned pursuant to PAL § 3037 are expressly conditioned upon and subject to the following restrictions:

(i) The City Bonds may be pledged, sold, or transferred only under the terms and provisions of the Series 3 Commercial Paper Program with
Citibank as set forth above, which documents provide among other matters that the principal of and interest to accrue to maturity on the Series 1 Notes and Series 3 Notes outstanding at any time shall not at any time exceed $100,000,000.

(ii) The market value of City Bonds held as collateral under the Security Agreement shall not at any time exceed 150% of the Commitment (as such term is defined in the Security Agreement).

IN WITNESS WHEREOF, we have hereunto set our hands this 24th day of October, 1983.

Edward I. Koch  
Mayor of The City of New York

Harrison J. Goldin  
Comptroller of The City of New York
October 24, 1983

Mr. Steven Kantor  
Municipal Assistance Corp  
of City of N.Y.  
One World Trade Center  
89th fl.  
New York, N.Y 10048

Dear Mr. Kantor:

Enclosed is your list of bonds which were evaluated as of 10/24/83. Each price reflects our best judgment based upon careful examination of a variety of market factors. Included also in your list are Moody's ratings, call features (where applicable) and complete descriptions. Because of fluctuations in the market and other factors beyond our control, however, we cannot guarantee these evaluations.

The evaluations reflect the bid price, or estimate thereof, on the date specified. In certain instances where we have seen little or no trading or bids, the prices are based on comparable bid prices for similar securities. Market information has been purchased from J.J. Kenny Co., Inc. and obtained from other reputable secondary market sources. Although these sources are considered reliable, we cannot guarantee their accuracy.

The data submitted herewith is regarded as proprietary in nature and is to be used to place a value on the particular bond that you asked to be evaluated. Any other use of this data without expressed written consent is prohibited.

We are pleased to have been of service to you.

Sincerely,

Gordon Wootton  
Senior Vice President

55 Broad Street  
New York, NY 10004  
(212) 530-0925
CERTIFICATE OF COLLATERAL AGENT
AS TO POSSESSION OF PLEDGED DEBT

In connection with the issuance and sale of
Series 3 CP Notes authorized and issued under and pursuant to
the Resolution Authorizing Not in Excess of $100,000,000
Series 3 Commercial Paper Notes Outstanding at Any Time
adopted September 29, 1983, of the Corporation, the under-
signed, a duly appointed and authorized officer of the United
States Trust Company of New York (the Trust Company) hereby
certifies as follows:

The Trust Company, as the Collateral Agent under
the Amended and Restated Security Agreement (the Agreement)
dated as of October 24, 1983, among Municipal Assistance
Corporation For The City of New York (the Corporation),
Citibank, N.A. (Citibank) acting as itself and as agent (in
such capacity the Agent) for itself and for the holders of the
Series 3 CP Notes, and the Trust Company, acknowledges, on
behalf of Citibank and of the Agent, that the Collateral Agent
is in possession of the Pledged Debt, as defined in the Agree-
ment and as described in Schedule I thereto.

IN WITNESS WHEREOF, I have hereunto set my hand
and the seal of United States Trust Company of New York this
24th day of October, 1983.

(Seal)

Assistant Vice President

ATTEST:

Assistant Secretary
October 24, 1983

Municipal Assistance Corporation
For The City of New York
One World Trade Center, Suite 8901
New York, New York 10048

Dear Sirs:

You have requested us to furnish you our opinion as to the matters herein set forth in connection with the issuance and sale on this day of certain short-term notes of the Municipal Assistance Corporation For The City of New York (the "Series 3 TECP" and the "Corporation," respectively).

It is our understanding that the Series 3 TECP will have a maturity date not exceeding 270 days. The Series 3 TECP will be issued and sold, as described in a Commercial Paper Memorandum dated October 24, 1983 (the "Commercial Paper Memorandum"), and pursuant to the terms of the agreement between the Corporation and The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. (the "Dealers"), dated October 24, 1983 (the "Dealer Agreement"), the Resolution Authorizing Not In Excess Of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time and the Bank
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For The City of New York

Note Resolution of the Corporation adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 3 TECP Resolution" and the "Bank Note Resolution," respectively) and the Reimbursement Agreement and Security Agreement referred to below for the corporate purposes of the Corporation 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, each as further amended (the "Act").

Repayment of Series 3 TECP when due is to be provided for, among other ways, pursuant to a series of interrelated agreements, each dated October 24, 1983, including a Letter of Credit and Reimbursement Agreement between the Corporation and Citibank, N.A. (the "Reimbursement Agreement"), Citibank, N.A.'s Irrevocable Letter of Credit, dated October 24, 1983, issued pursuant to the Reimbursement Agreement (the "Letter of Credit"), an Agency Agreement among the Corporation, United States Trust Company of New York and Citibank, N.A. (the "Agency Agreement"), and an Amended and Restated Security Agreement (the "Security Agreement") among the Corporation, Citibank, N.A., and United States Trust Company of New York. The Reimbursement Agreement, the Security
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For The City of New York

Agreement, the Agency Agreement and the Note authorized by
the Bank Note Resolution are hereinafter referred to as the
"Reimbursement Documents".

Except as otherwise set forth herein, for purposes
of this opinion, terms used herein have the respective mean-
ings assigned to them in the Reimbursement Agreement and
the Security Agreement.

In this connection we have examined the Act, the
By-laws of the Corporation, records of its corporate proceed-
ings including the Bank Note Resolution, the Series 3 TECP
Resolution, and the Series 47 Resolution adopted by the Board
of Directors of the Corporation on September 29, 1983 (the
"Series 47 Resolution," and, collectively with the Series 3
TECP Resolution and the Bank Note Resolution, the "Resolu-
tions"), the Reimbursement Documents, the Dealer Agreement,
the Commercial Paper Memorandum and the Letter of Credit, 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 (the
"State") 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 perform its obligations under the Dealer Agreement and the Reimbursement Documents, and to adopt the Resolutions and to issue the Series 3 TECF thereunder.

2. The execution, delivery and performance by the Corporation of the Dealer Agreement has been duly authorized by proper corporate proceedings and the Dealer Agreement constitutes the valid and legally binding agreement of the Corporation enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally, assuming and to the extent that the Dealer Agreement constitutes the valid and legally binding agreement of the other parties thereto.

3. The execution, delivery and performance by the Corporation of the Reimbursement Documents have been duly authorized by proper corporate proceedings and the Reimbursement Documents constitute the valid and legally binding obligations of the Corporation enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.
4. The security interest created by the Security Agreement in the Pledged Debt constitutes a perfected security interest under the Uniform Commercial Code as in effect in the State of New York (the "Code"), entitled to all of the rights, benefits and priorities provided by the Code and is and will be entitled to priority under the Code as currently in force as against any other liens, encumbrances or claims in or to the Pledged Debt by third parties, subject to the exceptions provided by the Code and by other statutes which accord priority to any person superior to that of a secured party having a security interest that is perfected by possession under the Code; and subject as to enforceability (but not priority) to all applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to principles of equity. In rendering this opinion, we are relying on a certificate of United States Trust Company of New York, dated October 24, 1983, that it is in possession of the Pledged Debt as Collateral Agent for Citibank, N.A. itself and Citibank, N.A. as Agent for itself and the holders of the Series 3 TECP.

5. The Series 3 TECP Resolution has been duly and lawfully adopted by the Corporation, is in full force and
effect and is valid and legally binding upon the Corporation and enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

6. The Bank Note Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and no action has been taken by the Corporation to amend or rescind the Bank Note Resolution or the Series 47 Resolution. Anything in this opinion to the contrary notwithstanding, we express no opinion with respect to the State Covenant.

7. The Series 3 TECP have been duly authorized, executed, authenticated, issued and delivered and constitute valid, legally binding, direct and general obligations of the Corporation and are entitled to the benefit of the Series 3 TECP Resolution, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting creditors' rights generally.

8. The execution, delivery and performance of the Dealer Agreement, the Series 3 TECP, the Resolutions, and the Reimbursement Documents, under the circumstances therein contemplated, and compliance with the provisions thereof, will not (i) conflict with or constitute on the part of the
Corporation a breach of, or a default under, or (ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as permitted by or arising under the Reimbursement Documents), upon or with respect to any of the Corporation's properties pursuant to, any existing law, court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease or other instrument, in each such case of which we have knowledge, to which the Corporation is subject or by which it is bound.

9. To the best of our knowledge, there is no action, suit, proceeding or investigation pending or threatened against the Corporation before or by any court, legislature or governmental official, department, commission, board, bureau, agency, instrumentality or body or public benefit corporation, wherein an unfavorable decision, ruling or finding would (i) in any manner adversely affect provisions for, or materially adversely affect sources for, reimbursement to Citibank, N.A. for payment under the Letter of Credit of the Series 3 TECP, (ii) declare any of the Resolutions, the Act or the Corporation's obligations under the Dealer
Agreement, the Reimbursement Documents or the Series 3 TECP to be invalid or unenforceable, or (iii) adversely affect the transactions contemplated by the Dealer Agreement or the Reimbursement Documents.

10. The issuance and delivery of the Series 3 TECP by the Corporation are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or the Agency Agreement with respect to the Series 3 TECP or other securities issuable by the Corporation thereunder pursuant to the Trust Indenture Act of 1939, as amended. The Series 3 TECP constitutes "municipal securities" as such term is defined in the Securities Exchange Act of 1934, as amended.

