Date: 30 April 1982
To: Jonathan Plutzik
    Hal Cook
    Heather L. Ruth
From: [illegible]
Re: Latest CP Documents

Enclosed are:

1. Letter, memorandum and waiver which went out to financial institutions and pension funds.


3. Latest Citibank agreement, marked draft because it still lacks one sentence (final available Monday).

Cheers! Sorry I didn't have the presence to hand these packages to Hal at the meeting, let alone send them out the 22nd.
21 April 1982

Dear

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to raise up to $250 million through the issuance of short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described in the enclosed memorandum. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation requests your consent, as a party to the Agreement, to a waiver of those restrictions for the limited purpose of enabling the Corporation to undertake its Commercial Paper Program. Enclosed is a proposed "Waiver Upon Consent" (the "Waiver") for your consideration.

The objective of the Program is to achieve for the City of New York the substantial annual debt service savings available as a result of the very steep differential in the current market between short-term and long-term interest rates. The Corporation has already obtained a commitment from Citibank, N.A., for a $100 million irrevocable line of credit which will enable the Corporation to raise the initial $100 million of the proposed $250 million. The debt service savings on this $100 million is estimated to be approximately $3 million annually for each year the Commercial Paper is outstanding.

An additional advantage of the Program is its attractiveness to institutional investors who are not currently active investors in long-term municipal obligations. The Corporation expects this relatively small portion of the $1.3 billion of obligations remaining to be issued by the Corporation to be sold principally to those institutions, reducing some of the demand upon the market for the Corporation's publicly offered bonds.
In developing the Commercial Paper Program, the Corporation has attempted to anticipate and address the concerns that you and other of the Corporation's investors may have. The Corporation has limited the size of the Program and its duration. The proposed $250 million of outstanding Commercial Paper represents only 18 percent of the principal amount of the Corporation's remaining financings and only 3 percent of the projected maximum outstanding debt of the Corporation. In addition, no Commercial Paper may be sold unless the then current revenues meet or exceed the maximum debt service on Second Resolution Bonds by a factor of 2.2, a higher coverage test than that currently applicable to the issuance of Second Resolution Bonds.

The Corporation expects to refund the Commercial Paper through the future issuance of bonds at a time when the Corporation's financing program in the public markets is less ambitious than it is currently and when market conditions may have improved. However, in order to provide assurance that the Commercial Paper can be refunded upon acceptable terms under the worst of circumstances, the Waiver requires that one or more banks make available a "take-out" which would permit the Corporation to amortize the borrowing over no less than a five-year period. The Corporation's repayment obligation to the banks may be evidenced by Second Resolution Bonds, but not by First Resolution Bonds.

To facilitate your review of the Commercial Paper Program and the Waiver, the Corporation, together with Mr. Richard B. Smith of Messrs. Davis Polk & Wardwell, special counsel to the Financial Institutions, will conduct an information meeting, at which the Corporation will describe the Program and answer any questions you may have. The meeting will be held at 11:00 o'clock on Friday, April 30, 1982 at the Corporation's offices. For convenience in planning this meeting, please contact Ms. Vicki Standifer at the Corporation (775-0010) if you plan to attend.

Upon request the Corporation will make available copies of the agreements between the Corporation and Citibank. As provided in the Waiver, the Corporation will make available such agreements as it may enter into with any other bank in connection with its Commercial Paper Program.
Also enclosed is a form which indicates the principal amount of bonds still held by you of those originally purchased under the Agreement. This information is required to determine whether sufficient consents have been received for the Waiver to become effective. The form should be completed and returned even if you do not consent to the Waiver.

This form and the Waiver should be returned to Mr. Frederick M. Werblow at Price Waterhouse, 153 East 53rd Street, New York, New York 10022, who will tally the information and report the results to the Corporation. Price Waterhouse will hold the form in confidence; provided, however, that counsel for each of the Purchasers under the Agreement shall have the right to examine the form submitted by their respective clients.

The Corporation requests that these materials be returned by May 5th.

Sincerely,

Heather L. Ruth
Executive Director

Enclosures
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.
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.

(Name of purchaser)

By

Title:

Dated as of April 30, 1982
21 April 1982

Purchasers under the Bond Purchase Agreement dated as of November 15, 1978.

Municipal Assistance Corporation For The City of New York

The Corporation's Proposed Tax Exempt Commercial Paper Program and Request for a Waiver of the Bond Purchase Agreement

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to issue short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described below. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation is requesting your consent, as a party to the Agreement, to a waiver of those restrictions.

The Tax Exempt Commercial Paper Program

Under the Commercial Paper Program the Corporation will issue either interest bearing or discounted Commercial Paper to finance a portion of the City's capital program. The Commercial Paper will mature within twelve months of issue. During the term of the Program the Commercial Paper is intended to be paid out of the proceeds of the sale of additional Commercial Paper. The principal or face amount of Commercial Paper outstanding at any time will not exceed $250 million. After December 31, 1984, the Corporation will sell no Commercial Paper, except to refund outstanding Commercial Paper or to repay amounts advanced pursuant to the Bank Commitment described below. The Program will terminate entirely by July 1, 1987, after which no Commercial Paper is to be outstanding.

A coverage test is to be applied to the issuance of the Commercial Paper. Under this test no Commercial Paper may be issued unless at the time of issuance the revenues available and pledged for the payment of Second Resolution Bonds is at least 2.2 times the maximum debt service on such bonds. For the purposes of this test, the Corporation is assumed to be indebted to the Banks providing the Commitment described below to the full extent of the Commitment and the repayment obligation is to be treated as additional debt service on Second Resolution Bonds.

As a condition to the issuance of any Commercial Paper, the Corporation must obtain from one or more banks (the "Banks") an irrevocable commitment (the "Commitment") to pay or make advances to pay the face amount of, and interest, if any, to
accrue to maturity on the Commercial Paper. The Commitment may take a number of forms, e.g., letter of credit, line of credit. However, the Banks must be obligated to pay or make advances to pay outstanding Commercial Paper even though the Corporation's financial condition may have deteriorated, rendering it unable to pay the Commercial Paper from other sources.

While the Corporation intends to end the Program by refunding the Commercial Paper through the issuance of bonds in the public market, the Commitment must also provide that the Corporation's obligation to the Banks is to be repaid over a period of not less than five years. This assures that the Corporation's debt to the Banks at termination of the Commercial Paper Program can be amortized in a manner that will not disrupt the operation of either the Corporation or the City. The Corporation's repayment obligation to the Banks may be evidenced by bonds issued under its Second General Bond Resolution (but not its First General Bond Resolution), or by other obligations payable from revenues available to the Corporation after the payment of Second Resolution Bonds.

The Corporation may secure its repayment obligation to the Banks by the pledge of other assets of the Corporation. The Corporation's portfolio of bonds of the City of New York is not subject to any pledge or lien for the benefit of the Corporation's bondholders and, therefore, is available as security for its repayment obligation to the Banks. However, if the repayment obligation is to be secured by a pledge of City bonds, the pledged bonds, after September 15, 1982, may not at any time mature within the succeeding twelve months.

* * *

The Corporation has concluded negotiations with Citibank, N.A. for an irrevocable line of credit which would allow the Corporation to begin the Commercial Paper Program by providing for the first $100 million of the proposed $250 million. This Program conforms to the terms described above and contained in the Waiver. The Corporation's Board of Directors authorized the Program in December 1981. Standard & Poor's has informed us that they will rate the Commercial Paper A1+. Fitch Investors Service rated it F-1, its highest rating. The Corporation has requested Moody's Investors Service to rate the Commercial Paper but its rating has not yet been announced.

During the term of this Program, advances made for the payment of maturing Commercial Paper are to be repaid out of the proceeds of subsequently issued Commercial Paper. Advances outstanding upon termination of Citibank's commitment may be amortized over a period of at least five years. The Corporation's repayment obligations to Citibank will be
Municipal Assistance Corporation
For The City of New York

evidenced by a note payable out of the revenues available to the Corporation after payment of debt service on bonds issued under the Corporation's First or Second General Bond Resolutions. The note is to be secured by a pledge of bonds of the City of New York held by the Corporation. Under certain circumstances, the Corporation's obligation under the note may be exchanged for Second Resolution Bonds to be issued to Citibank.

Consents to the Waiver

The Waiver is expressly limited to Commercial Paper Programs which conform to the terms described above and would not permit the Corporation to issue any other obligations proscribed by Section 4.3 of the Agreement.

Beginning in December 1981, the Corporation met with representatives of The Chase Manhattan Bank, N.A., Morgan Guaranty Trust Company of New York, the Savings Bank Association of New York State, Metropolitan Life Insurance Company, New York Life Insurance Company and Messrs. Davis Polk & Wardwell, special counsel to the Financial Institutions, as well as with the City Pension Funds. The discussions were useful to the Corporation in developing a Waiver that we believe adequately addresses the concerns you may have about the Corporation's Commercial Paper Program. The proposed Waiver reflects many of the suggestions made by the Financial Institutions. None of the Financial Institutions which participated in the discussion have informed the Corporation of their intentions with respect to the Waiver. Their consent and the consent of the City Pension Funds is being requested at this time as well.

The Agreement provides that so long as at least 50% of the bonds originally purchased by the Financial Institutions and the City Pension Funds are held by them, no waiver will be effective unless the consent of the holders of at least 50% of the bonds still held is obtained. The percentage of the holders required to approve increases to 75% if 75% or more of the bonds purchased are still held by Financial Institutions and City Pension Funds. In order to determine which percentage is applicable and whether the required consents have been obtained, it is necessary for you to indicate the principal amount of the bonds originally purchased under the Agreement that are now held by you. A form is attached for your convenience.

Other Approvals Required

In addition to your consent to the Waiver, the consent of the Mayor and Comptroller of the City, the United States Secretary of the Treasury, and the State Comptroller will also be required. The Corporation has periodically briefed their representatives about the Program.
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING INFORMATION.

