RESOLUTION, ADOPTED BY BOARD OF
TRUSTEES OF NEW YORK CITY FIRE
DEPARTMENT PENSION FUND, ARTICLE
1-B

WHEREAS, the Municipal Assistance Corporation
For the City of New York ("MAC"), certain New York
City commercial banks (the "Banks"), the New York
City Employees' Retirement System, the New York City
Teachers' Retirement System, the Police Pension Fund,
Article 2, the Fire Department Pension Fund, Article
1-B and the Board of Education Retirement System of
the City of New York (the "Pension Funds") and four
New York City Sinking Funds (the "Sinking Funds") are
parties to the Amended and Restated Agreement made as
of November 26, 1975 (the "Amended and Restated
Agreement"); and

WHEREAS, the Article 1-B Pension Fund is the owner
of a portion of certain short-term notes issued by the
City of New York, which notes are subject to certain
provisions of the Amended and Restated Agreement,
(the "City Notes"), the holdings of such City Notes by
the Pension Fund being in the total principal amount,
having original maturity dates and bearing interest as
follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Original Maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26,810,000</td>
<td>May 28, 1976 and June 11, 1976</td>
<td>Paragraph 3 of the Amended and Restated Agreement provides that City Notes held by the Banks and Pension Funds shall bear interest of 6% per annum from their original stated maturity dates to the time of payment prescribed in that Paragraph</td>
</tr>
</tbody>
</table>

; and
WHEREAS, the Fire Pension Fund, Article 1-B is the owner of certain bonds issued by MAC, which bonds are subject to certain provisions of the Amended and Restated Agreement (the "old MAC bonds"), in the total principal amount, having maturity dates and bearing interest as follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,480,000</td>
<td>February 1, 1978 to February 1, 1986</td>
<td>6%</td>
</tr>
</tbody>
</table>

and;

WHEREAS, the Banks are the owners, in the aggregate, of approximately $964 million principal amount of old MAC bonds and the Pension Funds are the owners, in the aggregate, of $614,530,000 principal amount of old MAC bonds, including the above-mentioned MAC bonds owned by the Fire Pension Fund, Article 1-B, and the Sinking Funds, other than the Transit Unification Sinking Fund, are the owners, in the aggregate, of $121,520,000 principal amount of MAC bonds, the total principal amount of such old MAC bonds held by the Banks, the Pension Funds and the Sinking Funds, in the aggregate, being approximately $1.7 billion; and
WHEREAS, Paragraph 1 of the Amended and Restated Agreement provides, among other things, that the City Notes held by the Pension Funds "will be subject to the moratorium" provided for by the New York State Emergency Moratorium Act for the City of New York (Laws 1975, Chs. 874, 875) and Paragraph 3 of such Agreement provides that each of the Banks and Pension Funds agrees that at the termination of the 'moratorium period' under the Moratorium Act *** it will perform certain acts (including renewing such Notes or exchanging same for or purchasing short-term notes of the City) whereby the principal of such Notes held by such Bank or Pension Fund will be paid by the City in installments over a period ending on July 1, 1986 and each Bank or Pension Fund will receive 6% interest on the unpaid principal from the original stated maturity of such Notes; and

WHEREAS, the above-mentioned Moratorium Act was declared unconstitutional by the New York Court of Appeals in Flushing National Bank v. Municipal Assistance Corporation, 40 NY 2d 731 (1976); and

WHEREAS, prior to the issuance of the remittitur by the Court of Appeals implementing its decision in this case, the Banks moved in that Court for leave to appear or to intervene in the action, contending, among other things, that they are no longer bound to accept deferred payment of the City Notes, as provided for in Paragraphs 1, 2 and 3 of the Amended and Restated Agreement, and that they are in the same position as other holders of City Notes who were ruled in the Flushing National Bank case to be entitled to payment, without deferment, on the City Notes which they held; and
WHEREAS, on February 7, 1977, the Court of Appeals denied such motion of the Banks "as untimely, without prejudice to any other proceedings which movants may be advised to bring"; and

WHEREAS, the remittitur of the Court of Appeals, issued on February 8, 1977, which implements its decision in the Flushing National Bank case, does not pass on the rights and obligations of the Banks and the Pension Funds under Paragraphs 1, 2 and 3 of the Amended and Restated Agreement; and

WHEREAS, the New York City Corporation Counsel, in Opinion Number 108,507 issued on June 16, 1977, stated in part (p. 19):