11. No consent, approval or authorization is required from any governmental authority or other entity in connection with the execution, delivery and performance by the Corporation of the Dealer Agreement and the Reimbursement Documents, the adoption of the Resolutions or the issuance of the Series 3 TECP, other than those consents, approvals or authorizations which have been obtained and are in full force and effect on the date hereof.
12. In the course of the preparation by the Dealers of the Commercial Paper Memorandum, we participated in several conferences and conversations with certain of the Corporation's officials and also consulted on several occasions with representatives of certain other parties to the transactions referred to herein. In this connection, with your concurrence, we did not, except as stated elsewhere herein, undertake any independent examinations or review of, or otherwise attempt to make any independent verification of, (i) any records or proceedings of, or any factual matters relating to or otherwise involving, the Corporation, the State of New York or any authority, agency or political subdivision thereof or therein, or (ii) any other factual matters contained in the Commercial Paper Memorandum. Accordingly, we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Commercial Paper Memorandum. Further, we are not in a position to provide, and we hereby expressly disclaim, any commentary or assurances as to the adequacy or accuracy of the financial and statistical data contained in the Commercial Paper Memorandum. Subject to the foregoing limitations with respect to our engagement, no information was disclosed to us in connection with the preparation of the Commercial Paper Memorandum, or in our conferences or
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For The City of New York

conversations referred to above, which has caused us to believe that the Commercial Paper Memorandum, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

13. The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance under the Reimbursement Agreement will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

All opinions rendered herein relating to the enforceability of the Corporation's obligations under the Dealer Agreement, the Series 3 TECF Resolution, the Series 3 TECF and the Reimbursement Documents, are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

All opinions rendered herein relating to the effect of the Constitution of the State, or state or local finance laws, upon the validity, binding effect or enforceability of
the Resolutions, the Dealer Agreement, the Series 3 TECP or
the Reimbursement Documents are rendered in reliance upon the
opinion of Hawkins, Delafield & Wood, Bond Counsel, of even
date herewith to the Corporation and delivered to you, and,
although we have made no independent investigation with
respect thereto, such opinion is in form and scope satisfac-
tory to us, and we believe that you and we are justified in
relying thereon.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
United States Trust Company
of New York
45 Wall Street
New York, New York 10005

Gentlemen:

We have delivered to 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"), an opinion dated the
date hereof with respect to the issuance and sale of certain
short-term notes of the Corporation, a copy of which is attached
hereto. You are entitled to rely on such opinion as if the
same were addressed to you.

Very truly yours,

Paul, Weiss, Rifkind, Wharton & Garrison

Enclosure
Citibank, N.A.
55 Water Street
New York, New York 10041

Gentlemen:

We have been requested by our client, Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation (the "Corporation"), to furnish you our opinion as to the matters herein set forth in connection with the issuance and sale on this day of certain short-term notes of the Corporation (the "Series 3 TECP").

It is our understanding that the Series 3 TECP will have a maturity date not exceeding 270 days. The Series 3 TECP will be issued and sold, as described in a Commercial Paper Memorandum dated October 24, 1983 (the "Commercial Paper Memorandum"), and pursuant to the terms of the agreement between the Corporation and The First Boston Corporation,
Citibank, N.A.

Salomon Brothers Inc and Citibank, N.A. (the "Dealers")
dated October 24, 1983 (the "Dealer Agreement"), the Resolution
Authorizing Not In Excess of $100,000,000 Series 3
Commercial Paper Notes Outstanding At Any Time and the Bank
Note Resolution of the Corporation adopted by the Board of
Directors of the Corporation on September 29, 1983 (the
"Series 3 TECP Resolution" and the "Bank Note Resolution",
respectively) and the Reimbursement Agreement and the
Security Agreement referred to below for the corporate
purposes of the Corporation 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, each as further amended (the "Act").

Repayment of Series 3 TECP when due is to be
provided for, among other ways, pursuant to a series of
interrelated agreements, each dated October 24, 1983, includ-
ing a Letter of Credit and Reimbursement Agreement between
the Corporation and Citibank, N.A. (the "Reimbursement
Agreement"), Citibank, N.A.'s Irrevocable Letter of Credit,
dated October 24, 1983, issued pursuant to the Reimbursement
Agreement (the "Letter of Credit"), an Agency Agreement among
the Corporation, United States Trust Company of New York and
Citibank, N.A. (the "Agency Agreement"), and an Amended and
Citibank, N.A.

Restated Security Agreement among the Corporation, Citibank, N.A., and United States Trust Company of New York (the "Security Agreement"). The Reimbursement Agreement, the Security Agreement, the Agency Agreement and the Note authorized by the Bank Note Resolution are hereinafter referred to as the "Reimbursement Documents".

Except as otherwise set forth herein, for purposes of this opinion, terms used herein have the respective meanings assigned to them in the Reimbursement Agreement and the Security Agreement.

In this connection we have examined the Act, the By-laws of the Corporation, records of its corporate proceedings including the Bank Note Resolution, the Series 3 TECP Resolution and the Series 47 Resolution adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 47 Resolution," and, collectively with the Series 3 TECP Resolution and the Bank Note Resolution, the "Resolutions"), the Reimbursement Documents, the Dealer Agreement, the Commercial Paper Memorandum and the Letter of Credit, 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 (the "State") 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 perform its obligations under the Dealer Agreement, and the Reimbursement Documents, and to adopt the Resolutions and to issue the Series 3 TECF thereunder.

2. The execution, delivery and performance by the Corporation of the Reimbursement Documents have been duly authorized by proper corporate proceedings and the Reimbursement Documents constitute the valid and legally binding obligations of the Corporation enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

3. The security interest created by the Security Agreement in the Pledged Debt constitutes a perfected security interest under the Uniform Commercial Code as in effect in the State of New York (the "Code"), entitled to all of the rights, benefits and priorities provided by the Code and is and will be entitled to priority under the Code as currently in force as against any other liens, encumbrances or claims in or to the Pledged Debt by third parties, subject to the
exceptions provided by the Code and by other statutes which accord priority to any person superior to that of a secured party having a security interest that is perfected by possession under the Code; and subject as to enforceability (but not priority) to all applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to principles of equity. In rendering this opinion, we are relying on a certificate of United States Trust Company of New York, dated October 24, 1983, that it is in possession of the Pledged Debt as Collateral Agent for Citibank, N.A. itself and Citibank, N.A. as Agent for itself and the holders of the Series 3 TECP.

4. The Series 3 TECP Resolution has been duly and lawfully adopted by the Corporation, is in full force and effect and is valid and legally binding upon the Corporation and enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

5. The Bank Note Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and no action has been taken by the Corporation to amend or rescind the Bank Note Resolution or the Series 47 Resolu-
tion. Anything in this opinion to the contrary notwithstanding, we express no opinion with respect to the State Covenant.

6. The Series 3 TECP have been duly authorized, executed, authenticated, issued and delivered and constitute valid, legally binding, direct and general obligations of the Corporation and are entitled to the benefit of the Series 3 TECP Resolution, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting creditors' rights generally.

7. The execution, delivery and performance of the Dealer Agreement, the Series 3 TECP, the Resolutions, and the Reimbursement Documents, under the circumstances therein contemplated, and compliance with the provisions thereof, will not (i) conflict with or constitute on the part of the Corporation a breach of, or a default under, or (ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as permitted by or arising under the Reimbursement Documents), upon or with respect to any of the Corporation's properties pursuant to, any existing law, court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease or other instrument, in each such case of which we have knowledge, to which the Corporation is subject or by which it
is bound.

8. To the best of our knowledge, there is no action, suit, proceeding or investigation pending or threatened against the Corporation before or by any court, legislature or governmental official, department, commission, board, bureau, agency, instrumentality or body or public benefit corporation, wherein an unfavorable decision, ruling or finding would (i) in any manner adversely affect provisions for, or materially adversely affect sources for, reimbursement to Citibank, N.A. for payment under the Letter of Credit of the Series 3 TECP, (ii) declare any of the Resolutions, the Act or the Corporation's obligations under the Dealer Agreement, the Reimbursement Documents or the Series 3 TECP to be invalid or unenforceable, or (iii) adversely affect the transactions contemplated by the Dealer Agreement or the Reimbursement Documents.

9. The issuance and delivery of the Series 3 TECP by the Corporation are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or the Agency Agreement with respect to the Series 3 TECP or other securities issuable by the Corporation thereunder pursuant to the Trust Indenture
Act of 1939, as amended. The Series 3 TECP constitutes "municipal securities" as such term is defined in the Securities Exchange Act of 1934, as amended.

10. No consent, approval or authorization is required from any governmental authority or other entity in connection with the execution, delivery and performance by the Corporation of the Dealer Agreement and the Reimbursement Documents, the adoption of the Resolutions or the issuance of the Series 3 TECP, other than those consents, approvals or authorizations which have been obtained and are in full force and effect on the date hereof.