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<tr>
<th>Series</th>
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<td>Series 18 (7-7/8% of 1999)</td>
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<td>Series 22 (8-3/4% of 1999)</td>
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<td>Series 26 (10-3/4% of 2000)</td>
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<td>Series 30 (11-3/8% of 2000)</td>
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<tr>
<td>Series 33 (13-3/8% of 2001)</td>
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<tr>
<td>TOTAL</td>
<td>$</td>
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Pension Fund:

____________________________________
Name of Pension Fund

____________________________________
Signature of Authorized Officer

____________________________________
Title

Dated:

COMPLETE AND RETURN EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING INFORMATION.

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<tr>
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</tr>
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<td>Series 13 (7.85-8.5% of 1985-1998)</td>
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<tr>
<td>Series 17 (7-7/8% of 1999)</td>
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<td>Series 21 (8-3/4% of 1999)</td>
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<td>Series 25 (10-3/4% of 2000)</td>
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<td>Series 29 (11-3/8% of 2000)</td>
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<tr>
<td>Series 32 (13-3/8% of 2001)</td>
<td>$</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

Financial Institution:

________________________________________
Name of Institution

________________________________________
Signature of Authorized Officer

________________________________________
Title

Dated:

COMPLETE AND RETURN
EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
$100,000,000

REVOLVING CREDIT AND TERM LOAN AGREEMENT

Dated as of March __, 1982

Between

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
as Borrower

and

CITIBANK, N.A.
as Lender
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parties and Preliminary Statement</td>
<td>1</td>
</tr>
<tr>
<td><strong>ARTICLE I</strong></td>
<td></td>
</tr>
<tr>
<td>AMOUNTS AND TERMS OF THE ADVANCES</td>
<td></td>
</tr>
<tr>
<td>1.01 The Advances</td>
<td>1</td>
</tr>
<tr>
<td>1.02 Notice; Manner and Amount of Advances</td>
<td>1</td>
</tr>
<tr>
<td>1.03 Fees</td>
<td>2</td>
</tr>
<tr>
<td>1.04 Reduction of the Commitment</td>
<td>3</td>
</tr>
<tr>
<td>1.05 Repayment of the Advances</td>
<td>4</td>
</tr>
<tr>
<td>1.06 Interest</td>
<td>4</td>
</tr>
<tr>
<td>1.07 Mandatory and Optional Prepayments</td>
<td>5</td>
</tr>
<tr>
<td>1.08 Conversion of Advances to Second Resolution Bonds</td>
<td>6</td>
</tr>
<tr>
<td>1.09 Payments and Computations</td>
<td>8</td>
</tr>
<tr>
<td>1.10 State Covenant</td>
<td>9</td>
</tr>
<tr>
<td>1.11 Evidence of Debt</td>
<td>9</td>
</tr>
<tr>
<td>1.12 Use of Proceeds; Authorization and Instruction with Respect to Advances</td>
<td>9</td>
</tr>
<tr>
<td><strong>ARTICLE II</strong></td>
<td></td>
</tr>
<tr>
<td>CONDITION OF LENDING</td>
<td></td>
</tr>
<tr>
<td>2.01 Condition Precedent to Advances</td>
<td>9</td>
</tr>
<tr>
<td><strong>ARTICLE III</strong></td>
<td></td>
</tr>
<tr>
<td>REPRESENTATIONS AND WARRANTIES</td>
<td></td>
</tr>
<tr>
<td>3.01 Representations and Warranties of the Corporation</td>
<td>12</td>
</tr>
<tr>
<td><strong>ARTICLE IV</strong></td>
<td></td>
</tr>
<tr>
<td>COVENANTS OF THE CORPORATION</td>
<td></td>
</tr>
<tr>
<td>4.01 Affirmative Covenants</td>
<td>15</td>
</tr>
<tr>
<td>4.02 Negative Covenants</td>
<td>18</td>
</tr>
<tr>
<td>4.03 Provisions with Respect to the State Covenant</td>
<td>21</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td><strong>ARTICLE V</strong>&lt;br&gt;EVENTS OF DEFAULT; EXTRAORDINARY SITUATIONS</td>
<td></td>
</tr>
<tr>
<td>5.01 Events of Default</td>
<td>21</td>
</tr>
<tr>
<td>5.02 Extraordinary Situations</td>
<td>24</td>
</tr>
<tr>
<td><strong>ARTICLE VI</strong>&lt;br&gt;PAYMENT ACCOUNT</td>
<td></td>
</tr>
<tr>
<td>6.01 Payment Account</td>
<td>25</td>
</tr>
<tr>
<td>6.02 Maintaining the Payment Account</td>
<td>25</td>
</tr>
<tr>
<td>6.03 Transfers and Other Liens</td>
<td>25</td>
</tr>
<tr>
<td>6.04 Return of Funds</td>
<td>26</td>
</tr>
<tr>
<td><strong>ARTICLE VII</strong>&lt;br&gt;DEFINITIONS AND ACCOUNTING TERMS</td>
<td></td>
</tr>
<tr>
<td>7.01 Certain Defined Terms</td>
<td>26</td>
</tr>
<tr>
<td>7.02 Accounting Terms</td>
<td>30</td>
</tr>
<tr>
<td><strong>ARTICLE VIII</strong>&lt;br&gt;MISCELLANEOUS</td>
<td></td>
</tr>
<tr>
<td>8.01 Amendments, Etc</td>
<td>30</td>
</tr>
<tr>
<td>8.02 Notices, Etc</td>
<td>30</td>
</tr>
<tr>
<td>8.03 No Waiver; Remedies</td>
<td>31</td>
</tr>
<tr>
<td>8.04 Costs and Expenses</td>
<td>31</td>
</tr>
<tr>
<td>8.05 Limitation of Interest</td>
<td>31</td>
</tr>
<tr>
<td>8.06 Consent to Jurisdiction</td>
<td>31</td>
</tr>
<tr>
<td>8.07 Right of Set-Off</td>
<td>32</td>
</tr>
<tr>
<td>8.08 Binding Effect</td>
<td>32</td>
</tr>
<tr>
<td>8.09 Governing Law</td>
<td>33</td>
</tr>
<tr>
<td>8.10 Participation Agreement</td>
<td>33</td>
</tr>
<tr>
<td>8.11 Execution in Counterparts</td>
<td>33</td>
</tr>
</tbody>
</table>
Exhibit A - Form of Bank Note
Exhibit B - Form of Issuing and Paying Agency Agreement  
          Exhibit A - Form of CP Note
Exhibit C - Form of Security Agreement
Exhibit D - Form of Opinion of Special Counsel to the Corporation
Exhibit E - Form of Opinion of Bond Counsel
REVOLVING CREDIT AND TERM LOAN AGREEMENT

Dated as of [March] _, 1982

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") agree as follows:

PRELIMINARY STATEMENT. The Corporation wishes to obtain Advances (this term and certain other terms being defined in Article VII) in an aggregate outstanding amount of up to $100,000,000, on the terms and conditions set forth in this Agreement, as a standby facility to ensure the payment of matured CP Notes presented to the Issuing and Paying Agent for payment. The Bank has agreed to make Advances to the Corporation on such terms and conditions.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 1.01. The Advances. The Bank irrevocably agrees, on the terms and conditions hereinafter set forth and subject to Sections 5.01 and 5.02, to make Advances to the Corporation, and the Corporation may borrow and reborrow from the Bank, from time to time on any Business Day during the period from the date hereof to and including the Termination Date in an aggregate amount not to exceed at any time outstanding the amount of the Commitment. Within the limits of the Commitment, the Corporation may borrow, prepay the Bank Note pursuant to Section 1.07(b) and reborrow under this Section 1.01.

SECTION 1.02. Notice; Manner and Amount of Advances. (a) The Corporation agrees to give notice to the Bank of an anticipated Payment Deficiency (such notice to include the amount of such Payment Deficiency) not later than 3:00 P.M. on any Business Day next preceding the day upon which payment at maturity of any CP Note is due, whenever the Corporation knows of any circumstance which makes it likely that a Payment Deficiency will occur.
(b) If payment at maturity of any CP Note would create a Payment Deficiency, then upon receipt of notice thereof by the Bank from the Corporation not later than 12:00 noon on the day such payment is due, an Advance shall be made on the day such payment is due, in same day funds, pursuant to the irrevocable instructions of the Corporation set forth in Section 1.12, in an amount equal to such Payment Deficiency. The Corporation agrees to give such notice to the Bank whenever the Corporation knows of any circumstance which makes it probable that such Payment Deficiency will occur.

(c) Notwithstanding the Corporation's failure to give notice under Section 1.02(a) or 1.02(b), if payment at maturity of any CP Note would create a Payment Deficiency, then upon receipt of notice thereof by the Bank from the Corporation or the Issuing and Paying Agent an Advance shall be made on the Business Day such payment is due, in same day funds, pursuant to the irrevocable instructions of the Corporation set forth in Section 1.12, in an amount equal to such Payment Deficiency.

(d) If the Bank elects to make an Advance pursuant to Section 5.02, an Advance shall be made in same day funds pursuant to the irrevocable instructions of the Corporation set forth in Section 1.12, in an amount equal to the aggregate principal amount of the CP Notes plus the interest to accrue to maturity of such CP Notes issued and outstanding at the time of such election less the amount, if any, in the Payment Account at such time.

SECTION 1.03. Fees. The Corporation agrees to pay to the Bank the following fees:

(a) A commitment fee on the average daily unused portion of the Commitment from October 16, 1981 until the date of this Agreement, at the rate of 1/2 of 1% per annum, payable [quarterly] in arrears, commencing on the earlier of February 1, 1982 and the Payment Date for such fee.

(b) A facility fee on the average daily amount of the Commitment from the date of this Agreement until the Termination Date, at the rate of 3/4 of 1% per annum, payable annually in advance, commencing on the earlier of April 1, 1982 and the Payment Date for such fee (in the case of the first such payment) and on each anniversary of the date of this Agreement thereafter. Such fee shall be calculated on the
amount of the Commitment outstanding on the date of this Agreement (in the case of the first payment) and thereafter on each date payment of such fee is due. Upon reduction or termination of the Commitment, the Bank shall reimburse the Corporation for any excess facility fee paid.

(c) An activity fee on the average daily amount (being principal and interest) of CP Notes issued and outstanding, at the rate of 3/4 of 1% per annum, calculated as at the first day of each January, April and October and on each June 15 and payable in arrears on the earlier of the date being one calendar month after the date of each calculation of such fee and the Payment Date for such fee.