"It is the conclusion of this office that the agreement of the Banks and Pension Funds set forth in Paragraphs 1, 2 and 3 of the Agreement, including their agreements with respect to deferment of payment of principal of such Notes [City Notes] by the City, remain binding obligations of the Banks and Pension Funds, and

WHEREAS, to date none of the Banks or Pension Funds has brought any legal proceedings seeking to enforce payment of City Notes which it holds; and

WHEREAS, the City and MAC have proposed:

1. That the City Notes held by the Banks and Pension Funds be exchanged by them for MAC bonds pursuant to terms and conditions and on a closing date set forth in a proposed amendment to the Amended and Restated Agreement, which proposed amendment is to be executed by all the parties to the Amended and Restated Agreement and is entitled "First Amendment to the Amended and Restated Agreement" (the "First Amendment"); and
old

2. That the MAC bonds held by the Banks and the Pension Funds be exchanged by those for MAC bonds having a longer maturity period and bearing a higher rate of interest, such exchange to be made pursuant to terms and conditions and on the closing date set forth in the First Amendment; and

WHEREAS, the First Amendment provides in terms or in effect with respect to the proposed exchange of City Notes held by the Banks and Pension Funds for MAC bonds that, among other things:

(a) there shall be an underwritten public sale by MAC after competitive bidding of not less than $50 million principal amount of 1977 Series 8 bonds of MAC issued pursuant to its Second General Bond Resolution, which bonds will mature between 1980 and 1992 and which public sale shall have been consummated by delivery of and payment for the bonds before the closing date for the exchange of City Notes for MAC bonds;

(b) the rate of interest on the 1977 Series 8 MAC bonds will be determined by the competitive bidding on the offering of these bonds at the underwritten public sale;

(c) the Banks and Pension Funds will exchange their City Notes at the closing time for an equal principal amount of 1977 Series 9 bonds of MAC newly issued pursuant to the Second General Bond Resolution of the Corporation adopted on November 25, 1975, as supplemented, which
1977 Series 9 bonds will mature between 1980 and 1992, will bear interest at the same rate as that borne by the 1977 Series 8 MAC bonds (as a result of competitive bidding on the public sale of the 1977 Series 8 bonds), and will otherwise be subject to terms and conditions similar to those applicable to the 1977 Series 8 bonds;

(d) the Banks and Pension Funds will not be obligated to make the exchange of their City Notes for the 1977 Series 9 MAC bonds on the closing date unless prior thereto the public sale of 1977 Series 8 MAC bonds has been consummated as above described and various other conditions for the benefit of the Banks and Pension Funds have been satisfied, including assurance that MAC and the City have timely paid when due the interest and principal on their respective bonds, issuance by certain securities rating agencies of specified minimum ratings of MAC bonds issued pursuant to its First General Bond Resolution adopted on July 2, 1975, as amended and supplemented and MAC bonds issued pursuant to its Second General Bond Resolution and issuance of an official statement of MAC (containing pertinent financial and other information) prior to acceptance of bids on the 1977 Series 8 MAC bonds; and
WHEREAS, the First Amendment provides in terms or effect with respect to the proposed exchange of MAC bonds held by the Banks, Pension Funds and Sinking Funds for newly issued MAC bonds, among other things:

(a) at the closing, each of the Banks will exchange its present holdings of MAC bonds for newly issued 1977 Series GG MAC bonds (maturing on February 1, 1987) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued pursuant to MAC's First General Bond Resolution. The amount of the 1977 Series GG bonds thus issued to each Bank will equal the February 1, 1978 principal payment due on the Bank's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Bank will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series GG bonds will be 8%, provided that it will decrease to 6% if the defendants prevail in certain litigation wherein the plaintiffs, who are investors in New York City obligations, are seeking to hold the City and certain City officials, banks and securities dealers liable for damages for alleged violation of the antifraud provisions of the Federal Securities Acts and certain State laws in connection with the purchase and sale of City securities.
The interest rate on such 1977 Series HH bonds will be 7 1/2%.

(b) At the closing, each of the Pension Funds will exchange its present holdings of MAC bonds for newly issued 1977 Series FF MAC bonds (maturing on February 1, 1986) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued under MAC's First General Bond Resolution. The amount of the 1977 Series FF bonds issued to each Pension Fund will equal the February 1, 1978 principal payment due on the Pension Fund's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Pension Fund will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series FF bonds will be 7 1/2%.