11. In the course of the preparation by the Dealers of the Commercial Paper Memorandum, we participated in several conferences and conversations with certain of the Corporation's officials and also consulted on several occasions with representatives of the Dealers. In this connection, with your concurrence, we did not, except as stated elsewhere herein, undertake any independent examinations or review of, or otherwise attempt to make any independent verification of, (i) any records or proceedings of, or any factual matters relating to or otherwise involving, the Corporation, the State of New York or any authority, agency or political subdivision thereof or therein, or (ii) any other factual matters contained in the Commercial Paper Memorandum.
Accordingly, we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Commercial Paper Memorandum. Further, we are not in a position to provide, and therefore we hereby expressly disclaim, any commentary or assurances as to the adequacy or accuracy of the financial and statistical data contained in the Commercial Paper Memorandum. Subject to the foregoing limitations with respect to our engagement, no information was disclosed to us in connection with the preparation of the Commercial Paper Memorandum, or in our conferences or conversations referred to above, which has caused us to believe that the Commercial Paper Memorandum, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

12. The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance under the Reimbursement Agreement will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.
All opinions rendered herein relating to the enforceability of the Corporation's obligations under the Dealer Agreement, the Series 3 TECP Resolution, the Series 3 TECP and the Reimbursement Documents, are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

All opinions rendered herein relating to the effect of the Constitution of the State, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Dealer Agreement, the Series 3 TECP or the Reimbursement Documents are rendered in reliance upon the opinion of Hawkins, Delafield & Wood, Bond Counsel, of even date herewith to the Corporation and delivered to you, and, although we have made no independent investigation with respect thereto, such opinion is in form and scope satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
The First Boston Corporation
Salomon Brothers Inc.
Citibank, N.A.
c/o The First Boston Corporation
Park Avenue Plaza
New York, New York 10055

Dear Sirs:

We have been requested by our client, Municipal Assistance Corporation For The City of New York, a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation (the "Corporation"), to furnish you our opinion as to the matters herein set forth in connection with the issuance and sale on this day of certain of the Third Series of short-term notes of the Corporation (the "Series 3 TECP").

It is our understanding that the Series 3 TECP will have a maturity date not exceeding 270 days. The Series 3 TECP will be issued and sold, as described in a Commercial Paper Memorandum dated October 24, 1983 (the "Commercial Paper Memorandum"), and pursuant to the terms of the agree-
The First Boston Corporation

ment between the Corporation and The First Boston Corpora-
tion, Salomon Brothers Inc and Citibank, N.A. (the "Dealers"),
dated October 24, 1983 (the "Dealer Agreement"), the Resolu-
tion Authorizing Not In Excess Of $100,000,000 Series 3 Com-
mmercial Paper Notes Outstanding At Any Time and the Bank Note
Resolution Authorizing a Bank Note to Citibank, N.A. In an
Aggregate Principal Amount Not to Exceed $100,000,000 adopted
by the Board of Directors of the Corporation on September 29,
1983 (the "Series 3 TECP Resolution" and the "Bank Note
Resolution", respectively) and the Reimbursement Agreement
and Security Agreement referred to below for the corporate
purposes of the Corporation 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, each as further amended (the "Act").

Repayment of Series 3 TECP when due is to be
provided for, among other ways, pursuant to a series of inter-
related agreements, each dated October 24, 1983, including a
Letter of Credit and Reimbursement Agreement between the
Corporation and Citibank, N.A. (the "Reimbursement Agreement"),
Citibank, N.A.'s Irrevocable Letter of Credit, dated October
24, 1983, issued pursuant to the Reimbursement Agreement (the
"Letter of Credit"), an Agency Agreement among the Corpora-
The First Boston Corporation

tion, United States Trust Company of New York and Citibank, N.A. (the "Agency Agreement"), and an Amended and Restated Security Agreement (the "Security Agreement") among the Corporation, Citibank, N.A., and United States Trust Company of New York. The Reimbursement Agreement, the Security Agreement, the Agency Agreement and the Note authorized by the Bank Note Resolution are hereinafter referred to as the "Reimbursement Documents."

Except as otherwise set forth herein, for purposes of this opinion, terms used herein have the respective meanings assigned to them in the Reimbursement Agreement and the Security Agreement.

In this connection we have examined the Act, the By-laws of the Corporation, records of its corporate proceedings including the Bank Note Resolution, the Series 3 TECP Resolution and the Series 47 Resolution adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 47 Resolution," and, collectively with the Series 3 TECP Resolution and the Bank Note Resolution, the "Resolutions"), the Reimbursement Documents, the Dealer Agreement, the Commercial Paper Memorandum and the Letter of Credit, 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 (the "State") 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 perform its obligations under the Dealer Agreement and the Reimbursement Documents, and to adopt the Resolutions and to issue the Series 3 TECP thereunder.

2. The execution, delivery and performance by the Corporation of the Dealer Agreement has been duly authorized by proper corporate proceedings and the Dealer Agreement constitutes the valid and legally binding agreement of the Corporation enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally, assuming and to the extent that the Dealer Agreement constitutes the valid and legally binding agreement of the other parties thereto.

3. The execution, delivery and performance by the Corporation of the Reimbursement Documents have been duly authorized by proper corporate proceedings and the Reimbursement Documents constitute the valid and legally binding obligations of the Corporation enforceable in accordance with
The First Boston Corporation

their terms, except as enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

4. The security interest created by the Security Agreement in the Pledged Debt constitutes a perfected security interest under the Uniform Commercial Code as in effect in the State of New York (the "Code"), entitled to all of the rights, benefits and priorities provided by the Code and is and will be entitled to priority under the Code as currently in force as against any other liens, encumbrances or claims in or to the Pledged Debt by third parties, subject to the exceptions provided by the Code and by other statutes which accord priority to any person superior to that of a secured party having a security interest that is perfected by possession under the Code; and subject as to enforceability (but not priority) to all applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and to principles of equity. In rendering this opinion, we are relying on a certificate of United States Trust Company of New York, dated October 24, 1983, that it is in possession of the Pledged Debt as Collateral Agent for Citibank, N.A. itself and Citibank, N.A. as Agent for itself and the holders of the Series 3 TECP.
5. The Series 3 TECP Resolution has been duly and lawfully adopted by the Corporation, is in full force and effect and is valid and legally binding upon the Corporation and enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting the rights of creditors generally.

6. The Bank Note Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and no action has been taken by the Corporation to amend or rescind the Bank Note Resolution or the Series 47 Resolution. Anything in this opinion to the contrary notwithstanding, we express no opinion with respect to the State Covenant.

7. The Series 3 TECP have been duly authorized, executed, authenticated, issued and delivered and constitute valid, legally binding, direct and general obligations of the Corporation and are entitled to the benefit of the Series 3 TECP Resolution, except as enforceability may be limited by bankruptcy, moratorium, insolvency or other similar laws affecting creditors' rights generally.

8. The execution, delivery and performance of the Dealer Agreement, the Series 3 TECP, the Resolutions, and the Reimbursement Documents, under the circumstances therein contemplated, and compliance with the provisions thereof,
will not (i) conflict with or constitute on the part of the Corporation a breach of, or a default under, or (ii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as permitted by or arising under the Reimbursement Documents), upon or with respect to any of the Corporation's properties pursuant to, any existing law, court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease or other instrument, in each such case of which we have knowledge, to which the Corporation is subject or by which it is bound.

9. To the best of our knowledge, there is no action, suit, proceeding or investigation pending or threatened against the Corporation before or by any court, legislature or governmental official, department, commission, board, bureau, agency, instrumentality or body or public benefit corporation, wherein an unfavorable decision, ruling or finding would (i) in any manner adversely affect provisions for, or adversely affect sources for, reimbursement to Citibank, N.A. for payment under the Letter of Credit of the Series 3 TECP, (ii) declare any of the Resolutions, the Act or the Corporation's obligations under the Dealer Agreement, the Reimbursement Documents or the Series 3 TECP to be invalid or
unenforceable, or (iii) adversely affect the transactions contemplated by the Dealer Agreement or the Reimbursement Documents.

10. The issuance and delivery of the Series 3 TECP by the Corporation are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) of such Act and there is no requirement for the qualification of the Resolutions or the Agency Agreement with respect to the Series 3 TECP or other securities issuable by the Corporation thereunder pursuant to the Trust Indenture Act of 1939, as amended. The Series 3 TECP constitutes "municipal securities" as such term is defined in the Securities Exchange Act of 1934, as amended.

11. No consent, approval or authorization is required from any governmental authority or other entity in connection with the execution, delivery and performance by the Corporation of the Dealer Agreement and the Reimbursement Documents, the adoption of the Resolutions or the issuance of the Series 3 TECP, other than those consents, approvals or authorizations which have been obtained and are in full force and effect on the date hereof.

12. In the course of the preparation by you of the Commercial Paper Memorandum, we participated in conferences and conversations with certain of the Corporation's officials
and also consulted with representatives of certain of you. In this connection, with your concurrence, we did not, except as stated elsewhere herein, undertake any independent examinations or review of, or otherwise attempt to make any independent verification of, (i) any records or proceedings of, or any factual matters relating to or otherwise involving, the Corporation, the State of New York or any authority, agency or political subdivision thereof or therein, or (ii) any other factual matters contained in the Commercial Paper Memorandum. Accordingly, we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Commercial Paper Memorandum. Further, we are not in a position to provide, and we hereby expressly disclaim, any commentary or assurances as to the adequacy or accuracy of the financial and statistical data contained in the Commercial Paper Memorandum. Subject to the foregoing limitations with respect to our engagement, no information was disclosed to us in connection with the preparation of the Commercial Paper Memorandum, or in our conferences or conversations referred to above, which has caused us to believe that the Commercial Paper Memorandum, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to
make the statements therein, in light of the circumstances under which they were made, not misleading.