(d) A management fee from the date of this Agreement until payment in full of the Advances after the Termination Date, at the rate of 1/8 of 1% per annum, calculated as provided in the two following sentences. During the period from the date of this Agreement to the Termination Date, such fee shall be calculated on the amount of the Commitment on the date of this Agreement (in the case of the first payment) and thereafter on the date payment of such fee is due. From the Termination Date, such fee shall be calculated on the aggregate amount of the Advances outstanding on the date payment of such fee is due. Upon prepayment in full of the Advances after the Termination Date, the Bank shall reimburse the Corporation for any management fee paid in excess of the management fee which would have been payable for the year in which such prepayment occurs had the management fee been payable pro rata for such year and computed in accordance with Section 1.09(b). Such fee shall be payable annually in advance, on the earlier of April 1, 1982 and the Payment Date for such fee (in the case of the first payment), on each anniversary of this Agreement thereafter until the Termination Date, on the Termination Date, and on each anniversary of the Termination Date thereafter.

SECTION 1.04. Reduction of the Commitment. The Corporation shall have the right, upon at least five Business Days' notice to the Bank, to terminate in whole or reduce in part the unused portion of the Commitment, provided that (a) the Commitment shall not be reduced below the sum of the aggregate amount of outstanding
Advances hereunder and the aggregate principal amount of CP Notes issued and outstanding and interest to accrue on such notes to their maturity, (b) each partial reduction shall be in an integral multiple of $1,000,000, and (c) unless such termination or reduction is made during the year preceding the Termination Date, the Corporation will pay to the Bank a fee on the amount of the Commitment so terminated or reduced, at the rate of 1/2 of 1% thereof.

SECTION 1.05. Repayment of the Advances. Subject to Sections 1.07 and 1.08, the Corporation shall repay to the Bank the principal amount of each Advance in 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 (i) in the case of any Advance made prior to or on, and outstanding on, the Termination Date, on the Termination Date, and (ii) in the case of any Advance required under this Agreement to be made after the Termination Date, on the date of such Advance, and (b) on the last day of such period; provided that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of such Advances.

SECTION 1.06. Interest. The Corporation shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until said principal amount becomes 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 days) 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, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Federal Reserve Board 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 nonpersonal time deposits each at least $100,000, plus (iii) the average during such three-week period of the daily net annual assessment rates estimated by the Bank for determining the current annual assessment payable by the Bank to the Federal Deposit Insurance Corporation for insuring three-month time deposits,

(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 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. The "Applicable Percentage" means, 1/2 of 1% per annum from the date of this Agreement to the Termination Date, 1% per annum from the Termination Date to the second anniversary of the 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 Bank 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 1.07. Mandatory and Optional Prepayments. (a) The Corporation shall, from time to time before the Termination Date at any time that the proceeds of sales of CP Notes exceeds the amount required for the payment of CP Notes maturing on the day of such
sales, prepay the Bank Note in reduction of the Advances outstanding in a principal amount equal to such excess proceeds, together with accrued interest to the date of such prepayment on the amount so prepaid; 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 Bank 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 1.08. Conversion of Advances to Second Resolution Bonds. (a) At any time on or after the 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 Bank Note, or (ii) prepay the outstanding aggregate principal amount of the Bank 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 1.08(a) or 5.02(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 coupon, 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, of 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 1.08(a) or 5.02(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 Termination Date, such average life shall be approximately, but not less than, five years. If such date of issue is after the Termination Date, such average life shall be approximately five years minus half of the number of whole years from the 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 the lesser of (i) the amount of the Commitment at the time of calculation of such limitation and (ii) after the Termination Date, the principal amount of the Bank 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 at a rate of 8% per annum, payable on the first days of January and July in each year, commencing 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 1.08. The foregoing covenant and agreement of the Corporation shall be of no further force and effect after the earlier of the date of repayment in full (after the Termination Date) of the Advances and the issue and delivery of the Second Resolution Bonds to the Bank pursuant to Section 1.08(a) or 5.02(a).
(e) The Bank may, at any time, sell, transfer or otherwise dispose of any Second Resolution Bonds received pursuant to Section 1.08(a) or 5.02(a).

(f) Upon the issue and delivery of the Second Resolution Bonds to the Bank pursuant to Section 1.08(a) or 5.02(a), the management fee referred to in Section 1.03(d) shall cease to accrue, but the activity fee referred to in Section 1.03(c) shall accrue until all CP Notes then outstanding, if any, have been paid as they mature.

SECTION 1.09. Payments and Computations. (a) The Corporation shall make each payment hereunder and under the Bank Note not later than 11:00 A.M. (New York City time) on the day when due in lawful money of the United States to the Bank at the Bank's address referred to in Section 8.02 in same day funds.

(b) All computations of interest (other than for the Second Resolution Bonds issued and delivered to the Bank pursuant to Section 1.08(a) or 5.02(a)) and fees shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. 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 1.08(a) or 5.02(a)) shall be conclusive and binding for all purposes in the absence of manifest error.

(c) Whenever any payment hereunder or under the Bank 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 Bank 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 Bank Note to receive, such payments.
SECTION 1.10. 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 Bank Note and the Security Agreement, or in any way impair the rights and remedies of the Bank as holder of the Bank Note or any other holder of the Bank Note until the Bank 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 Bank 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.

SECTION 1.11. Evidence of Debt. The indebtedness of the Corporation resulting from each Advance made by the Bank shall be evidenced by the Bank Note to the order of the Bank, delivered for the account of the Bank pursuant to Article II.

SECTION 1.12. Use of Proceeds; Authorization and Instruction With Respect to Advances. The proceeds of Advances shall be paid to the Issuing and Paying Agent for deposit in the Payment Account and shall be used by the Issuing and Paying Agent only for the payment of matured CP Notes presented to the Issuing and Paying Agent for payment; and the Corporation hereby irrevocably authorizes and instructs the Bank to make Advances for such purpose in accordance with the provisions of Sections 1.01 and 1.02, and hereby irrevocably authorizes and instructs the Bank to pay such proceeds to the Issuing and Paying Agent to be held in trust by it, in accordance with the CP Note Resolution, for the benefit of the holders of such CP Notes.

ARTICLE II
CONDITION OF LENDING

SECTION 2.01. Condition Precedent to Advances. The obligation of the Bank to make Advances is subject to the condition precedent that the Bank shall have received at its address referred to in Section 8.02 at least five Business Days before the day of the initial issue of CP
Notes under the Issuing and Paying Agency Agreement all of the following, each dated the same date (which shall be the date of delivery thereof to the Bank) and each in form and substance satisfactory to the Bank:

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

(b) The Issuing and Paying Agency Agreement, duly executed by the Corporation;

(c) The Security Agreement, together with

(i) (A) instruments evidencing the Bonds and the Government Securities which constitute Pledged Debt (as such terms are defined in the Security Agreement), indorsed in blank, (B) the proceeds of such Bonds and Government Securities which constitute Pledged Debt and (C) the Cash Collateral (as such term is defined in the Security Agreement) which constitutes Pledged Debt;

(ii) to the extent the Borrower is required under the Security Agreement to maintain with the Bank Additional Pledged Debt (as defined in the Security Agreement) on and as of the date of the Security Agreement, (A) instruments evidencing the Bonds and the Government Securities (as such terms are defined in the Security Agreement) which constitute Additional Pledged Debt, indorsed in blank, (B) the proceeds of such Bonds and Government Securities which constitute Additional Pledged Debt and (C) the Cash Collateral which constitutes such Additional Pledged Debt;

(iii) to the extent the Borrower is required under the Security Agreement to maintain with the Bank Substituted Pledged Debt (as defined in the Security Agreement) on and as of the date of the Security Agreement, (A) instruments evidencing the Government Securities which constitute Substituted Pledged Debt, (B) the proceeds of such Government Securities which constitute Pledged Debt and (C) the Cash Collateral which constitutes such Substituted Pledged Debt;
(iv) evidence that all other actions necessary or, in the opinion of the Bank, desirable to perfect and protect the security interests created by the Security Agreement have been taken;

(d) Federal Reserve Form U-1 provided for in Regulation U issued by the Board of Governors of the Federal Reserve System, the statements made in which shall be such, in the opinion of the Bank, as to permit the transactions contemplated hereby in accordance with said Regulation U;

(e) A certificate of an Authorized Officer of the Corporation (and, attached thereto, a true and complete copy of the Waiver upon Consent) to the effect that such copy is a true and complete copy of the Waiver upon Consent and that the Waiver upon Consent is in full force and effect;

(f) 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 Loan Documents and the matters contemplated thereby and (ii) documents evidencing all necessary corporate action and governmental approvals with respect to the Loan Documents;

(g) A certificate of an Authorized Officer of the Corporation which shall certify the names of the officers of the Corporation authorized to sign the Loan 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;

(h) An opinion of Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, special counsel to the Corporation, in substantially the form of Exhibit D hereto and as to such other matters as the Bank may reasonably request;

(i) An opinion of Messrs. Hawkins, Delafield & Wood, Bond Counsel, in substantially the form of Exhibit E hereto and as to such other matters as the Bank may reasonably request; and
(j) A favorable opinion of Messrs. Shearman & Sterling, counsel for 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 2.01 to the extent necessary to enable them to express the conclusions stated therein, (i) such opinions, this Agreement, the Security Agreement and the other documents furnished pursuant to the preceding provisions of this Section 2.01 appear to be in substantially acceptable legal form and (ii) such opinions, the Security Agreement and such other documents appear substantially responsive to the requirements of this Agreement;

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

ARTICLE III
REPRESENTATIONS AND WARRANTIES

SECTION 3.01. 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 Loan 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 Loan Documents have been duly authorized by proper proceedings and do not and will not (i) require any consent or approval of any Person other than the Board of Directors of the Corporation, (ii) violate 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 Loan 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 Loan 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 Loan 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 Loan 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 Loan 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, 1981 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, and the statements of financial position of the Corporation as at September 30, 1981 and as at December 31, 1981 and the related Debt Service and Capital Reserve Fund Statement of
Transactions and Operating Fund Statement of Transactions of the Corporation for the respective three months then ended, duly certified by the chief financial officer of the Corporation, 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, 1981 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 Loan 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 Loan 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 IV
COVENANTS OF THE CORPORATION

SECTION 4.01. Affirmative Covenants. So long as the Bank 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 Loan 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. 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.
(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, (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 4.01(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 4.01(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 Loan Documents and the CP Notes.