The interest rate on such 1977 Series HH bonds will be 7 1/2%.
(c) the Banks and Pension Funds will not be obligated to exchange their present holdings of MAC bonds for newly issued MAC bonds as above described unless specified conditions for the benefit of the Banks/Pension Funds have been satisfied, including the prior or simultaneous closing of the above-described 1977 Series 8 MAC bond transactions and the 1977 Series 9 MAC bond transactions (the exchange of City Notes for MAC Bonds); and

WHEREAS, the First Amendment restates the obligation of the Pension Funds, under Paragraph 7(b) of the Amended and Restated Agreement, to purchase during the 1977-1978 fiscal year of the City up to $500,000,000 principal amount of serial bonds of the City and likewise restates the obligation of the Pension Funds, under Paragraph 7(c) of the Amended and Restated Agreement, to purchase an additional principal amount of serial bonds of the City equal to the
principal of City serial bonds purchased by the Pension Funds pursuant to such Paragraph 7 and required to be amortized prior to June 30, 1978; and

WHEREAS, the First Amendment provides that the Banks and Pension Funds are not required to make the exchanges provided for therein unless the Secretary of the Treasury of the United States, prior to the closing for such exchanges, gives the First Amendment his written approval pursuant to Public Law 94-236 (providing that bond purchases and other actions of the Pension Funds pursuant to the Amended and Restated Agreement or sanctioned amendments thereto shall not be deemed in violation of prohibited transactions restrictions or otherwise jeopardize the tax-exempt status of the Pension Funds); and

WHEREAS, a draft of the First Amendment has been submitted to the Board of Trustees, which draft sets forth the essential terms and conditions of the First Amendment; and

WHEREAS, the Board of Trustees has determined that it is in the best interests of the Pension Fund and its members and retirees that the Pension Fund become a party to the First Amendment and effectuate the exchanges of its holdings of City notes and old MAC bonds for newly issued MAC bonds as therein provided for;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees hereby approves the First amendment, with such changes therein as may be agreed to by counsel for the parties thereto and the Board hereby determines that the Pension Fund shall become a party thereto.
2. Any member of the Board of Trustees is hereby authorized and directed to execute the First Amendment on behalf of the Article 1-B Pension Fund.

3. In addition to the authority otherwise conferred upon them, the Comptroller of the City of New York and any member of the Board of Trustees of the Article 1-B Pension Fund are hereby authorized and directed to take all steps necessary to carry out the agreements and obligations of the Article 1-B Pension Fund as embodied in the First Amendment, including, but not limited to (i) the exchange by the Article 1-B Pension Fund of its holdings of City Notes and MAC bonds for newly issued MAC bonds, as provided for in the First Amendment and (ii) the execution of such documents as may be requested by MAC, subject to the approval of counsel to the Article 1-B Pension Fund and the receipt by such counsel of such documents as may reasonably be requested.
RESOLUTION ADOPTED BY RETIREMENT BOARD OF NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

WHEREAS, the Municipal Assistance Corporation for the City of New York ("MAC"), certain New York City commercial banks (the "Banks"), the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the Police Pension Fund, Article 2, the Fire Department Pension Fund, Article 1-B and the Board of Education Retirement System of the City of New York (the "Pension Funds") and four New York City Sinking Funds (the "Sinking Funds") are parties to the Amended and Restated Agreement made as of November 26, 1975 (the "Amended and Restated Agreement"); and

WHEREAS, the New York City Teachers' Retirement System is the owner of a portion of certain short-term notes issued by the City of New York, which notes are subject to certain provisions of the Amended and Restated Agreement (the "City Notes"), the holdings of such Notes by the Retirement System being in the total principal amount, having original maturity dates and bearing interest as follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Original maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,270,000</td>
<td>May 28, 1976 and June 11, 1976</td>
<td>Paragraph 3 of the Amended and Restated Agreement provides that City Notes held by the Banks and Pension Funds shall bear interest of 6% per annum from their original stated maturity dates to the time of payment prescribed in that Paragraph</td>
</tr>
</tbody>
</table>

; and
WHEREAS, the New York City Teachers' Retirement System is the owner of certain bonds issued by MAC, which Bonds are subject to certain provisions of the Amended and Restated Agreement (the "old MAC bonds"), in the total principal amount, having maturity dates and bearing interest as follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$254,130,000</td>
<td>February 1, 1978 to February 1, 1986</td>
<td>6%</td>
</tr>
</tbody>
</table>

and;