All opinions rendered herein relating to the enforceability of the Corporation's obligations under the Dealer Agreement, the Series 3 TECP Resolution, the Series 3 TECP and the Reimbursement Documents, are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

All opinions rendered herein relating to the effect of the Constitution of the State, or state or local finance laws, upon the validity, binding effect or enforceability of the Resolutions, the Dealer Agreement, the Series 3 TECP or the Reimbursement Documents are rendered in reliance upon the opinion of Hawkins, Delafield & Wood, Bond Counsel, of even date herewith to the Corporation and delivered to you, and, although we have made no independent investigation with respect thereto, such opinion is in form and scope satisfactory to us, and we believe that you and we are justified in relying thereon.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
Municipal Assistance Corporation
For The City of New York
One World Trade Center, Suite 8901
New York, New York 10048

Dear Sirs:

You have requested us to furnish you our opinion as to the matters herein set forth in connection with the issuance and sale on this day of certain short-term notes (the "Series 3 CP Notes") of the Municipal Assistance Corporation For The City of New York (the "Corporation").

It is our understanding that the Series 3 CP Notes will have a maturity date up to 270 days. The Series 3 CP Notes will be issued and sold, as described in a Commercial Paper Memorandum dated October 24, 1983 (the "Commercial Paper Memorandum"), and pursuant to the terms of the agreement between the Corporation and The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. (the "Dealers") dated as of October 24, 1983 (the "Dealer Agreement"), the
Resolution Authorizing Not in Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding at Any Time and the Bank Note Resolution of the Corporation, in each case adopted by the Board of Directors of the Corporation on September 29, 1983 (the "Series 3 CP Notes Resolution" and the "Bank Note Resolution," respectively), and the Reimbursement Agreement and Security Agreement referred to below for the corporate purposes of the Corporation 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, each as further amended (the "Act").

Repayment of the Series 3 CP Notes when due is to be provided for, among other ways, pursuant to a series of interrelated agreements, each dated October 24, 1983, including a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement") between the Corporation and Citibank, N.A. (the "Bank"), the Bank's Irrevocable Letter of Credit, dated October 24, 1983, issued pursuant to the Reimbursement Agreement (the "Letter of Credit"), an Agency Agreement among the Corporation, Citibank, N.A., as Issuing and Paying Agent (the "Issuing and Paying Agent"), and United States Trust Company of New York, as agent for the holders of Series 3 CP Notes (the "Agent for Holders of Series 3 CP Notes") (the "Agency Agreement"), and an Amended and Restated Security
Agreement (the "Security Agreement") among the Corporation, the Bank, for itself and as agent (the "Agent") for itself and the holders of Series 3 CP Notes (the "Series 3 CP Holders"), and United States Trust Company of New York, as Collateral Agent. The Reimbursement Agreement, the Letter of Credit, the Security Agreement, the Agency Agreement and the Note authorized by the Bank Note Resolution are herein-after referred to as the "Credit Documents."

Except as otherwise set forth herein, for purposes of this opinion, terms used herein have the respective meanings assigned to them in the Reimbursement Agreement and Security Agreement.

In this connection, we have examined the Act and Title 11 of the United States Code entitled "Bankruptcy," as amended (the "Code"), and in particular chapter 9 of the Code ("chapter 9"), and have made such further examination of law and fact as we considered necessary in order to form the opinions herein expressed. With respect to the opinions set forth below, we have assumed that the Credit Documents have been duly authorized, executed and delivered by all of the parties thereto, other than the Corporation.

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

1. The Corporation is a political subdivision or public agency or instrumentality of a State within the meaning of Sections 101(29) and 109(c) of the Code. Accordingly,
except as referred to in paragraphs 2 and 3 hereof, chapter 9 is applicable to the Corporation.

2. Pursuant to Section 109(a) and (c)(2) of the Code, the Corporation may only be a debtor under the Code pursuant to the provisions of chapter 9 and may not be a debtor under chapter 9 unless it is generally authorized to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize the Corporation to be a debtor under such chapter.

3. The Corporation is not now authorized to be a debtor under chapter 9.

4. If the Corporation were subsequently to become authorized by law to be a debtor under chapter 9, a petition could be filed with a bankruptcy court and a case commenced only by a voluntary act of the Corporation and could not be filed or commenced involuntarily by creditors of the Corporation.

5. Pursuant to the terms of the Credit Documents, the Bank is issuing on the date hereof the Letter of Credit in favor of the Agent for Holders of Series 3 CP Notes and, as Issuing and Paying Agent, will issue the Series 3 CP Notes and pay directly all amounts due on maturing Series 3 CP Notes to the Series 3 CP Holders. The Corporation will reimburse the Bank for such payments to the Series 3 CP Holders. The Corporation's obligation to so reimburse the
Bank pursuant to the Reimbursement Agreement will be secured by the collateral covered by the Security Agreement. Such collateral will also secure the Series 3 CP Holders in the event Series 3 CP Notes are presented and not paid at matur-
ity, and such claims of the Series 3 CP Holders against such collateral will be pari passu with the claims of the Bank arising under the Reimbursement Agreement. Pursuant to Section 8.07 of the Reimbursement Agreement, the Bank has waived its right of set-off (as described in such Section 8.07) with respect to deposits of, or indebtedness owing to, the Corporation in the event of a drawing under the Letter of Credit during the pendency of any chapter 9 proceeding involving the Corporation.

6. As more fully described in and pursuant to Section 6.02 of the Reimbursement Agreement and Section 3(c) and (d) of the Agency Agreement, if a bill is filed and pend-
ing "with the acquiescence" of the Corporation and/or the Governor of the State of New York permitting the Corpora-
tion to file a petition in bankruptcy, then the Bank may (i) terminate the Corporation's right to issue additional Series 3 CP Notes, and (ii) direct the Agent for Holders of Series 3 CP Notes to draw under the Letter of Credit prior to stated maturity in an amount equal to the total of the Maturity Date Payments of all Outstanding Series 3 CP Notes, such amount to be deposited into an account (the "Commer-
cial Paper Note Account") at the Bank and to be applied by
the Issuing and Paying Agent to the payment in full of the
Series 3 CP Notes when presented for payment on maturity.
The Bank may also take such actions should another "extra-
ordinary situation occur which gives reasonable grounds to
conclude, in the Bank's judgment, that the [Corporation] may
not, or will be unable to, perform or observe in the normal
course its obligations under the [Credit Documents] ...."

7. If the Corporation were authorized by law to
be a debtor under chapter 9, and a petition pursuant to that
chapter were filed by the Corporation with a bankruptcy court
after the transfer to the Bank, for itself and as the Agent,
of the Pledged Debt pursuant to the Reimbursement Agreement
and the Security Agreement, (a) the Bank's obligation under
the Letter of Credit and the Credit Documents to pay directly
all amounts due on maturing Series 3 CP Notes to the Series 3
CP Holders would not thereby be rendered unenforceable; (b)
Section 362(a) of the Code would not be applicable to funds
in the Commercial Paper Note Account; and (c) the Corpora-
tion as debtor in possession, or a trustee in bankruptcy
of the Corporation, (1) could not, pursuant to Section
365(a) or Section 365(c)(2) of the Code, reject the Credit
Documents insofar as they provide for the Bank's obliga-
tion to pay directly all amounts due on maturing Series
3 CP Notes to the Series 3 CP Holders; (ii) could not recover from the Commercial Paper Note Account funds deposited into the Commercial Paper Note Account, regardless of when such deposit was made, and (iii) could not recover payments made to former Series 3 CP Holders by the Bank.

* * *

The opinions set forth above are subject to the qualification that we express no opinion as to the possibility that a bankruptcy court would, in the exercise of its equitable powers or otherwise, temporarily restrain payments to Series 3 CP Holders.

You may provide this opinion to agencies considering issuing a rating of the Series 3 CP Notes and each such agency is entitled to rely hereon as if this opinion were addressed to such agency.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
Citibank, N.A.
55 Water Street
New York, New York 10041

Gentlemen:

We have delivered to 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"), an opinion
dated the date hereof with respect to certain bankruptcy
issues concerning the issuance and sale of certain short-term
notes of the Corporation, a copy of which is attached hereto.
You are entitled to rely on such opinion as if the same were
addressed to you.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Enclosure
October 24, 1983

Citibank, N.A.
New York, New York

Salomon Brothers Inc
New York, New York

The First Boston Corporation
New York, New York

United States Trust Company
of New York
New York, New York

Gentlemen:

We are bond counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and have this day delivered to the Corporation an opinion dated the date hereof, a copy of which has been attached hereto.

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

Very truly yours,

[Signature]
October 24, 1983

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 from time to time of Series 3 Commercial Paper Notes (the "Notes"), the outstanding principal amount of which, together with the interest to accrue on such amount to the maturity of the Notes, may not exceed $100,000,000 at any time, 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 Notes are authorized and issued under and pursuant to the Act and the resolution of the Corporation authorizing the Notes, adopted September 29, 1983 (the "Note Resolution").