(i) Rollover of CP Notes. Use its best efforts to sell CP Notes in such amounts and at such times as are necessary to fund the payment of CP Notes as they mature with the proceeds of such sales (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 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 Bank at all times Collateral having a Collateral Value in accordance with, and subject to, the terms of the Security Agreement.

**SECTION 4.02. Negative Covenants.** So long as the Bank Note shall remain unpaid or the Bank shall have any Commitment hereunder, 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 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 Loan Documents or any of the 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.** Issue any Indebtedness in the form of short-term notes (other than the CP Notes) unless (i) 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, (ii) the Corporation receives certificates in the form contemplated by paragraphs (1), (2) and (3) of Section 202.3 of the Second Bond Resolution, and (iii) 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 CP Notes) payable during such fiscal year. In the event the Corporation issues any short-term notes (other than the 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 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 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 Bank Note; (ii) which is evidenced by the CP Notes; (iii) under the First Bond Resolution and the Second Bond Resolution; (iv) which is short-term Indebtedness permitted pursuant to Section 4.02(d); or (v) 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 Bank 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.

(g) Issue of CP Notes. Have issued and outstanding at any time CP Notes in an aggregate amount (including both principal and interest to accrue to maturity of the CP Notes) exceeding the unused portion of the Commitment.

(h) Maturity of CP Notes. Issue a CP Note with a maturity date which is later than the earlier of (i) 45 days from its date of issuance and (ii) the Termination Date.

(i) Increase in Outstandings. Permit any increase in the amount of the sum of Advances outstanding and the aggregate amount (including both principal and interest to accrue to maturity of the CP Notes) of the CP Notes issued and outstanding at any
time after the Bank has made an Advance and before the Corporation has repaid in full all Advances outstanding.

SECTION 4.03. 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 V
EVENTS OF DEFAULT; EXTRAORDINARY SITUATIONS

SECTION 5.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Corporation shall fail to pay when the same becomes due in accordance with the terms hereof or of the Bank Note any principal of or interest on the Bank Note or any fees payable hereunder or under the Bank Note; or

(b) The Corporation shall fail to convert any Advances or fail to substitute Government Securities and/or Cash Collateral for any Collateral, as required by Section 5.02(a); or

(c) The Corporation shall fail to perform or observe any term, covenant or agreement contained in this Agreement or the Bank Note or in any other Loan Document (other than those referred to in Sections 5.01(a) and 5.01(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 Loan 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) There shall be a withdrawal from the Payment Account other than in accordance with the provisions of the CP Note Resolution and Article VI of this Agreement, or any Person has obtained a final non-appealable judgment or order upholding such Person's right to withdraw from the Payment Account; or

(f) The Corporation shall fail to pay any Indebtedness (other than Indebtedness evidenced by the Bank 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

(g) 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 5.01(g); or
(h) Any governmental or other authorization or approval necessary to enable the Corporation to comply with its obligations under the Loan Documents or the CP Notes is revoked, rescinded, withdrawn, withheld or otherwise ceases to be in full force and effect; or

(i) 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

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

(k) Any Loan 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

(l) Any provision of the 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 Security Agreement shall for any reason, except to the extent permitted by the terms thereof, cease to create a valid and perfected first priority security interest in any of the collateral purported to be covered thereby; or

(m) Any Event of Default shall have occurred under the First Bond Resolution, the Second Bond Resolution, the Third Bond Resolution or the Bond Purchase Agreement;
then, and in any such event, the Bank may, by notice to the Corporation, (i) declare the obligation of the Bank to make Advances to be terminated, whereupon the same shall forthwith terminate, provided, however, that if any CP Notes shall be outstanding the obligation of the Bank to make Advances hereunder to fund the repayment of such CP Notes shall not terminate until such CP Notes have been paid in full, and (ii) declare the Bank Note, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Bank Note, all such interest and all such amounts shall become and be forthwith due and payable, and any Advances thereafter made shall become and be due and payable when made, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Corporation.

SECTION 5.02. Extraordinary Situations. (a) Should an extraordinary 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 Loan Documents and the CP Notes, the Bank may, by notice to the Corporation, (i) if any CP Notes are outstanding, make an automatic Advance hereunder to fund the repayment of such CP Notes, in accordance with the provisions of Article I, and declare the obligation of the Bank to make further Advances to be terminated, whereupon the same shall forthwith terminate, and/or (ii) require the Corporation to elect, and, upon such request, the Corporation shall elect, either to convert the Advances (including any Advance made pursuant to clause (i) above) then outstanding to Second Resolution Bonds, or to substitute Government Securities and/or Cash Collateral for any Collateral, in accordance with the remainder of this Section 5.02(a) and with the provisions of the Security Agreement. Upon receipt of notice from the Bank to the effect of clause (ii) 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 the Advances then outstanding to Second Resolution Bonds, the Corporation shall deliver such Second Resolution Bonds to the Bank in exchange for the Bank Note within three days (provided that one such day shall be a Business Day) of the Corporation's receipt of such notice from the Bank. The terms of such Second Resolution Bonds shall be those provided in Section 1.08 and the provisions of Sections
1.08(b) through 1.08(e) shall apply to such Second Resolution Bonds. If the Corporation elects to sell any Collateral to substitute Cash Collateral for such Collateral, the Corporation shall sell such 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 5.02(a) may be rescinded with the concurrence of the Corporation.

(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 Bank's right to treat any other event as an extraordinary event, the Bank may treat any such circumstance as an extraordinary event under Section 5.02(a).

ARTICLE VI
PAYMENT ACCOUNT

SECTION 6.01. Payment Account. The Corporation has established an account, Account No. ________ (the "Payment Account"), with the Issuing and Paying Agent at its office at 399 Park Avenue, New York, New York 10043 in the name of the Corporation, but held by and under the control of the Issuing and Paying Agent as agent for and in trust for holders of CP Notes and subject to the terms of the CP Note Resolution.

SECTION 6.02. Maintaining the Payment Account. So long as the Bank shall have any Commitment or the Bank Note shall remain unpaid the Corporation will maintain the Payment Account with the Issuing and Paying Agent. The Corporation will cause to be deposited in the Payment Account, in accordance with the terms of the CP Note Resolution, the Issuing and Paying Agency Agreement and this Agreement, such proceeds of sales of CP Notes as shall be required for the payment of CP Notes maturing on the last day of such sales. The Corporation may from time to time deposit, or cause to be deposited, in the Payment Account such additional amounts as the Corporation in its discretion may determine.

SECTION 6.03. Transfers and Other Liens. The Corporation agrees that it will not (a) sell or otherwise
dispose of any interest in the Payment Account or any funds held therein except as provided herein, or (b) create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any interest in the Payment Account or any funds held therein except as provided in the CP Note Resolution.

SECTION 6.04. Return of Funds. Upon payment in full after the Termination Date of all CP Notes (unless provision for the payment of all CP Notes outstanding after the Termination Date has been made in accordance with Section 701 of the CP Note Resolution), the Issuing and Paying Agent shall return the funds, if any, remaining in the Payment Account as shall not have been applied pursuant to the terms hereof, to the Corporation and the Corporation hereby covenants and agrees to apply any such funds first to the payment in full of all obligations of the Corporation under this Agreement and the Bank Note.

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 the Bank to the Corporation pursuant to Article I.

"Alternate Base Rate" has the meaning assigned to that term in Section 1.06.

"Anniversary Date" means the second anniversary of the date of this Agreement; provided that the Corporation and the Bank may, once a year, extend the Anniversary Date to the next anniversary of the date of this Agreement, by agreement made not less than 30 days before the anniversary of the date of this Agreement next preceding the then Anniversary Date.

"Applicable Percentage" has the meaning assigned to that term in Section 1.06.

"Appraiser" means Municipal Securities Evaluation Service, 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.

"Bank 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.

"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 Security Agreement.

"City" means The City of New York.

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

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

"Commitment" means $100,000,000, as such amount may be reduced pursuant to Section 1.04.

"CP Note Resolution" means a resolution of the Corporation authorizing the issuance of the 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 December 16, 1981.

"CP Notes" means the short-term promissory notes of the Corporation issued pursuant to the CP Note Resolution.
"Dealers" means, collectively, The First Boston Corporation, Salomon Brothers Inc and Citibank, N.A., acting as dealers in sales of the CP Notes pursuant to their agreement with the Corporation dated ________, 1982.

"Event of Default" has the meaning assigned to that term in Section 5.01.

"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 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 and (b) 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.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement dated ________, 1982 between the Corporation and Citibank, N.A. as Issuing and Paying Agent, in substantially the form of Exhibit B hereto.

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

"Loan Documents" means this Agreement, the Bank Note, the Issuing and Paying Agency Agreement and the Security 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.
"Participant" has the meaning assigned to that term in Section 8.10.

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

"Payment Account" has the meaning assigned to that term in Section 6.01.

"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 Bank Note following certification of such amount by the Corporation in accordance with the provisions of the MAC Acts.

"Payment Deficiency" means the amount of any overdraft in the Payment Account which would be created on the maturity date of any CP Note by payment at maturity of such Note.

"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.

"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 General Bond Resolution.

"Security Agreement" means the Security Agreement dated , 1982 between the Corporation, the Bank, and United States Trust Company of New York, in substantially the form of Exhibit C hereto.

"Termination Date" means the earlier of the Anniversary Date and the date on which the Commitment is terminated pursuant to Section 1.04, 5.01 or 5.02.

"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, dated as of November 15, 1978, among the Corporation and the Purchasers parties thereto.