WHEREAS, each of the Banks and each of the other Pension Funds is the owner of City Notes in a substantial principal amount, the total of such holdings by the Banks and Pension Funds being approximately $819 Million; and

WHEREAS, the Banks are the owners, in the aggregate, of approximately $964 Million principal amount of old MAC bonds and the Pension Funds are the owners, in the aggregate, of $614,530,000 principal amount of old MAC bonds, including the above-mentioned MAC bonds owned by the New York City Teachers' Retirement System, and the Sinking Funds, other than the Transit Unification Sinking Fund, are the owners, in the aggregate, of $121,520,000 principal amount of old MAC bonds, the total principal amount of such old MAC bonds held by the Banks, the Pension Funds and the Sinking Funds, in the aggregate, being approximately $1.7 billion; and
WHEREAS, Paragraph 1 of the Amended and Restated Agreement provides, among other things, that the City \(\text{Banks and the held by the Pension Funds} \) "will be subject to the moratorium" provided for by the New York State Emergency Moratorium Act for the City of New York (Laws 1975, Chs. 874, 875) and Paragraph 3 of such Agreement provides that each of the Banks and Pension Funds agrees that at the "termination of the 'moratorium period' under the Moratorium Act ***" it will perform certain acts (including renewing such Notes or exchanging same for or purchasing short-term notes of the City) whereby the principal of such Notes held by such Bank or Pension Fund will be paid by the City in installments over a period ending on July 1, 1986 and the Bank or Pension Fund will receive 6% interest on the unpaid principal from the original stated maturity of such Notes; and

WHEREAS, the above-mentioned Moratorium Act was declared unconstitutional by the New York Court of Appeals in Flushing National Bank v. Municipal Assistance Corporation, 40 NY 2d 731 (1976); and

WHEREAS, prior to the issuance of the remittitur by the Court of Appeals implementing its decision in this case, the Banks moved in that Court for leave to appear or to intervene in the action, contending, among other things, that they are no longer bound to accept deferred payment of the City Notes, as provided for in Paragraphs 1, 2 and 3 of the Amended and Restated Agreement, and that they are in the same position as other holders of City Notes who were ruled in the Flushing National Bank case to be entitled to payment, without deferment, on the City Notes which they held; and
WHEREAS, on February 7, 1977, the Court of Appeals denied such motion of the Banks "as untimely, without prejudice to any other proceedings which movants may be advised to bring"; and

WHEREAS, the remittitur of the Court of Appeals, issued on February 8, 1977, which implements its decision in the Flushing National Bank case, does not pass on the rights and obligations of the Banks and the Pension Funds under Paragraphs 1, 2 and 3 of the Amended and Restated Agreement; and

WHEREAS, the New York City Corporation Counsel, in Opinion Number 108,507 issued on June 16, 1977, stated in part (p. 19):

"It is the conclusion of this office that the agreement of the Banks and Pension Funds set forth in Paragraphs 1, 2 and 3 of the Agreement, including their agreements with respect to deferment of payment of principal of such Notes [City Notes] by the City, remain binding obligations of the Banks and Pension Funds, and

WHEREAS, to date none of the Banks or Pension Funds has brought any legal proceedings seeking to enforce payment of City Notes which it holds; and

WHEREAS, the City and MAC have proposed:

1. That the City Notes held by the Banks and Pension Funds be exchanged by them for MAC bonds pursuant to terms and conditions and on a closing date set forth in a proposed amendment to the Amended and Restated Agreement, which proposed amendment is to be executed by all the parties to the Amended and Restated Agreement and is entitled "First Amendment to the Amended and Restated Agreement" (the "First Amendment"); and
old and

2. That the/MAC bonds held by the Banks/the
Pension Funds.

be exchanged by them

for MAC bonds having a longer maturity period and bearing
a higher rate of interest, such exchange to be made pursuant
to terms and conditions and on the closing date set
forth in the First Amendment; and

WHEREAS, the First Amendment provides in terms
or in effect with respect to the proposed exchange of City
Notes held by the Banks and Pension Funds for MAC bonds
that, among other things:

(a) there shall be an underwritten
public sale by MAC after competitive
bidding of not less than $50 million
principal amount of 1977 Series 8 bonds of
MAC issued pursuant to its Second General
Bond Resolution, which bonds will mature
between 1980 and 1992 and which public sale
shall have been consummated by delivery of
and payment for the bonds before the closing
date for the exchange of City Notes for MAC
bonds;