In our opinion, the Notes are valid, direct and legally binding obligations of the Corporation, enforceable in accordance with their terms, respectively, and the terms of the Note Resolution, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights and remedies generally. The holders of the Notes are entitled to the benefits of an irrevocable Letter of Credit issued, at the request of the Corporation, by Citibank, N.A., in favor of United States Trust Company of New York, as agent (the "Agent") for the holders from time to time of the Notes, under which Citibank, N.A., has agreed to pay an amount equal to all principal of and interest on the Notes upon
demand by the Agent, as more fully set forth in such Letter of Credit.

We are also of the opinion that, under existing statutes and court decisions, interest on the Notes is exempt from Federal income taxes and personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In the case of Notes issued as to which the initial offering price is less than the face amount thereof, the difference between the initial offering price and the face amount constitutes original issue discount. We are of the opinion that an appropriate portion of such discount, dependent upon the holding period of the Notes by each purchaser, or the entire original issue discount if any such Note is held by a purchaser from its date of issue to maturity, will, upon disposition or payment of the Notes, be treated as tax exempt interest income, rather than as taxable capital gain, for Federal income tax purposes. The portion so treated will be determined by apportioning the amount of original issue discount between the original holder and each subsequent holder of each of the Notes based upon the relation that the number of days (computed on a calendar year basis) for which the Notes were owned by each holder bears to the total number of days elapsed from the date of issuance to the maturity date of the Notes.

You may continue to rely upon this opinion as to Notes issued after the date of issuance of this opinion (designated as "OPINION DATE" on the face of the Notes) to the extent (i) there is no change in existing law subsequent to such date of issuance, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Note Resolution and (iii) the Corporation has received payment for such Notes.

Very truly yours,

[Signature]
October 24, 1983

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 from time to time of Series 3 Commercial Paper Notes, the outstanding principal amount of which, together with interest to accrue on such amount to the maturity of such Notes, may not exceed $100,000,000 at any time (the "Notes"), the issuance of a promissory note to Citibank, N.A. (the "Bank") in an aggregate principal amount not to exceed $100,000,000 (the "Bank Note"), and the authorization of not to exceed $100,000,000 Series 47 Bonds (the "Series 47 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 Notes are authorized and issued under and pursuant to the Act and the resolution of the Corporation entitled "Resolution Authorizing Not in Excess of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time", adopted September 29, 1983 (the "Note Resolution"). The Bank Note is authorized and issued under and pursuant to the Act and the resolution of the Corporation entitled "Bank Note Resolution Authorizing a Bank Note to Citibank, N.A. In An Aggregate Principal Amount Not to Exceed $100,000,000", adopted September 29, 1983 (the "Bank Note Resolution"). The Note Resolution and the Bank Note Resolution are herein collectively called the "Resolutions". The Series 47 Bonds are authorized under and pursuant to the Act, the Second General Bond Resolution of the
Corporation, adopted November 25, 1975, as amended and
supplemented (the "Second General Bond Resolution") and the
Series 47 Resolution, adopted September 29, 1983 (the "Series 47
Resolution").

We have also examined the Letter of Credit and
Reimbursement Agreement dated October 24, 1983 (the
"Reimbursement Agreement") between the Corporation and the Bank,
the Amended and Restated Security Agreement dated October 24,
1983 (the "Security Agreement") among the Corporation, the Bank,
for itself and as agent for itself and for the holders of the
Notes (in such capacity, the "Agent") and United States Trust
Company of New York and the Agency Agreement dated October 24,
1983 (the "Agency Agreement") among the Corporation, the Bank and
United States Trust Company of New York.

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 Notes and the Bank Note under the Note
Resolution and the Bank Note Resolution, respectively, and to
perform the obligations and covenants contained in the
Resolutions, the Notes and the Bank Note. Under the laws of the
State, including the Constitution of the State, and under the
Constitution of the United States, the Act is valid with respect
to all provisions thereof material to the subject matter of this
opinion letter.

2. 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 Note Resolution creates the valid
pledge and lien which it purports to create of the revenues,
moneys, securities and account held or set aside under the Note
Resolution, subject only to the application thereof to the
purposes and on the conditions permitted by the Note Resolution.
All revenues, moneys and securities, as and when received in the
Proceeds Account in accordance with the Note Resolution, will be
validly subject to the pledge and lien created by the Note
Resolution.

3. The Notes and the Bank Note 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 Note Resolution and
the Bank Note Resolution, respectively. The Notes and the Bank
Note 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
Note Resolution and the Bank Note Resolution, respectively, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.

4. Neither the Notes nor the Bank Note constitute a debt either of the State or the City of New York ("The City"), and neither the State nor The City shall be liable thereon, and neither the Notes nor the Bank Note shall be payable out of any funds other than those of the Corporation.

5. The Series 47 Resolution has been duly and lawfully adopted in accordance with the provisions of the Second General Bond Resolution and is authorized and permitted by the Second General Bond Resolution. The Second General Bond Resolution and the Series 47 Resolution have been duly and lawfully adopted by the Corporation and both are in full force and effect. The Series 47 Bonds have been duly and validly authorized by the Corporation in accordance with the Series 47 Resolution, and, when issued and paid for, will be the valid and binding general obligations of the Corporation payable as provided in the Second General Bond Resolution and the Series 47 Resolution and will be enforceable in accordance with their terms, respectively, and the terms of the Second General Bond Resolution and the Series 47 Resolution, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.

6. No registration with, consent of, or approval by, and no notice to or filing with, any governmental agency or commission is necessary for the execution, delivery and performance by the Corporation of the Notes, the Bank Note, the Reimbursement Agreement, the Security Agreement or the Agency Agreement or for the exercise by the Agent of the rights and remedies in respect of the Collateral (as defined in the Security Agreement) provided for in the Security Agreement, other than such consents or approvals which have been obtained and are in full force and effect on the date hereof.

7. The Reimbursement Agreement, the Security Agreement and the Agency Agreement have each been duly authorized, executed and delivered by the Corporation and (assuming due authorization, execution and delivery by the other parties thereto) constitute valid and binding agreements of the Corporation, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally, and except as otherwise set forth in paragraph 10 hereof with respect to the ability of the Corporation to convert Reimbursement Obligations and outstanding Advances (as such terms are defined in the Reimbursement Agreement) into Second Resolution Bonds (as defined in the Reimbursement Agreement), including the Series 47 Bonds.
8. The pledge of the Pledged Debt (as defined in the Security Agreement) pursuant to the Security Agreement does, and the pledge of the Additional Pledged Debt and the Substituted Pledged Debt (as such terms are defined in the Security Agreement) pursuant to the Security Agreement will, at the time they are pledged, create a valid pledge, in favor of the Agent, of the Pledged Debt, and of the Additional Pledged Debt and of the Substituted Pledged Debt, as the case may be, securing the payment of the Pledgors's Liabilities (as defined in the Security Agreement).

9. The execution, delivery and performance of, and compliance with, all of the terms and conditions of the Notes, the Bank Note, the Reimbursement Agreement, the Security Agreement and the Agency Agreement, and the adoption and performance of, and compliance with, all of the terms and conditions of the Resolutions, will not result in a violation of or be in conflict with any term or provision of any existing law, except as otherwise set forth in paragraph 10 hereof with respect to the ability of the Corporation to convert Reimbursement Obligations and outstanding Advances into Second Resolution Bonds.

10. The legal power of the Corporation to convert Reimbursement Obligations and outstanding Advances into Second Resolution Bonds is subject to applicable provisions of law and certain resolutions and agreements of the Corporation that must be satisfied at the time any such bond is issued, and may be limited by bankruptcy, insolvency or similar laws validly enacted affecting creditors' rights or remedies generally.

Very truly yours,

[Signature]

[Name]
October 24, 1983

Citibank, N.A.
New York, New York

Salomon Brothers Inc
New York, New York

The First Boston Corporation
New York, New York

United States Trust Company
of New York
New York, New York

Gentlemen:

We are bond counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and have this day delivered to the Corporation an opinion dated the date hereof, a copy of which has been attached hereto.

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

Very truly yours,

[Signature]
October 24, 1983

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

Gentlemen:

We have reviewed the accompanying arbitrage certificate of Mr. Steven J. Kantor, Treasurer of the Municipal Assistance Corporation For The City of New York (herein called the "Corporation") relating, among other things, to the reasonable expectation as of the date of issuance of the Corporation's Series 3 Commercial Paper Notes, dated and delivered this day (herein called the "Notes"), that the proceeds of the Notes will not be used in a manner that would cause the Notes to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended to the date hereof.

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(c) and Sections 1.103-13, 1.103-14 and 1.103-15 of the regulations thereunder to support the conclusion that the Notes 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]

[Name]
Citibank, N.A.
399 Park Avenue
New York, New York 10043

Municipal Assistance Corporation
For The City of New York

Gentlemen:

We have acted as your counsel in connection with the preparation, execution and delivery of the Letter of Credit and Reimbursement Agreement dated October 24, 1983 (the "Reimbursement Agreement") between Municipal Assistance Corporation For The City of New York (the "Corporation") and you and the issuance today by you of the Letter of Credit referred to in the Reimbursement Agreement. Terms defined in the Reimbursement Agreement are used herein as therein defined.