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 or the Bank Note, 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 or by telex, telegram or cable 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), or as to each party, at such other address as shall be designated by such party in a written notice to the other party hereto. All such notices and communications shall be effective, in the case of written notice, when deposited in the mails, postage prepaid, and, in the case of notice by telex, telegram or cable, when sent addressed as set forth above, except that notices and communications to the Bank pursuant to Article I shall not be effective until
received by the Bank and notices and communications to the Corporation pursuant to Section 5.02 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 Bank Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or under the Bank Note 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 in connection with the preparation, execution, delivery and administration of this Agreement, the Bank Note and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of special counsel for the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement. The Corporation further agrees to pay on the Payment Date for such amounts 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 Bank Note 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 or in the Bank Note.

SECTION 8.05. Limitation of Interest. No provision of this Agreement or the Bank 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,
or the Bank Note, 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. 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, without notice to the Corporation (any such notice being expressly waived by the Corporation) and 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 any Loan Document, irrespective of whether or not the Bank shall have made any demand under such Loan Document and although such obligations may be unmatured. 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. The Bank hereby expressly waives any right to set-off and apply the Payment Account against any and all of the obligations of the Corporation now or hereafter existing under any Loan Document. The rights of the Bank under this Section 8.07 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 when the Security Agreement shall have been duly executed by the Corporation, the Bank and the Agent (as defined in the Security Agreement) and delivered to the Bank and the Agent together with (i) all instruments representing the Collateral and undated instruments of transfer executed in blank, in accordance with the provisions of the Security Agreement, and (ii) evidence that all other actions necessary or, in the opinion of the Bank, desirable to create and protect the valid and binding pledge created by the Security Agreement have been taken; thereafter this Agreement shall be binding upon and inure to the benefit
of the Corporation and the Bank and their respective successors and assigns, except that neither the Corporation nor the Bank shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the other and except that neither the Corporation nor the Bank shall have the right to assign its rights hereunder or any interest herein so long as any CP Note is outstanding.

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

SECTION 8.10. Participation Agreement. The Corporation recognizes that the Bank contemplates entering into a participation agreement (the "Participation Agreement") with certain other participants (the "Participants"), whereby the several Participants will participate with the Bank in a portion of each Advance made by the Bank. Accordingly, the Corporation confirms that all of its representations, warranties, covenants, certifications and obligations under the Loan Documents and the CP Notes, as well as all of the collateral purported to be covered by the 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 the Payment Account or any other 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. 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 ________________________________
   Executive Director

CITIBANK, N.A.

By ________________________________
   Senior Vice President
EXHIBIT A

BANK NOTE

$100,000,000 Dated: __________, 19_

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 Credit Agreement (as defined below) each Advance being payable in substantially equal consecutive installments (a) on the first day of each February, May and November and on each July 15 occurring during the five-year period commencing (i) in the case of any Advance made prior to or on, and outstanding on, the Termination Date (as defined in the Credit Agreement), and (ii) in the case of any Advance required under the Credit Agreement to be made after the Termination Date, on the date of such Advance, and (b) on the last day of such period; provided that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of 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 Credit Agreement.

Both principal and interest are payable in lawful money of the United States to the Bank at the Bank's office at 399 Park Avenue, New York, New York 10043. 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 Note.

Pursuant to the provisions of Article 10 of the Public Authorities Law of the State of New York (the "State"), any provision in said Article or in this Note relating to taxes imposed under Article 12 or Section 1107 or 1108 of the tax law of the State 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 monies 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 monies available in such funds.

This 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 Note be payable out of any funds other than those of the Corporation.

This Note is the Bank Note referred to in, and is entitled to the benefits of, the Revolving Credit and Term Loan Agreement dated as of _____, 1982 (the "Credit Agreement"), between the Corporation and the Bank, which Credit Agreement, among other things, (i) provides for the making of advances (the "Advances") by the Bank to the Corporation from time to time in an aggregate amount not to exceed the Bank's Commitment (as defined in the Credit Agreement), the indebtedness of the Corporation resulting from each such Advance being evidenced by this Note, and (ii) 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)
## Advances and Payments of Principal

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EXHIBIT B

ISSUING AND PAYING AGENCY AGREEMENT

_______, 19

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

Attention: Frederick A. Herbst,
Vice President

MAC Commercial Paper Program

Gentlemen:

You are hereby requested to act as an issuing and paying agent ("Issuing and Paying Agent") on behalf of the undersigned, Municipal Assistance Corporation For The City of New York ("MAC"), in connection with the sale from time to time and with the payment at maturity of the promissory notes of MAC (the "CP Notes") referred to in the Revolving Credit and Term Loan Agreement dated as of ______, 1982, between MAC and Citibank, N.A., as such agreement may from time to time be amended (the "Credit Agreement", terms defined therein being used herein as so defined unless otherwise defined herein). As such Issuing and Paying Agent you shall be governed by the terms and conditions of this Agreement and by the terms and conditions of Article VI of the Credit Agreement, which is hereby incorporated into this Agreement as though set forth in full herein.

During the period that this Agreement is in effect, MAC will, from time to time, deliver to you at the above address executed CP Notes, substantially in the form of Exhibit A hereto, each of which CP Notes will be in bearer form, but with the amount, date of issue and maturity date left blank. When any CP Notes are delivered to you, you will
acknowledge receipt by returning a receipt form to MAC. All CP Notes delivered to you shall be held by you in safekeeping for the account of MAC. The CP Notes will be numbered consecutively and may bear such other identification as MAC or you may deem appropriate.

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

Upon receipt from time to time from any Authorized Officer of telephone, EDP terminal, telex or written instructions to issue CP Notes, your Designated Officer will withdraw the necessary number of CP Notes from safekeeping and, in accordance with such instructions and advice, the Designated Officer will:

(i) complete each such CP Note as to the amount of principal and interest (if any), date of issue and maturity date;

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

(iii) deliver each such 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 MAC as herein provided.

All oral instructions given by an Authorized Officer to a Designated Officer for the completion and delivery of CP Notes will be confirmed in writing within twenty-four hours (unless advice shall have been given by EDP terminal or telex, in which event such EDP message or telex shall be considered written instructions), and you shall incur
no liability to MAC 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 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, you shall not authenticate or deliver any CP Note which has a face amount of less than $250,000 or has a maturity date which is later than the earlier of (i) 45 days from its date of issuance and (ii) the Termination Date.

No delivery or release of CP Notes shall be made by you except (a) against payment therefor to you or (b) to an Authorized Officer against his signed receipt.

In the event you are instructed to deliver a CP Note to a Purchaser against payment to you, the delivery and receipt of payment may not necessarily be completed simultaneously and you are authorized (but not required) to follow the prevailing custom, which is to deliver a 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.

Such portion of the proceeds of the sales of CP Notes received by you hereunder as shall be required for the payment of CP Notes maturing on the day of such sales shall be deposited by you as directed by an Authorized Officer into the Payment Account in accordance with the terms of the CP Note Resolution and the Credit Agreement. MAC shall notify you by 3:00 P.M. on each day on which CP Notes mature of the aggregate principal amount of CP Notes maturing on such day and the interest, if any, due thereon.

MAC hereby warrants and represents to you, which shall be a continuing warranty and representation, that all 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 MAC, and that your appointment by MAC as Issuing and Paying Agent is in accordance with and does not exceed the authority contained in such resolution. For your information a copy of a certificate of an Authorized Officer of MAC with respect to such resolution is attached, and we shall furnish you with a favorable opinion of our counsel, in form and substance satisfactory to you, as to such authorization prior to the initial issuance of CP Notes.
Upon the termination of this Issuing and Paying Agreement, you will return all unauthenticated CP Notes held by you to MAC against a receipt signed by an Authorized Officer.

In connection with the sale from time to time of CP Notes, MAC will pay you a fee for your services hereunder in accordance with your fee schedule in effect from time to time, except that, prior to April 1, 1982, such fee shall not exceed $8.50 for each CP Note issued hereunder, and that for the period from April 1, 1982 to December 31, 1982, such fee shall not exceed $10 for each CP Note issued hereunder.

Upon maturity and presentation to you of each CP Note by or on behalf of the holder thereof for payment in accordance with its terms, you will pay to such holder the full amount owing to such holder to the extent, but only to the extent, you are able to obtain funds in such amount as follows. In order to obtain the funds necessary for payment thereof, you will:

(a) withdraw funds available therefor in the Payment Account; and

(b) to the extent you are unable to obtain sufficient funds under clause (a) above, give notice under Section 1.02(c) of the Credit Agreement requesting an Advance, in an amount equal to the Payment Deficiency therefor.

The proceeds of any Advance shall be held by you in trust for and on behalf of the holders of such CP Notes, pending your payment thereof to such holders.

Upon payment in full of each CP Note, you will mark it "Cancelled". All cancelled CP Notes held by you shall be disposed of as directed by an Authorized Officer.

This Agreement (other than the representations and warranties and the indemnification provisions contained herein, which shall be continuing) shall terminate on the payment in full of all CP Notes on or after the Termination Date.

This Agreement may be supplemented, modified or amended only if such supplement, modification or amendment is in writing and signed by both the parties hereto, and provided that no supplement, modification or amendment shall adversely affect the rights of holders of the theretofore issued CP Notes which are unpaid at that time.
To the maximum extent permitted by law, MAC will indemnify and hold you, your officers, employees and agents harmless from any and all liability, loss, damage, costs and expenses of any nature (including interest and counsel fees) arising out of or in connection with your duties under this Agreement 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. MAC agrees that neither you nor any of your officers, employees and agents shall be liable for any action or omission to act, taken or made pursuant to this Agreement, except for such gross negligence or wilful misconduct. This indemnity includes, but is not limited to, any action taken or omitted within the scope of this Agreement upon telephone advice or instructions (authorized herein) received or reasonably believed to have been received from any one of the Authorized Officers. This indemnity is continuing and shall survive payment of the CP Notes and performance under or termination of any other provisions of this Agreement.

The duties of the Issuing and Paying Agent shall be solely as provided herein and in the Credit Agreement and no implied covenants or obligations shall be read into this Agreement or the Credit Agreement against the Issuing and Paying Agent. The Issuing and Paying Agent 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 may act in reliance upon any resolution or other document transmitted to it on behalf of MAC, if certified or executed on behalf of MAC.

With respect to funds in the Payment Account and any other funds held by you as contemplated herein, you 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 you accord your own property.

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
this ___ day of ______,
19__

CITIBANK, N.A.