(b) the rate of interest on the 1977
Series 8 MAC bonds will be determined by
the competitive bidding on the offering of
these bonds at the underwritten public sale;

(c) the Banks and Pension Funds will
exchange their City Notes at the closing
time for an equal principal amount of
1977 Series 9 bonds of MAC newly issued
pursuant to the Second General Bond Reso-
lution of the Corporation adopted on
November 25, 1975, as supplemented, which
1977 Series 9 bonds will mature between 1980 and 1992, will bear interest at the same rate as that borne by the 1977 Series 8 MAC bonds (as a result of competitive bidding on the public sale of the 1977 Series 8 bonds), and will otherwise be subject to terms and conditions similar to those applicable to the 1977 Series 8 bonds;

(d) the Banks and Pension Funds will not be obligated to make the exchange of their City Notes for the 1977 Series 9 MAC bonds on the closing date unless prior thereto the public sale of 1977 Series 8 MAC bonds has been consummated as above described and various other conditions for the benefit of the Banks and Pension Funds have been satisfied, including assurance that MAC and the City have timely paid when due the interest and principal on their respective bonds, issuance by certain securities rating agencies of specified minimum ratings of MAC bonds issued pursuant to its First General Bond Resolution adopted on July 2, 1975, as amended and supplemented and MAC bonds issued pursuant to its Second General Bond Resolution and issuance of an official statement of MAC (containing pertinent financial and other information) prior to acceptance of bids on the 1977 Series 8 MAC-bonds, and
WHEREAS, the First Amendment provides in terms or effect with respect to the proposed exchange of MAC bonds held by the Banks, Pension Funds and Sinking Funds for newly issued MAC bonds, among other things:

(a) at the closing, each of the Banks will exchange its present holdings of MAC bonds for newly issued 1977 Series GG MAC bonds (maturing on February 1, 1987) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued pursuant to MAC's First General Bond Resolution. The amount of the 1977 Series GG bonds thus issued to each Bank will equal the February 1, 1978 principal payment due on the Bank's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Bank will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series GG bonds will be 8%, provided that it will decrease to 6% if the defendants prevail in certain litigation wherein the plaintiffs, who are investors in New York City obligations, are seeking to hold the City and certain City officials, banks and securities dealers liable for damages for alleged violation of the antifraud provisions of the Federal Securities Acts and certain State laws in connection with the purchase and sale of City securities.
The interest rate on such 1977 Series HH bonds will be 7 1/2%.

(b) at the closing, each of the Pension Funds will exchange its present holdings of MAC bonds for newly issued 1977 Series FF MAC bonds (maturing on February 1, 1986) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued under MAC's First General Bond Resolution. The amount of the 1977 Series FF bonds issued to each Pension Fund will equal the February 1, 1978 principal payment due on the Pension Fund's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Pension Fund will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series FF bonds will be 7 1/2%.

The interest rate on such 1977 Series HH bonds will be 7 1/2%.
(c) the Banks and Pension Funds will not be obligated to exchange their present holdings of MAC bonds for newly issued MAC bonds as above described unless specified conditions for the benefit of the Banks/Pension Funds have been satisfied, including the prior or simultaneous closing of the above-described 1977 Series 8 MAC bond transactions and the 1977 Series 9 MAC bond transactions (the exchange of City Notes for MAC Bonds); and

WHEREAS, the First Amendment restates the obligation of the Pension Funds, under Paragraph 7(b) of the Amended and Restated Agreement, to purchase during the 1977-1978 fiscal year of the City up to $500,000,000 principal amount of serial bonds of the City and likewise restates the obligation of the Pension Funds, under Paragraph 7(c) of the Amended and Restated Agreement, to purchase an additional principal amount of serial bonds of the City equal to the
principal of City serial bonds purchased by the Pension Funds pursuant to such Paragraph 7 and required to be amortized prior to June 30, 1978; and

WHEREAS, the First Amendment provides that the Banks and Pension Funds are not required to make the exchanges provided for therein unless the Secretary of the Treasury of the United States, prior to the closing for such exchanges, gives the First Amendment his written approval pursuant to Public Law 94-236 (providing that bond purchases and other actions of the Pension Funds pursuant to the Amended and Restated Agreement or sanctioned amendments thereto shall not be deemed in violation of prohibited transactions restrictions or otherwise jeopardize the tax-exempt status of the Pension Funds); and

WHEREAS, a draft of the First Amendment has been submitted to the Board, which draft sets forth the essential terms and conditions of the First Amendment; and

WHEREAS, the Board has determined that it is in the best interests of the Retirement System and its members and retirees that the Retirement System become a party to the First Amendment and effectuate the exchanges of its holdings of City notes and old MAC bonds for newly issued MAC bonds as therein provided for;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board hereby approves the First amendment, with such changes therein as may be agreed to by counsel for the parties thereto and the Board hereby determines that the Retirement System shall become a party thereto.
2. Any member of the Retirement Board is hereby authorized and directed to execute the First Amendment on behalf of the Retirement System.