In this connection we have examined the following documents, each of which, unless otherwise indicated, is dated the date hereof:

1. An executed original of the Reimbursement Agreement.

2. The Letter of Credit.

3. The Note executed by the Corporation, delivered pursuant to Section 3.01(a) of the Reimbursement Agreement.

4. An executed original of the Agency Agreement, delivered pursuant to Section 3.01(b) of the Reimbursement Agreement.

5. An executed original of the Amended and Restated Security Agreement, delivered pursuant to Section 3.01(c) of the Reimbursement Agreement.
6. A general certificate of the Corporation, executed by the Secretary of the Corporation as to, among other things, (i) resolutions of the Board of Directors of the Corporation approving the Credit Documents and the matters contemplated thereby, (ii) other documents evidencing necessary corporate action and governmental approvals with respect to the Credit Documents, and (iii) the incumbency and signatures of certain officers of the Corporation, delivered pursuant to Sections 3.01(d) and (e) of the Reimbursement Agreement.

7. An opinion of Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, general counsel to the Corporation, delivered pursuant to Section 3.01(f) of the Reimbursement Agreement.

8. An opinion of Messrs. Hawkins, Delafield & Wood, Bond Counsel, delivered pursuant to Section 3.01(g) of the Reimbursement Agreement.

In our examination of the documents referred to above, we have assumed the authenticity of all such documents submitted to us as originals, the genuineness of all signatures and the due authority of the parties executing such documents. We have relied, as to factual matters, on the documents we have examined and, as to the matters of law covered by the opinions of counsel referred to above, on such opinions. We have also assumed that you have duly executed and delivered the Reimbursement Agreement and the Letter of Credit.

We are qualified to practice law in the State of New York and we do not purport to be experts on, or to express any opinions herein concerning, the law of any other jurisdiction.

Based upon the foregoing, and while we have not independently considered the matters covered by the opinions referred to in Items 7 and 8 above to the extent necessary to enable us to express the conclusions stated therein, we are of the opinion that (i) such opinions, the Reimbursement Agreement, the Amended and Restated Security Agreement and other documents listed above appear to be in substantially acceptable legal form and (ii) the opinions and other documents listed in Section 3.01 of the Reimbursement Agreement appear substantially responsive to the requirements of the Reimbursement Agreement.

Very truly yours,

[Signature]

JJR:JPC
October 24, 1983

Municipal Assistance Corporation
For The City of New York
One World Trade Center
New York, New York 10048

Letter of Credit and Reimbursement Agreement

dated October 24, 1983

Gentlemen:

We have acted as counsel to Citibank, N.A. (the "Bank") in connection with the Letter of Credit and Reimbursement Agreement dated October 24, 1983 between Municipal Assistance Corporation For The City of New York and the Bank (the "Reimbursement Agreement") and the Irrevocable Letter of Credit dated October 24, 1983 (the "Letter of Credit") issued by the Bank pursuant thereto. Terms referred to or defined in the Reimbursement Agreement are used herein as therein referred to or defined.

As such counsel, we have examined originals, or copies identified to our satisfaction, of the Reimbursement Agreement and the Letter of Credit, certificates of public officials, officers of the Bank and other persons, and such other agreements, instruments and documents as we have deemed necessary as a basis for the opinions hereinafter expressed. As to questions of fact material to such opinions, we have, when relevant facts were not independently established by us, relied upon the documents we have examined and upon certificates of the Bank or its officers or of public officials. In our examination of the documents referred to above, we have assumed the authenticity of all such documents, the genuineness of all signatures and (except with respect to the Bank) the due authority of the parties executing such documents and the execution and delivery of such documents by duly authorized representatives of such parties.
Based on the foregoing, we are of the opinion that under current law and regulations the Letter of Credit constitutes the legal, valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except as limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally as such laws may be applied in the event of a reorganization, insolvency, liquidation, readjustment of debt or other similar proceeding of or moratorium applicable to the Bank and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Such equitable principles include, but are not limited to, the equitable power of a court in a bankruptcy or similar proceeding of the Corporation temporarily to restrain the payment of the Letter of Credit by the Bank; however, in our opinion, any such proceeding would not, in and of itself, be a proper basis for a court to permanently enjoin such payment.

In rendering the foregoing opinion, we have assumed compliance by the Bank with the per customer lending limitation imposed by 12 U.S.C. Section 84.

You are authorized to deliver a copy of this opinion to agencies considering a rating of the Series 3 CP Notes, who may rely upon this opinion as though it had been addressed to them.

Very truly yours,

Shearman & Sterling

JJR:JPC
Municipal Assistance Corporation
For The City of New York
Suite 8901
One World Trade Center
New York, New York 10048


Mesdames and Gentlemen:

In connection with the issuance from time to time by Municipal Assistance Corporation For The City of New York (the Corporation) of promissory notes (such notes being hereinafter referred to as Series 3 CP Notes), pursuant to a Resolution Authorizing Not in Excess of $100,000,000 Notes Outstanding at Any Time, adopted by the Corporation on September 29, 1983 (the Resolution), our client, United States Trust Company of New York (the Trust Company), has requested that we furnish you with our opinion as to its authority to act as Agent For Holders of Series 3 CP Notes under an Agency Agreement dated of even date herewith among the Corporation, Citibank, N.A. (the Bank) and the Trust Company, and as to its continuing authority to act as Collateral Agent (the Collateral Agent) pursuant to its appointment as such by the Bank in the Security Agreement dated June 3, 1982 among the Corporation, the Bank and the Trust Company, as amended by an amendment of even date herewith (as so amended, the Amended and Restated Security Agreement).
Municipal Assistance Corporation
For The City of New York

We have examined the Agency Agreement, the Amended and Restated Security Agreement, the Resolution and such other documents and materials as we have deemed necessary in order to render our opinions hereinafter expressed. We have assumed and have not verified the genuineness of the signatures of parties other than the Trust Company on all documents and the due authorization, execution and delivery of the Agency Agreement and the Amended and Restated Security Agreement by the parties thereto other than the Trust Company.

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

1. The Trust Company is a duly organized and validly existing corporation having the powers of a trust company under the laws of the State of New York.

2. The Trust Company is authorized to act as Agent For Holders of Series 3 CP Notes under the Agency Agreement.

3. The Trust Company continues to be and is authorized to act as Collateral Agent under the Amended and Restated Security Agreement.

Very truly yours,

[Signature]

RRG/dbw
CONSENT

Dated October 24, 1983

Reference is made to (i) the Revolving Credit and Term Loan Agreement, dated as of January 6, 1983, among the Municipal Assistance Corporation For The City of New York (the "Corporation"), Manufacturers Hanover Trust Company ("MHT") and Citibank, N.A. ("Citibank") (the "Banks") and Citibank, as Agent for the Banks (the "Multibank Credit Agreement"), (ii) the Pledge and Security Agreement, dated January 6, 1983, among the Corporation, Citibank, as Agent for the Banks and United States Trust Company of New York as agent for the Agent (the "Pledge Agreement"), (iii) the other Loan Documents (as such term is defined in the Multibank Credit Agreement) and (iv) the Interbank Agreement dated January 6, 1983 between the Banks, as restated by the Amended and Restated Interbank Agreement dated the date hereof (the "Amended and Restated Interbank Agreement").

The undersigned, Citibank and MHT, as parties to the above-referenced agreements, hereby (i) consent to the Amended and Restated Security Agreement, dated the date hereof, amending and restating the Security Agreement, dated June 3, 1982, among the Corporation, Citibank and United States Trust Company of New York, as Agent for Citibank, (ii) waive any defaults under the Pledge Agreement arising from the amending and restating of the Security Agreement, including, but not limited to, any defaults arising under Section 9 thereof, (iii) waive any defaults under the Multibank Credit Agreement arising from the execution of the Credit Documents (as such term is defined in the Reimbursement Agreement), including, but not limited to, any defaults arising under Section 4.02 thereof and (iv) confirm and agree that the Loan Documents and the Amended and Restated Interbank Agreement are and shall continue to be in full force and effect and are hereby ratified and confirmed in all respects, except that, upon the effectiveness of, and on and after the date of, said Amended and Restated Security Agreement, all references in the Loan Documents and the Amended and Restated Interbank Agreement, to the Security Agreement shall mean the Amended and Restated Security Agreement.

CITIBANK, N.A.

By: [Signature]

Title: Senior Vice President

MANUFACTURERS HANOVER TRUST COMPANY

By: [Signature]

Title: Vice President

* The Letter of Credit and Reimbursement Agreement dated October 24, 1983 between the Corporation and Citibank.
IRREVOCABLE LETTER OF CREDIT

No. CCD3-8344-321255

October 24, 1983

United States Trust Company
of New York, as Agent
for Holders of
Series 3 CP Notes
45 Wall Street
New York, New York 10005

Attention: Pat Santivasci,
Assistant Vice President

Dear Sirs:

We hereby establish, at the request and for the account of Municipal Assistance Corporation for the City of New York, a corporate governmental agency and instrumentality of the State of New York (the "Corporation"), in your favor, as Agent for Holders of Series 3 CP Notes under the Agency Agreement dated October 24, 1983 among the Corporation, you and Citibank, N.A. as Issuing and Paying Agent pursuant to which promissory notes of the Corporation designated as Series 3 Commercial Paper Notes (the "Series 3 CP Notes") are to be issued in an aggregate amount not to exceed $100,000,000 (including principal and interest to accrue to maturity), our Irrevocable Letter of Credit No. CCD3-8344-321255, in the amount of $100,000,000, as such amount may be reduced as described below (the "Maximum Available Credit"), effective immediately and expiring at the close of banking business at our 111 Wall Street, New York, New York 10005 office on November 7, 1985 (the "Stated Expiry Date").