By____________________________________
Vice President
(FORM OF CP NOTE)

UNITED STATES OF AMERICA

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

NOTE

Account No. _____________

No. _____________

$ _____________

Dated: _____________, 19__

The Municipal Assistance Corporation for The City of New York ("Corporation") acknowledges itself indebted to and for value received, hereby promises to pay to the bearer hereof the principal sum of _____________ Dollars plus interest in the amount of _____________ Dollars on _____________, 19__, at Citibank, N.A., 111 Wall Street, New York, New York.

Pursuant to Article 10 of the Public Authorities Law of the State, any provision in said Article or in this Note relating to taxes 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 monies 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 monies available in such funds.

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.

Pursuant to the note resolution adopted by the Corporation on December 16, 1981 (the "Note Resolution"), this Note is one of an authorized issue of not in excess of $100,000,000 outstanding at any one time and is a note of the Corporation payable from amounts on deposit in the Payment Account established by the Note Resolution and from the general funds of the Corporation lawfully available therefor.
subject in all respects to the prior pledge and lien of the Corporation's Bond Resolutions (as defined in the Note Resolution) and the indebtedness issued thereunder. A copy of the Note Resolution is on file with Citibank, N.A. at the above office.

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 above-described Notes, together with all other indebtedness of the Corporation is within every debt and other limit prescribed by law.

[Not Valid Unless Countersigned]

(Seal)

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By _______________________
Chairman

Countersigned for
Authentication only:
CITIBANK, N.A.
Issuing Agent

By _______________________
Authorized Signatory

Attest:

By _______________________
Secretary
SECURITY AGREEMENT

SECURITY AGREEMENT, dated ___________, 1982, among MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, a corporate governmental agency and instrumentality of the State of New York (the "Pledgor"), CITIBANK, N.A. (the "Bank"), as lender under the Credit Agreement (this term and certain other terms being defined in Section 1) and UNITED STATES TRUST COMPANY OF NEW YORK, a banking corporation organized and existing under the laws of the State of New York, as agent for the Bank (the "Agent").

PRELIMINARY STATEMENTS:

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

(2) It is a condition precedent to the Bank entering into the Credit Agreement that the Pledgor shall have made, and shall maintain, the pledge as contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to enter into the Credit Agreement, the Pledgor hereby agrees with the Bank and the Agent as follows:

SECTION 1. Certain Definitions. (a) 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).

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

"Cash Collateral" means lawful money of the United States of America.
"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 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 nine 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" has the meaning assigned to that term in the Credit Agreement.

"Credit Agreement" means the Revolving Credit and Term Loan Agreement dated as of __________, 1982, between the Pledgor, as Borrower, and the Bank, as amended from time to time.

"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 Bank, 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 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 the loan under the Credit Agreement and the Bank Note.

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

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

"Obligations" has the meaning assigned to that term in Section 3.

"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 hereeto.

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

"Valuation Date" means (i) any Mandatory Valuation Date and (ii) any Discretionary Valuation Date.

(b) Terms defined in the Credit Agreement and not otherwise defined in this Agreement are used in this Agreement as defined therein.

SECTION 2. Pledge. The Pledgor hereby pledges to the Bank 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; (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 all obligations of the Pledgor to the Bank now or hereafter existing under (i) the Credit Agreement, whether for principal, interest, fees, expenses or otherwise, and (ii) this Agreement (all such obligations of the Pledgor being the "Obligations").

SECTION 4. Form of Collateral; Further Assurances.
(a) All instruments representing or evidencing the Collateral shall be held by or on behalf of the Bank 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 Bank. The Bank 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 Bank or any of its nominees any or all of the Collateral, subject only to the revocable right specified in Section 7(a).

(b) Until September 15, 1982, all Bonds which are Collateral shall be the Bonds of the shortest tenor owned by the Pledgor, but in any event shall have maturities no longer than five years from the date of determination. From September 15, 1982 and at all times thereafter 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, that may be necessary or desirable, or that the Bank may request, in order to protect any pledge granted or purported to be granted hereby or to enable the Bank 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 Bank Collateral having a Collateral Value at least equal to 130% of the 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 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 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 Commitment, the Pledgor shall promptly, but in no event later than two Business Days following receipt of written notice from the Bank, deliver to the Bank as additional collateral hereunder Bonds of the shortest tenor (subject to Section 4(b)) owned by the Pledgor and selected by the Bank 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 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 as Collateral for all or part of the Bonds, Government Securities or Cash Collateral then pledged as Collateral. Upon receipt of notice from the Bank pursuant to subsection (a)(ii) of Section 5.02 of the Credit Agreement, the Pledgor, as Borrower, shall, in accordance with such Section 5.02 (except to the extent the Borrower converts the Advances then outstanding to Second Resolution Bonds (as defined in the Credit Agreement) pursuant to such Section 5.02), 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 Commitment", (ii) "140% of the Commitment" and (iii) "120% of the 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 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 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 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 5.02 of the Credit 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 Bank 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 Bank) shall be selected by the Bank 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, executed and issued, 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 the 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 pledge 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, 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 Pledged Debt or the Additional Pledged Debt or the Substituted Pledged Debt 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 (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 and the Bank has not given notice to the Borrower pursuant to Section 5.02 of the Credit 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 or the Credit Agreement; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Bank'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 Bank 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 or, or in redemption of, or in exchange for, any Collateral,

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

(iii) The Bank 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 and upon the Bank giving notice to the Borrower pursuant to Section 5.02 of the Credit 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 Bank 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 benefit of the Bank, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Bank 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 or otherwise dispose of 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.

SECTION 9. Bank Appointed Agent. The Pledgor hereby irrevocably appoints the Bank the Pledgor's agent, with full authority in the place and stead of the Pledgor and in the name of the Pledgor, from time to time in the Bank's discretion to take any action and to execute any instrument which the Bank 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 Pledger 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. Bank May Perform. If the Pledgor fails to perform any agreement contained herein, the Bank may itself perform, or cause performance of, such agreement, and the expenses of the Bank and the Agent incurred in connection therewith shall be payable by the Pledgor under Section 13.
SECTION 11. Agent for the Bank; Reasonable Care.  
(a) The Collateral shall be held by the 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 Bank, as agent of the Bank. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral is held for the Bank as aforesaid, or if any Collateral in the Bank's possession is accorded treatment substantially equal to that which the Bank accords its own property.  

(b) Neither the Bank nor the 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 Bank or the 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.  

(c) The Agent acknowledges that it holds the Collateral as agent for the Bank. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of such Collateral if it is accorded treatment substantially equal to that which the Agent accords its own property.  

SECTION 12. Remedies upon Default. If any Event of Default shall have occurred and be continuing, any cash held by the Bank as Collateral and all cash proceeds received by the Bank 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 Bank, be held by the Bank or the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Bank pursuant to Section 13) in whole or in part by the Bank against, all or any part of the Obligations in such order as the Bank shall elect. Any surplus of such cash or cash proceeds held by the Bank and remaining after payment in full of all the Obligations shall be paid over to the Pledgor or to whosoever may be lawfully entitled to receive such surplus.  

SECTION 13. Expenses. The Pledgor agrees to pay to the Bank and the Agent on the Payment Date for the following expenses, upon such documentation as the Borrower 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 Agent and of any experts and agents, which the Bank or the 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 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 Bank, and by the 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 and telex) and, if to the Pledgor, mailed, or telegraphed, telexed or delivered to it, addressed to it at Suite 8901, One World Trade Center, New York, New York 10048; if to the Bank, mailed, telegraphed, telexed or delivered to it, addressed to it at 55 Water Street, New York, New York 10043, Attention: Public Finance Department (MAC Account); if to the Agent, mailed, telegraphed, telexed or delivered to it, addressed to it at 45 Wall Street, New York, New York 10005, Attention: Mr. Pat Santavasci, 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 or telexed respectively, be effective when deposited in the mails, delivered to the telegraph company or sent by telex, 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 payment in full (after the Termination Date) of the Obligations or conversion of the Advances into bonds of the Borrower pursuant to Section 1.08 or Section 5.02 of the Credit Agreement, payment in full (on or after the Termination Date) of the CP Notes, and payment in full of all obligations of the Pledgor to the Bank and the Agent under this Agreement, (ii) be binding upon the Pledgor, its successors and assigns and (iii) inure to the benefit of the Bank and the 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. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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_________________________________________
Title:______________________________________

CITIBANK, N.A.

By_________________________________________
Vice President________________________________

UNITED STATES TRUST COMPANY
OF NEW YORK

By_________________________________________
Title:______________________________________
SCHEDULE I


<table>
<thead>
<tr>
<th>Debt Issuer</th>
<th>Description of Debt</th>
<th>Debt Certificate No(s.)</th>
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<tr>
<td>THE CITY OF NEW YORK</td>
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Cash Collateral

Amount: $
30 April 1982

Mr. Frederick M. Werblow
Price Waterhouse
153 East 53 Street
New York, N.Y. 10022

Re: Bond Purchase Agreement Waiver

Enclosed is the completed Exhibit B to the Corporation's letter of April 21, 1982. Also enclosed is a revised Page 2 of Exhibit A as originally attached to that letter. This revision reflects the reallocation of purchase amounts among the Pension Funds as effected by the Amendment dated as of August 30, 1979 to the Bond Purchase Agreement dated as of November 15, 1978, so amending Schedule I of that Agreement. For your reference, a copy of that Amendment is also enclosed.