3. In addition to the authority otherwise conferred upon them, the Comptroller of the City of New York and the Executive Director of the Retirement System are hereby authorized and directed to take all steps necessary to carry out the agreements and obligations of the Retirement System as embodied in the First Amendment, including, but not limited to (i) the exchange by the Retirement System of its holdings of City Notes and MAC bonds for newly issued MAC bonds, as provided for in the First Amendment and (ii) the execution of such documents as may be requested by MAC, subject to the approval of counsel to the retirement system and the receipt by such counsel of such documents as may reasonably be requested.
RESOLUTION ADOPTED BY BOARD
OF TRUSTEES OF NEW YORK CITY
POLICE PENSION FUND, ARTICLE 2

WHEREAS, the Municipal Assistance Corporation
For the City of New York ("MAC"), certain New York City
commercial banks (the "Banks"), the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the Police Pension Fund, Article 2, the Fire Department Pension Fund, Article 1-B and the Board of Education Retirement System of the City of New York (the "Pension Funds") and four New York City Sinking Funds (the "Sinking Funds") are parties to the Amended and Restated Agreement made as of November 26, 1975 (the "Amended and Restated Agreement"); and

WHEREAS, the Police Pension Fund, Article 2 is the owner of a portion of certain short-term notes issued by the City of New York, which notes are subject to certain provisions of the Amended and Restated Agreement (the "City Notes"), the holdings of such City Notes by the Pension Fund being in the total principal amount, having original maturity dates and bearing interest as follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Original Maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,170,000</td>
<td>May 28, 1976 and June 11, 1976</td>
<td>Paragraph 3 of the Amended and Restated Agreement provides that City Notes held by the Banks and Pension Funds shall bear interest of 6% per annum from their original stated maturity dates to the time of payment prescribed in that Paragraph</td>
</tr>
</tbody>
</table>

; and
WHEREAS, the Police Pension Fund, Article 2 is the owner of a portion of certain bonds issued by MAC, which bonds are subject to certain provisions of the Amended and Restated Agreement (the "old MAC bonds"), in the total principal amount, having maturity dates and bearing interest as follows:

<table>
<thead>
<tr>
<th>Total Principal Amount</th>
<th>Maturity Dates</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$78,545,000</td>
<td>February 1, 1976 to February 1, 1986</td>
<td>6%</td>
</tr>
</tbody>
</table>

;and

WHEREAS, each of the Banks and each of the other Pension Funds is the owner of City Notes in a substantial principal amount, the total of such holdings by the Banks and Pension Funds being approximately $819 Million; and

WHEREAS, the Banks are the owners, in the aggregate, of approximately $964 Million principal amount of old MAC bonds and the Pension Funds are the owners, in the aggregate, of $614,530,000 principal amount of old MAC bonds, including the above-mentioned old MAC bonds owned by the Police Pension Fund, Article 2, and the Sinking Funds, other than the Transit Unification Sinking Fund, are the owners, in the aggregate, of $121,520,000 principal amount of old MAC bonds, the total principal amount of such old MAC bonds held by the Banks, the Pension Funds and the Sinking Funds, in the aggregate, being approximately $1.7 billion; and
WHEREAS, Paragraph 1 of the Amended and Restated Agreement provided, among other things, that the City Notes held by the Pension Funds "will be subject to the moratorium" provided for by the New York State Emergency Moratorium Act for the City of New York (Laws 1975, Chs. 874, 875) and Paragraph 3 of such Agreement provides that each of the Banks and Pension Funds agrees that at the termination of the 'moratorium period' under the Moratorium Act *** it will perform certain acts (including renewing such Notes or exchanging same for or purchasing short-term notes of the City) whereby the principal of such Notes held by such Bank or Pension Fund will be paid by the City in installments over a period ending on July 1, 1986 and each Bank or Pension Fund will receive 6% interest on the unpaid principal from the original stated maturity of such Notes; and