We hereby irrevocably authorize you to draw on us, from time to time in an aggregate amount on any one day not to exceed the Maximum Available Credit and in accordance with
the terms and conditions as hereinafter set forth, in one or more drawings by one or more of your demands for payment, made to our 111 Wall Street, New York, New York 10005 office and payable at sight on a banking day, and, for each such drawing, accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1 attached hereto. Each demand for payment shall be signed by you and be substantially in the form of Annex C attached hereto.

The amount from time to time available hereunder to be drawn by you (the "Available Balance") shall be the amount of the Maximum Available Credit (A) decreased from time to time (i) immediately following our honoring your demand or demands for payment hereunder, by an amount equal to such demand or demands and (ii) immediately following our receipt from you in the form of Annex D attached hereto of any reduction in the Maximum Available Credit, as of the date specified in such notice and by an amount equal to the amount of such reduction, and (B) increased from time to time to the extent, but only to the extent, that we are reimbursed by the Corporation for amounts drawn hereunder (but in no event shall the amount of any increase be such as to cause the Available Balance to exceed the Maximum Available Credit).

Funds under this Letter of Credit are available to you against presentation of your demand for payment signed by you in substantially the form of Annex C referring thereon to the number of this Letter of Credit and accompanied by your written and completed certificate signed by you in substantially the form of Annex A, Annex B or Annex B-1, as the case may be. Each demand for payment and certificate shall be dated the date of its presentation and shall be presented at our office located at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations (or at such other office in the City and State of New York which may be designated by us on written notice delivered to you) on or before 12:00 Noon, New York City time, on the day on which we are to make funds available to you hereunder. If we receive any of your demands for payment and certificates at such office and at such time, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the Stated Expiry Date, we will honor the same on the day of presentation thereof by payment to you in same day funds by deposit in same day funds into an account designated by you and maintained with us.
This Letter of Credit sets forth in full our undertaking to you, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement. Our obligations hereunder are primary obligations and shall not be affected by the performance or non-performance by the Corporation of any obligations under the Series 3 CP Notes or under any agreement between the Corporation and you or the Corporation and us.

This Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at 111 Wall Street, New York, New York 10005, Attention: Letter of Credit Operations, specifically referring to the number of this Letter of Credit.

Very truly yours,

CITIBANK, N.A.

By:
Senior Vice President
ANNEX A

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. CCD3-8344-321255 (the "Letter of Credit", the
terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) The Agent for Holders of Series 3 CP Notes is
making a drawing under the Letter of Credit in the amount
of the aggregate amount of the Maturity Date Payments on
all of the Series 3 CP Notes maturing on the date hereof.

(3) A duly authorized officer of the Corporation
has informed us of the amount of the demand for payment
accompanying this Certificate and that such amount does
not exceed the amount available to be drawn under the
Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ____ day of ________,
19___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: __________________________
[Name and Title]
CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. CCD3-8344-321255 (the "Letter of Credit", the
terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent
for Holders of Series 3 CP Notes is making a drawing
under the Letter of Credit in the aggregate amount of the
Maturity Date Payments on all of the outstanding Series 3
CP Notes prior to the stated maturity thereof, to be held
by the Issuing and Paying Agent for the holders thereof.

(3) A duly authorized officer of the Corporation
has informed us of the amount of the demand for payment
accompanying this Certificate and that such amount does
not exceed the amount available to be drawn under the
Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ______, 19___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By:
[Name and Title]
ANNEX B-1

CERTIFICATE FOR DRAWING IN CONNECTION WITH
THE PAYMENT OF MATURITY DATE PAYMENTS ON
THE SERIES 3 COMMERCIAL PAPER NOTES OF
THE MUNICIPAL ASSISTANCE CORPORATION FOR
THE CITY OF NEW YORK

The undersigned, a duly authorized officer of the
undersigned Agent for Holders of Series 3 CP Notes under the
Agency Agreement among the Agent, Municipal Assistance
Corporation For The City of New York (the "Corporation"), and
Citibank, N.A., as Issuing and Paying Agent, hereby certifies
to Citibank, N.A., with reference to Irrevocable Letter of
Credit No. CCO3-8344-321255 (the "Letter of Credit", the
terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is
the Agent for Holders of Series 3 CP Notes under the
Agency Agreement.

(2) At the direction of Citibank, N.A., the Agent
for Holders of Series 3 CP Notes is making a drawing
under the Letter of Credit in an amount equal to the
amount available to be drawn under the Letter of Credit,
to be held by the Issuing and Paying Agent for the
holders of all of the outstanding Series 3 CP Notes
issued prior to the date hereof.

(3) The amount of the demand for payment
accompanying this Certificate is equal to the amount
available to be drawn under the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and
delivered this Certificate as of this ___ day of ________,
19___.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: ________________________
[Name and Title]
Citibank, N.A.

ANNEX C

DEMAND FOR PAYMENT

Citibank, N.A.
111 Wall Street
New York, New York 10005

Attention: Letter of Credit Operations

Irrevocable Letter of Credit No. CCD-3-8344-321255

Gentlemen:

The undersigned beneficiary of Irrevocable Letter of Credit No. CCD3-8344-321255 issued by you, hereby demands payment of $___________ pursuant to such Letter of Credit.

Please credit the Series 3 CP Note Account with you No. ______ maintained at your office at 111 Wall Street, New York, New York 10005.

UNITED STATES TRUST COMPANY
OF NEW YORK, as Agent for
Holders of Series 3 CP
Notes

By: ____________________________

[Name and Title]
ANNEX D

CERTIFICATE FOR THE REDUCTION OF AMOUNTS AVAILABLE UNDER LETTER OF CREDIT NO. CCD3-8344-321255 DATED OCTOBER 24, 1983

The undersigned, a duly authorized officer of the undersigned Agent for Holders of Series 3 CP Notes under the Agency Agreement among the Agent, Municipal Assistance Corporation For The City of New York, and Citibank, N.A., as Issuing and Paying Agent, through its duly authorized officer hereby certifies to Citibank, N.A. (the "Bank"), with reference to Irrevocable Letter of Credit No. CCD3-8344-321255 (the "Letter of Credit", the terms defined therein being used herein), that:

(1) The Agent for Holders of Series 3 CP Notes is the Agent for Holders of Series 3 CP Notes under the Agency Agreement.

(2) As of the effective date specified in paragraph (3) below the total amount of the principal amount of, and interest to maturity on, all outstanding Series 3 CP Notes is $______________.

(3) The Maximum Available Credit under the Letter of Credit is reduced to $______________ (such amount being not less than the total amount specified in paragraph (2) above) effective on ____________.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ___ day of __________, __________.

UNITED STATES TRUST COMPANY OF NEW YORK, as Agent for Holders of Series 3 CP Notes

By: ____________________________

[Name and Title]
24 October 1983

Citibank, N.A.
20 Exchange Place
6th Floor
New York, New York 10005
Attention: Frank J. Todaro,
Assistant Vice President

Ladies and Gentlemen:

The undersigned, an Authorized Officer of the Municipal Assistance Corporation for The City of New York (the "Corporation"), hereby refers to the Agency Agreement, dated October 24, 1983 (the "Agency Agreement"), by and between the Corporation and you in your capacity as Issuing and Paying Agent, pursuant to which Agreement you have agreed to act as the Corporation's Issuing and Paying Agent for the Corporation's Series 3 CP Notes (as defined in the Agency Agreement) and, on instructions from an Authorized Officer, to authenticate such Series 3 CP Notes.

Pursuant to the Agency Agreement, the undersigned hereby irrevocably authorizes, directs and instructs you (a) to issue for the purchase price and on the date hereof on behalf of the Corporation, Series 3 CP Notes payable to bearer in the amount of the maturity date payment, bearing the yield on issue date and having the maturity date all as set forth in Exhibit A hereto, which is made a part hereof, (b) to countersign the form of authentication inscribed on each of such Series 3 CP Notes and (c) to deliver against payment by the purchaser in same day funds each of such Series 3 CP Notes to or for the account of the persons named as the purchaser thereof.

In connection with the foregoing, the undersigned hereby represents and warrants that (1) each of the conditions precedent to the issuance of the Series 3 CP notes set forth in Exhibit A hereto specified in the Series 3 CP Resolution dated September 29, 1983 has been satisfied and (ii) neither the Corporation nor, to the knowledge of the undersigned, you have received notice whereby you must cease issuing Series 3 CP Notes.
You are authorized to send on the date you receive this Letter of Instructions a copy of this Letter of Instructions to the Letter of Credit Bank.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer

Dated: October 24, 1983

Receipt of the above Letter of Instructions, together with Exhibit A thereto, is hereby acknowledged.