Please attach the enclosed Exhibit B to our previous letter and substitute the enclosed Page 2 of Exhibit A for that page originally attached to our letter.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

Enclosures (3)

cc: Leslie M. Buch, Esq.
    Department of Law
    City of New York
    100 Church Street
    New York, New York 10007

    Beverly Ross Campbell, Esq.
    Fried, Frank, Harris, Shriver & Jacobson
    One New York Plaza
    New York, New York 10004
Mr. Frederick M. Werblow  
30 April 1982  
Page 2

cc: Edward Lowenthal, Esq. 
Robinson, Silverman, Pearce, Aronsohn & Berman  
230 Park Avenue  
New York, New York  10017

Richard B. Smith, Esq. 
Davis, Polk & Wardwell  
One Chase Manhattan Plaza  
New York, New York  10005
### Purchaser

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Total</th>
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<tr>
<td>Roosevelt Savings Bank</td>
<td>$3,600,000</td>
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<tr>
<td>The Seaman's Bank for Savings</td>
<td>12,500,000</td>
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<tr>
<td>Staten Island Savings Bank</td>
<td>2,000,000</td>
</tr>
<tr>
<td>United Mutual Savings Bank</td>
<td>2,500,000</td>
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<tr>
<td>The Williamsburgh Savings Bank</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Columbian Mutual Life Insurance Company</td>
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<td>Companion Life Insurance Company</td>
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<td>The Equitable Life Assurance Society of the United States</td>
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<td>Home Life Insurance Company</td>
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<td>Metropolitan Life Insurance Company</td>
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<td>The Mutual Life Insurance Company of New York</td>
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<td>United States Life Insurance Company in The City of New York</td>
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**Total for Financial Institutions:** $1,174,700,000

### Pension Funds (as amended as of August 30, 1979):

<table>
<thead>
<tr>
<th>Pension Fund</th>
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<tr>
<td>New York City Employees' Retirement System</td>
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<td>Teachers' Retirement System for The City of New York</td>
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<td>Board of Education Retirement System for The City of New York</td>
<td>10,685,000</td>
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<td>New York City Police Pension Fund, Article 2</td>
<td>102,945,000</td>
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**Total for Pension Funds:** $625,000,000

### Notes:
1. Successor to Empire Savings Bank and Franklin Savings Bank of New York.
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<th>Series 6</th>
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</table>

Financial Institutions:

- Metropolitan National Bank
- The Union Savings Bank
- Manufacturers Savings Bank
- The Bank of America
- The Chase Manhattan Bank
- Bank of New York

Purchase of U.S. Government Securities

Amount of Purchase: $2,200,000

Date: April 2, 1982

NY. Federal Reserve Bank
21 APRIL 1982
MR. PRESTON M. WERTHEIM

EXHIBIT B
Amendment Dated as of August 30, 1979
to Bond Purchase Agreement Dated as of November 15, 1978

The undersigned are all of the parties to the Bond Purchase Agreement dated as of November 15, 1978 (the "Bond Purchase Agreement") among the Municipal Assistance Corporation For The City of New York (the "Corporation"), various commercial banks, savings banks and life insurance companies (the "Financial Institutions") and various New York City pension funds (the "Pension Funds").

The Pension Funds have requested that Part 4 of Schedule I of the Bond Purchase Agreement be amended as herein provided to reallocate the scheduled purchases among the respective Funds.

Each of the undersigned hereby agrees that:

1. Part 4 of Schedule I to the Bond Purchase Agreement is hereby amended as of August 30, 1979 by changing the amounts listed opposite the name of each Pension Fund under the columns headed "FY 1980", "FY 1981", "FY 1982", and "Total" and by updating the designation therein of certain Pension Fund officers, so that Part 4 of Schedule I shall read in its entirety as follows:
### Commitments (in thousands)

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>FY 1979</th>
<th>FY 1980</th>
<th>FY 1981</th>
<th>FY 1982</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New York City Employees' Retirement System</strong></td>
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<td>$111,665</td>
<td>$111,690</td>
<td>$ 57,830</td>
<td>$310,825</td>
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<td><strong>Teachers' Retirement System for The City of New York</strong></td>
<td>19,865</td>
<td>71,750</td>
<td>71,770</td>
<td>37,160</td>
<td>200,545</td>
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<td><strong>Board of Education Retirement System for The City of New York</strong></td>
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<td>3,810</td>
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<td><strong>New York City Police Pension Fund, Article 2</strong></td>
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<td>37,005</td>
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<td><strong>Totals for Pension Funds</strong></td>
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<td>$224,225</td>
<td>$224,275</td>
<td>$116,125</td>
<td>$625,000</td>
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2. Except as expressly set forth herein, the terms, conditions, agreements, covenants and provisions of the Bond Purchase Agreement, including the aggregate amount of bonds to be purchased by the Pension Funds in each fiscal year and the amount to be purchased by each Financial Institution in each fiscal year, shall not be modified or otherwise affected hereby, and shall remain in full force and effect.

3. This amendment to Schedule I of the Bond Purchase Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument, and shall become effective for all purposes upon (A) its execution by or on behalf of all of the undersigned and (B) receipt of the consent of the Secretary of the Treasury of the United States of America pursuant to Section 6.20 of the Agreement to Guarantee (as defined in the Bond Purchase Agreement).

IN WITNESS WHEREOF, each of the undersigned has caused this amendment to be duly executed on its behalf by its authorized representative.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By /s/ Robert F. Vagt
CITY PENSION FUNDS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

By /s/ Harold E. Herkommer

TEACHERS' RETIREMENT SYSTEM FOR THE CITY OF NEW YORK

By /s/ Wallace F. Sullivan

BOARD OF EDUCATION RETIREMENT SYSTEM FOR THE CITY OF NEW YORK

By /s/ Dwight R. Kearns

NEW YORK CITY POLICE PENSION FUND, ARTICLE 2

By /s/ Patrick W. Lehane

COMMERCIAL BANKS

BANKERS TRUST COMPANY

By /s/ Kim Engelbert

THE BANK OF NEW YORK

By /s/ Judith K. Lenz

THE CHASE MANHATTAN BANK, N.A.

By /s/ Palmer Turnheim

CHEMICAL BANK

By /s/ Herman R. Charbonneau

CITIBANK, N. A.

By /s/ William F. Dore

IRVING TRUST COMPANY

By /s/ Gerald L. Levy
MANUFACTURERS HANOVER TRUST COMPANY

By /s/ Russell K. Pope

MARINE MIDLAND BANK

By /s/ Richard C. Keller

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By /s/ Frederick C. Witsell, Jr.

NATIONAL BANK OF NORTH AMERICA

By /s/ Gerard Dougherty

UNITED STATES TRUST COMPANY OF NEW YORK

By /s/ Edwin A. Heard

SAVINGS BANKS

AMERICAN SAVINGS BANK

By /s/ Lawrence J. Metzger

ANCHOR SAVINGS BANK

By /s/ Edward J. Bertelloti

THE BOWERY SAVINGS BANK

By /s/ Dolores J. Morrissey

THE BROOKLYN SAVINGS BANK

By /s/ John T. Corrigan
CENTRAL SAVINGS BANK
By /s/ George J. Ennis

COLLEGE POINT SAVINGS BANK
By /s/ Vincent A. Pulidore

THE DIME SAVINGS BANK
OF NEW YORK
By /s/ E. T. Sarachman

THE DIME SAVINGS BANK
OF WILLIAMSBURGH
By /s/ Joseph F. Ujazdowski

DOLLAR SAVINGS BANK OF NEW YORK
By /s/ Frederick J. Parent

DRY DOCK SAVINGS BANK
By /s/ George Klein

THE EAST NEW YORK SAVINGS BANK
By /s/ Thomas J. Wiss

EMIGRANT SAVINGS BANK
By /s/ Thomas N. Morrow

EMPIRE SAVINGS BANK
By /s/ Richard A. Zeller

FLUSHING SAVINGS BANK
By /s/ James F. McConnell

FRANKLIN SAVINGS BANK
OF NEW YORK
By /s/ John L. Keilly

THE GREEN POINT SAVINGS BANK
By /s/ Edward C. Anderberg
THE GREENWICH SAVINGS BANK
By /s/ Joseph J. Beirne, Jr.
HAMBURG SAVINGS BANK
By /s/ Robert F. Pondt

HARLEM SAVINGS BANK
By /s/ William R. Mahood
INDEPENDENCE SAVINGS BANK
By /s/ William R. Baumann

THE LINCOLN SAVINGS BANK
By /s/ R. J. Wittine
METROPOLITAN SAVINGS BANK
By /s/ Bradley Hemingway

THE NEW YORK BANK FOR SAVINGS
By /s/ Harvey Singer
NORTHERNFIELD SAVINGS BANK
By /s/ Paul E. Proske

NORTH SIDE SAVINGS BANK
By /s/ John F. Crinnian
QUEENS COUNTY SAVINGS BANK
By /s/ Arthur Vogt
By /s/ David C. Maker

RICHMOND COUNTY SAVINGS BANK
By /s/ James P. Leahy
RICHMOND HILL SAVINGS BANK
By /s/ John A. McAuliffe

RIDGWOOD SAVINGS BANK
By /s/ Joseph C. Volz
ROOSEVELT SAVINGS BANK
By /s/ Frederick H. Schneider
THE SEAMAN'S BANK FOR SAVINGS
By/s/ Robert C. Hollenbeck

STATEN ISLAND SAVINGS BANK
By/s/ Harry P. Doherty

UNION DIME SAVINGS BANK
By/s/ Gary B. Klinger

UNITED MUTUAL SAVINGS BANK
By /s/ Edward L. Nelson
By /s/ Barton C. English

THE WILLIAMSBURGH SAVINGS BANK
By /s/ George W. Clark

INSURANCE COMPANIES

COLUMBIAN MUTUAL LIFE
INSURANCE COMPANY
By /s/ Harry T. Gorman

COMPANION LIFE INSURANCE
COMPANY
By/s/ Charles T. Locke,Esq.

THE EQUITABLE LIFE ASSURANCE
SOCIETY OF THE UNITED STATES
By/s/ Roderic L. Eaton

HOME LIFE INSURANCE COMPANY
By/s/ Robert D. Vance
Amendment to JPA
Page Nine

METROPOLITAN LIFE INSURANCE COMPANY

By /s/ George K. Penn, Jr.
By /s/ George M. Crandles

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

By /s/ Michael J. Drabb

NEW YORK LIFE INSURANCE COMPANY

By /s/ Harold K. Herzog

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

By /s/ Thomas R. Wunder

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By /s/ T. C. Edwards
By /s/ Leonard J. Frank, Jr.

UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK

By /s/ Carl Harris
30 April 1982

Ms. Edith Sable
League of Women Voters
817 Broadway 6th Floor
New York, NY 10003

Dear Edith:

Thanks so much to you and your colleagues at the League for making available the multiple copies of the "Money-Go-Round", Part I, on such short notice! The students at Nightingale really appreciated the visual aide. Be assured I put in a strong pitch for the League as an organization which, among other things, puts out good and helpful information about how the City works.