WHEREAS, the above-mentioned Moratorium Act was declared unconstitutional by the New York Court of Appeals in Flushing National Bank v. Municipal Assistance Corporation, 40 NY 2d 731 (1976); and

WHEREAS, prior to the issuance of the remittitur by the Court of Appeals implementing its decision in this case, the Banks moved in that Court for leave to appear or to intervene in the action, contending, among other things, that they are no longer bound to accept deferred payment of the City Notes, as provided for in Paragraphs 1, 2 and 3 of the Amended and Restated Agreement, and that they are in the same position as other holders of City Notes who were ruled in the Flushing National Bank case to be entitled to payment, without deferment, on the City Notes which they held; and
WHEREAS, on February 7, 1977, the Court of Appeals denied such motion of the Banks "as untimely, without prejudice to any other proceedings which movants may be advised to bring"; and

WHEREAS, the remittitur of the Court of Appeals, issued on February 8, 1977, which implements its decision in the Flushing National Bank case, does not pass on the rights and obligations of the Banks and the Pension Funds under Paragraphs 1, 2 and 3 of the Amended and Restated Agreement; and

WHEREAS, the New York City Corporation Counsel, in Opinion Number 108,507 issued on June 16, 1977, stated in part (p. 19):

"It is the conclusion of this office that the agreement of the Banks and Pension Funds set forth in Paragraphs 1, 2 and 3 of the Agreement, including their agreements with respect to deferment of payment of principal of such Notes [City Notes] by the City, remain binding obligations of the Banks and Pension Funds, and

WHEREAS, to date none of the Banks or Pension Funds has brought any legal proceedings seeking to enforce payment of City Notes which it holds; and

WHEREAS, the City and MAC have proposed:

1. That the City Notes held by the Banks and Pension Funds be exchanged by them for MAC bonds pursuant to terms and conditions and on a closing date set forth in a proposed amendment to the Amended and Restated Agreement, which proposed amendment is to be executed by all the parties to the Amended and Restated Agreement and is entitled "First Amendment to the Amended and Restated Agreement" (the "First Amendment"); and
2. That the MAC bonds held by the Banks and the Pension Funds be exchanged by them for MAC bonds having a longer maturity period and bearing a higher rate of interest, such exchange to be made pursuant to terms and conditions as set forth in the First Amendment; and

WHEREAS, the First Amendment provides in terms or in effect with respect to the proposed exchange of City Notes held by the Banks and Pension Funds for MAC bonds that, among other things:

(a) there shall be an underwritten public sale by MAC after competitive bidding of not less than $50 million principal amount of 1977 Series 8 bonds of MAC issued pursuant to its Second General Bond Resolution, which bonds will mature between 1980 and 1992 and which public sale shall have been consummated by delivery of and payment for the bonds before the closing date for the exchange of City Notes for MAC bonds;

(b) the rate of interest on the 1977 Series 8 MAC bonds will be determined by the competitive bidding on the offering of these bonds at the underwritten public sale;

(c) the Banks and Pension Funds will exchange their City Notes at the closing time for an equal principal amount of 1977 Series 9 bonds of MAC newly issued pursuant to the Second General Bond Resolution of the Corporation adopted on November 25, 1975, as supplemented, which
1977 Series 9 bonds will mature between 1980 and 1992, will bear interest at the same rate as that borne by the 1977 Series 8 MAC bonds (as a result of competitive bidding on the public sale of the 1977 Series 8 bonds), and will otherwise be subject to terms and conditions similar to those applicable to the 1977 Series 8 bonds:

(d) the Banks and Pension Funds will not be obligated to make the exchange of their City Notes for the 1977 Series 9 MAC bonds on the closing date unless prior thereto the public sale of 1977 Series 8 MAC bonds has been consummated as above described and various other conditions for the benefit of the Banks and Pension Funds have been satisfied, including assurance that MAC and the City have timely paid when due the interest and principal on their respective bonds, issuance by certain securities rating agencies of specified minimum ratings of MAC bonds issued pursuant to its First General Bond Resolution adopted on July 2, 1975, as amended and supplemented and MAC bonds issued pursuant to its Second General Bond Resolution and issuance of an official statement of MAC (containing pertinent financial and other information) prior to acceptance of bids on the 1977 Series 8 MAC bonds; and
WHEREAS, the First Amendment provides in terms of effect with respect to the proposed exchange of old and MAC bonds held by the Banks / Pension Funds for newly issued MAC bonds, among other things:

(a) at the closing, each of the Banks will exchange its present holdings of MAC bonds for newly issued 1977 Series GG MAC bonds (maturing on February 1, 1987) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued pursuant to MAC's First General Bond Resolution. The amount of the 1977 Series GG bonds thus issued to each Bank will equal the February 1, 1978 principal payment due on the Bank's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Bank will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series GG bonds will be 8%, provided that it will decrease to 6% if the defendants prevail in certain litigation wherein the plaintiffs, who are investors in New York City obligations, are seeking to hold the City and certain City officials, banks and securities dealers liable for damages for alleged violation of the antifraud provisions of the Federal Securities Acts and certain State laws in connection with the purchase and sale of City securities.
The interest rate on such 1977 Series HH bonds will be 7 1/2%.

(b) At the closing, each of the Pension Funds will exchange its present holdings of MAC bonds for newly issued 1977 Series FF MAC bonds (maturing on February 1, 1986) and 1977 Series HH MAC bonds (maturing between 1988 and 1995) issued under MAC's First General Bond Resolution. The amount of the 1977 Series FF bonds issued to each Pension Fund will equal the February 1, 1978 principal payment due on the Pension Fund's present holdings of MAC bonds and the amount of the 1977 Series HH bonds thus issued to each Pension Fund will equal the remaining unpaid principal amount of its present holdings of MAC bonds. The interest rate with respect to such 1977 Series FF bonds will be 7 1/2%.

The interest rate on such 1977 Series HH bonds will be 7 1/2%.
(e) the Banks and Sinking Funds will not be obligated to exchange their present holdings of MAC bonds for newly issued MAC bonds as above described unless specified conditions for the benefit of the Banks, Pension Funds and Sinking Funds have been satisfied, including the prior or simultaneous closing of the above-described 1977 Series 8 MAC bond transactions and the 1977 Series 9 MAC bond transactions (the exchange of City Notes for MAC Bonds); and

WHEREAS, the First Amendment restates the obligation of the Pension Funds, under Paragraph 7(b) of the Amended and Restated Agreement, to purchase during the 1977-1978 fiscal year of the City up to $500,000,000 principal amount of serial bonds of the City and likewise restates the obligation of the Pension Funds, under Paragraph 7(c) of the Amended and Restated Agreement, to purchase an additional principal amount of serial bonds of the City equal to the
principal of City serial bonds purchased by the Pension Funds pursuant to such Paragraph 7 and required to be amortized prior to June 30, 1978; and

WHEREAS, the First Amendment provides that the Banks and Pension Funds are not required to make the exchanges provided for therein unless the Secretary of the Treasury of the United States, prior to the closing for such exchanges, gives the First Amendment his written approval pursuant to Public Law 94-236 (providing that bond purchases and other actions of the Pension Funds pursuant to the Amended and Restated Agreement or sanctioned amendments thereto shall not be deemed in violation of prohibited transactions restrictions or otherwise jeopardize the tax-exempt status of the Pension Funds); and

WHEREAS, a draft of the First Amendment has been submitted to the Board of Trustees, which draft sets forth the essential terms and conditions of the First Amendment; and

WHEREAS, the Board of Trustees has determined that it is in the best interests of the Pension Fund and its members and retirees that the Pension Fund become a party to the First Amendment and effectuate the exchanges of its holdings of City notes and old MAC bonds for newly issued MAC bonds as therein provided for;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees hereby approves the [NON-SUBSTANTIAL] First amendment, with such changes therein as may be agreed to by counsel for the parties thereto and the Board hereby determines that the Pension Fund shall become a party thereto.
2. Any member of the Board of Trustees is hereby authorized and directed to execute the First Amendment on behalf of the Pension Fund.

3. In addition to the authority otherwise conferred upon them, the Comptroller of the City of New York and any member of the Board of Trustees of the Article 2 Pension Fund are hereby authorized and directed to take all steps necessary to carry out the agreements and obligations of the Article 2 Pension Fund as embodied in the First Amendment, including, but not limited to (i) the exchange by the Article 2 Pension Fund of its holdings of City Notes and old MAC bonds for newly issued MAC bonds, as provided for in the First Amendment and (ii) the execution of such documents as may be requested by the MAC, subject to the approval of counsel to/Article 2 Pension Fund and the receipt by such counsel of such documents as may reasonably be requested.