Citibank, N.A.,
as Issuing and Paying Agent

By: [Signature]
Designated Officer

Dated: Oct 24, 1983
<table>
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<th>Type of Note*</th>
<th>Issue Date</th>
<th>Purchase Price</th>
<th>Yield on Issue Date</th>
<th>Maturity Date</th>
<th>Dealer</th>
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<td>10/24/83</td>
<td>$2,375,000</td>
<td>5.00</td>
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<td>10/26/83</td>
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MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By [Signature]
Authorized Officer

* Insert "Series 1 Funding," if Series 1 Funding Notes, "Refunding," if Refunding Notes and "General Funding," if General funding Notes. If more than one of the foregoing categories is applicable, specify the portion of the proceeds applicable to each.
Citibank, N.A.
SORT 3690, NEW YORK, N.Y. 10043

DATE  OCT. 24, 1983

ACCOUNT NUMBER
3689-3641

AMOUNT
$10,428.95

FED. FUNDS

ISSUANCE DEPT: SS

BY: [Signature]
At a closing held on October 24, 1983, the Municipal Assistance Corporation For The City of New York (the "Corporation") entered into an agreement with a group of dealers comprised of The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A. ("Dealers"), and issued and sold to the Dealers $10,375 aggregate principal amount of the third series of the Corporation's commercial paper notes (the "Series 3 CP Notes") dated October 24, 1983, maturing within 270 days of such date and bearing interest at rates per annum ranging from 3-3/4% to 5-1/4%. At the closing, the Corporation also entered into a Letter of Credit and Reimbursement Agreement with Citibank, N.A., along with an Amended and Restated Security Agreement among the Corporation, Citibank, N.A. and United States Trust Company of New York and an Agency Agreement among the Corporation, Citibank, N.A. and United States Trust Company of New York. The Corporation issued and delivered to Citibank, N.A. a promissory note in a principal amount not to exceed $100,000,000 (the "Bank Note").

Prior to the Closing, the Corporation authorized the issuance of not in excess of $100,000,000 Series 47 Bonds (the "Series 47 Bonds") pursuant to the bond resolution of the Corporation adopted September 29, 1983 and entitled "Series 47 Resolution Authorizing Not To Exceed $100,000,000 Series 47 Bonds" (the "Series 47 Resolution").

The Series 3 CP Notes were 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, each as further amended (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), and the note resolution of the Corporation adopted September 29, 1983 and entitled "Resolution Authorizing Not In Excess Of $100,000,000 Series 3 Commercial Paper Notes Outstanding At Any Time" (the "Series 3 CP Note Resolution"). The Bank Note was issued pursuant to the Act and the note resolution of the Corporation.
adopted September 29, 1983 and entitled "Bank Note Resolution
Authorizing A Bank Note To Citibank, N.A. In An Aggregate
Principal Amount Not to Exceed $100,000,000 (the "Bank Note
Resolution"). The Series 47 Bonds were authorized to be issued
pursuant to the Act, the Second General Bond Resolution, adopted
by the Corporation on November 25, 1975, as amended and
supplemented (the "Second General Bond Resolution"), and the
Series 47 Resolution.

I. The Closing

A. On October 21, 1983, a preliminary closing was held at the
offices of the Corporation, Suite 8901, One World Trade Center
New York, New York. All papers to be delivered at the Clo
se to the extent practicable, were executed and approved, and
papers were packaged and placed in escrow.

B. The Closing (the "Closing") was held at such offices of the
Corporation on October 24, 1983 at 11:00 A.M. (the "Closing
Date"). The names of the persons present at the Closing are set
forth in Schedule I hereto.

C. All the transactions enumerated in divisions II and III
below are considered to have taken place simultaneously, and no
delivery or payment was considered to have been made until all
transactions at the Closing were completed.

II. Documents Delivered at the Closing

A. From the Corporation:

1. Copy of the Series 3 CP Note Resolution.
2. Copy of the Bank Note Resolution.
3. Copy of the Series 47 Resolution.
4. Extract of the Minutes of the Board of Directors
   Meeting held on September 29, 1983 showing the adoption of
   the Series 3 CP Note Resolution, the Bank Note Resolution
   and the Series 47 Resolution.
5. Copy of the Second General Bond Resolution.
6. Copy of the Letter of Credit and Reimbursement Agreement dated October 24, 1983 between the Corporation and Citibank, N.A. (the "Reimbursement Agreement").


9. Copy of the Dealer Agreement dated October 24, 1983 among the Corporation and the Dealers (the "Dealer Agreement").

10. A general certificate of the Corporation, dated the Closing Date, as to directors, officers, terms of office and other details of the Corporation, including the seal, by-laws, litigations, the Second General Bond Resolution, the Series 47 Resolution, the Series 3 CP Note Resolution, the Bank Note Resolution, the Reimbursement Agreement, the Security Agreement and the Agency Agreement, minutes, signatures, and certifications, required pursuant to the Reimbursement Agreement, with specimen Series 3 CP Note and Bank Note attached thereto.

11. Arbitrage certificate of the Corporation dated the Closing Date, with respect to the Series 3 CP Notes.

12. A certificate, dated the Closing Date, of the Corporation, responsive to the Dealer Agreement.

13. A certificate, dated the Closing Date, of the Corporation, with respect to section 205 of the Series 3 CP Note Resolution.

14. Approval of the Comptroller of the State of New York as to the terms of sale of the Series 3 CP Notes, the Bank Note, and the Series 47 Bonds.

15. Conformed copy of the Waiver Upon Consent, dated as of April 30, 1982, of certain of the purchasers under the Bond Purchase Agreement dated as of November 15, 1978 (the "Waiver Upon Consent").

17. Consent of the Secretary of the Treasury of the United States with respect to the Waiver Upon Consent.

18. Consents of the Mayor and the Comptroller of the City of New York as to the pledge under the Security Agreement of bonds issued by the City of New York.

19. List of bonds issued by the City of New York comprising the Pledged Debt under the Security Agreement and the report of Kenny Information Systems, Inc., with respect thereto.

20. Instruction to the Issuing and Paying Agent, dated Closing Date, pursuant to the Agency Agreement.


B. From the Dealers:


C. From the Trust Company, as Collateral Agent under the Security Agreement:

1. A certificate as to the Collateral under the Security Agreement.

D. From Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation:

1. The opinions, dated the Closing Date, addressed to the Corporation, Citibank, N.A. and the Dealers with respect to the commercial paper program, together with a letter authorizing reliance by the Trust Company on the opinion addressed to the Corporation.

2. The opinion, dated the Closing Date, addressed to the Corporation, with respect to bankruptcy, together with a letter authorizing reliance thereon by Citibank, N.A.
E. From Hawkins, Delafield & Wood, Bond Counsel to the Corporation:

1. The approving opinion, dated the Closing Date, addressed to the Corporation with respect to the Series 3 CP Notes, together with a letter authorizing reliance thereon by Citibank, N.A., the Dealers and the Trust Company.

2. The opinion, dated the Closing Date, addressed to the Corporation with respect to the Series 3 CP Notes, the Bank Note, the Series 47 Bonds and other matters together with a letter authorizing reliance thereon by Citibank, N.A., the Dealers and the Trust Company.

3. The opinion, dated the Closing Date, addressed to the Corporation, with respect to arbitrage and the Series 3 CP Notes.

F. From Shearman & Sterling, Counsel to Citibank, N.A.:

1. The opinion, dated the Closing Date, addressed to the Corporation with respect to the enforceability of the Letter of Credit.

2. The opinion, dated the Closing Date, addressed to Citibank, N.A. with respect to the commercial paper program.

G. From Carter, Ledyard & Milburn, Counsel to the Trust Company:

1. The opinion, dated the Closing Date, with respect to the authority of the United States Trust Company of New York to act as Collateral Agent under the Security Agreement and as Agent for Holders of Series 3 CP Notes under the Agency Agreement.
III. Delivery of the Series 3 CP Notes, the Bank Note, the Letter of Credit and Payment for the Series 3 CP Notes

A. The Bank Note was delivered to Citibank, N.A. The Letter of Credit was delivered to the Trust Company, as Agent for Holders of Series 3 CP Notes. The Series 3 CP Notes were delivered by Citibank, N.A., as Issuing and Paying Agent, to the Dealers for delivery to the purchasers thereof.

B. The Dealers wired $10,374,252.75 in federal funds to an unrestricted account of the Corporation at Citibank, N.A. Citibank, N.A. presented a credit advice to the Corporation evidencing such payment, together with an additional amount drawn on an account of the Corporation for a total of $10,428,998.27.
Schedule I

Persons Present at the Closing

For Municipal Assistance Corporation

For The City of New York:

Maxine H. Gillman
Steven J. Kantor
T. Dennis Sullivan
Stephen J. Weinstein

For Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation:

Ronald M. Solefer

For Hawkins, Delafield & Wood, Bond Counsel to the Corporation:

Kathleen McDonough
Donald J. Robinson
Jack M. Schrager

For United States Trust Company of New York:

Pat Santivasci

For Carter, Ledyard & Milburn, Counsel to United States Trust Company of New York:

Yvette Barksdale
Peter P. McN. Gates

For Citibank, N.A.:

Richard P. Kezer

For Shearman & Sterling, Special Counsel to Citibank, N.A.:

Jonathan P. Cramer
Michele P. Moss
John J. Roche

For Debevoise & Plimpton, Counsel to The First Boston Corporation:

Paul S. Maco