I mentioned that many of the names associated with positions had changed since Part I had been published (including my own!) but that that was part of the political process. After all, next year there would be a new name for Governor and, maybe, Mayor. They appreciated it.

Thanks once more and sorry I gave you so little warning. I think I mentioned on the phone that I was a last minute substitute for MAC's Vice Chairman, Ed Kresky, who had to be out of town.

Best wishes,

Heather L. Ruth
Executive Director

HLR:dnd
30 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on May 3, 1982, $368,750.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK: dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding investment of moneys available in the Capital Reserve Aid Fund established under the Second General Bond Resolution.

You were instructed on April 20, 1982, for settlement on April 22, 1982, to sell to Wm. E. Pollock Government Securities, Inc. $2,000,000 par value of United States Treasury Notes due August 15, 1991 with a coupon of 14.875%, at a price of 105.875% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Aid Fund, established under the Second General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Capital Reserve Aid Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
BY MESSENGER

29 April 1982

CHASE MANHATTAN BANK, N.A.
One New York Plaza/14th Floor
New York, New York 10002

Attention: Mr. Paul L. Martin
Vice President

Gentlemen:

I am enclosing for your signature two copies of the Acceptance of Duties as Paying Agent for the Series 39 Bonds of the Municipal Assistance Corporation.

You have advised us that there will be no fee for your acting as Paying Agent on the Series 39 Bonds. Nevertheless, please provide us with semi-annual statements which indicate the numbers of Series 39 coupons and bonds paid by you during the relevant six-month period, the total amount expended by you for such purpose during that period, and the balance of funds which you held for such purpose at the end of the six-month period.

I would appreciate it if you would execute the Acceptance, retain one copy for your records and return one copy to me by messenger.

Sincerely,

[Signature]
Stephen J. Weinstein
Deputy Executive Director

SJW/bjw
Enclosures (2)
29 April 1982

Dr. Anita Sunmers
THE WHARTON SCHOOL
Vance Hall
University of Pennsylvania
Philadelphia, Pennsylvania 19174

Dear Anita:

Just a brief note to tell you how much I enjoyed serving on the panel at Rutgers-Camden with you. Your comments were well taken and certainly presented a view that is not often heard inside the City of New York. It was fun to chat about my alma mater, and I wish you the best in developing the Public Financial Management Program at Wharton.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba
April 28, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding disposition of securities available in the Capital Reserve Fund established under the First General Bond Resolution.

You were instructed on April 20, 1982, for settlement on April 22, 1982, to sell to Harris Trust and Savings Bank $3,500,000 par value of United States Treasury Notes due January 15, 1988, with a coupon of 12.375%, at a price of 94.9375% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Capital Reserve Fund, established under the First General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Capital Reserve Fund will be required for First General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Bond Service Fund established under the Second General Bond Resolution.

You were instructed on April 16, 1982, for settlement on April 19, 1982 to purchase from Wm. E. Pollock Government Securities, Inc. $10,000,000 par value of United States Treasury Notes due June 30, 1982, with a coupon of 8.625%, at a price of 99% of par plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Bond Service Fund established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Bond Service Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
Bond
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed to purchase United States Treasury Bills due October 14, 1982, in the par value amount at prices and on the transaction and settlement dates from the firms listed on the appended schedule.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys and securities in the Bond Proceeds Account established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys and securities in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
<table>
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<th>Date Transaction Settlement</th>
<th>Purchased From</th>
<th>Par Value</th>
<th>Discount Rate</th>
<th>Accrued Interest</th>
<th>Cost</th>
<th>Par Value Date</th>
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<td>4/21/82</td>
<td>Goldman Sachs and Co.</td>
<td>20,000,000</td>
<td>12.71% 4.668% 8/22</td>
<td>9.71% 9/374% 22</td>
<td>0.00</td>
<td>5,000,000</td>
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<td>4/20/82</td>
<td>Bear Stearns &amp; Co.</td>
<td>10,000,000</td>
<td>12.71% 4.444% 4/22</td>
<td>0.00</td>
<td>5,000,000</td>
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</tr>
<tr>
<td>4/21/82</td>
<td>Merrill Lynch Gov't. Securities, Inc.</td>
<td>5,000,000</td>
<td>12.71% 4.668% 8/22</td>
<td>0.00</td>
<td>5,000,000</td>
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All for bond proceeds account (016753)
Due October 14, 1982
Purchase of United States Treasury Notes

MUNICIPAL ASSISTANCE CORPORATION
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding investment of moneys available in the Capital Reserve Aid Fund established under the Second General Bond Resolution.

You were instructed on April 20, 1982, for settlement on April 22, 1982, to sell to A. G. Becker, Inc. $11,000,000 par value of United States Treasury Notes due August 15, 1990 with a coupon of 10.75%, at a price of 86.46875% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Aid Fund, established under the Second General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Capital Reserve Aid Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Bond Service Fund established under the Second General Bond Resolution.

You were instructed on April 16, 1982, for settlement on April 19, 1982 to purchase from Citibank, N.A. $5,000,000 par value of Federal Home Loan Bank Notes due July 26, 1982, with a coupon of 9.60% at a price of 98.84375% of par plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Bond Service Fund established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Bond Service Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
130 John Street
New York, New York 10038

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding investment of moneys available in the Debt Service Fund established under the First General Bond Resolution.

You were instructed on April 15, 1982, for settlement on April 16, 1982, to purchase from Wm. E. Pollock Government Securities, Inc. $20,000,000 par value of United States Treasury notes due July 31, 1982, with a coupon of 8.875%, at a price of 98.46875% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Debt Service Fund, established under the First General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Debt Service Fund will be required for First General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

CC: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasc
    Rochelle Siegel
April 29, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on April 20, 1982, for settlement on April 21, 1982, to sell to Merrill Lynch Government Securities, Inc. $10,000,000 par value of Federal Farm Credit Bank Notes due May 3, 1982, with a coupon of 15.00%, at a price of 100.03125% of par, plus accrued interest.

You were also instructed on April 20, 1982, for settlement on April 21, 1982, to purchase from Merrill Lynch Government Securities, Inc. $10,000,000 par value of Federal Home Loan Bank Notes due August 25, 1982, with a coupon of 13.10%, at a price of 9.625% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: William J. Lithgow
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
BY MESSENGER

29 April 1982

CHASE MANHATTAN BANK, N.A.
One New York Plaza/14th Floor
New York, New York 10002

Attention: Mr. Paul L. Martin
Vice President

Gentlemen:

I am enclosing for your signature two copies of the Acceptance of Duties as Paying Agent for the Series 39 Bonds of the Municipal Assistance Corporation.

You have advised us that there will be no fee for your acting as Paying Agent on the Series 39 Bonds. Nevertheless, please provide us with semi-annual statements which indicate the numbers of Series 39 coupons and bonds paid by you during the relevant six-month period, the total amount expended by you for such purpose during that period, and the balance of funds which you held for such purpose at the end of the six-month period.

I would appreciate it if you would execute the Acceptance, retain one copy for your records and return one copy to me by messenger.

Sincerely,

[signature]

Stephen J. Weinstein
Deputy Executive Director

SJW/bjw
Enclosures (2)
ACCEPTANCE OF DUTIES AS PAYING AGENT

The undersigned hereby accepts the duties and obligations of a Paying Agent imposed upon the undersigned by the Second General Bond Resolution adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") on November 25, 1975, as amended and supplemented, and the Series 39 Resolution of the Corporation, adopted by the Board of Directors of the Corporation on April 19, 1982. The undersigned has taken all necessary corporate action to authorize its acceptance of the appointment as Paying Agent for the Bonds pursuant to the Resolution referred to above.

CHASE MANHATTAN BANK, N.A.

By: ___________________________

Title: __________________________

Attest: _________________________

Dated: _________________________
29 April 1982

PRICE WATERHOUSE
153 East 53rd Street
New York, New York 10022

Dear Sirs:

We confirm, to the best of our knowledge and belief, the information and opinions set forth below which we have given you with respect to the unaudited financial statements of the Municipal Assistance Corporation For The City of New York (the "Corporation") for the three-month and nine-month periods ended March 31, 1982.

The representations made to you in our letter of July 28, 1981 are equally applicable to the unaudited financial statements for the three-month and nine-month periods ended March 31, 1982 as regards:

1. Liabilities (direct or contingent), commitments and agreements at March 31, 1982, of which we are aware, have been described in the financial statements.

2. Assets, all of which are described in the financial statements.

3. At March 31, 1982, the Corporation held $743.8 million principal amount of City bonds which it had acquired previously as a result of purchases of City obligations and various exchanges and payments to the City. The City obligations held at March 31, 1982 bear interest at rates ranging from 7-1/4% to 11-3/8% and will mature between 1982 and 2007. The obligations may not be sold without the consent of the City.

The Corporation, in making its certification for funds, is required to exclude from consideration any amounts it expects to receive as payment on City obligations until such amounts are received.
4. In connection with the issuance of Federally-guaranteed City obligations, a Guaranty Fund has been established by the Corporation. The Corporation is required, at the time of each issuance of guaranteed City obligations, to have on deposit in the Guaranty Fund a specified amount. The moneys on deposit in the Guaranty Fund, up to a specified amount, are available for the benefit of the United States of America in the event the City is unable to meet debt service requirements on certain City obligations for which the payment of principal and interest is guaranteed by the United States of America. Such specified amount is presented as a liability of the Corporation ($84,020,818 at March 31, 1982). To the extent moneys on deposit in the Guaranty Fund exceed the amount required, the Corporation is entitled to withdraw such excess from the Guaranty Fund and the United States of America has no further claims on such moneys. At March 31, 1982, no claim has been asserted. Moneys on deposit in the Guaranty Fund are invested in direct obligations of the United States of America.

5. The Corporation and the City have developed a Debt Issuance Plan (the "Plan") to provide for a significant portion of the City's long-term financing requirements through 1984. Under the Plan, proceeds of the debt issuances of the Corporation will be used principally to purchase obligations of the City when issued to provide a source of funding for a portion of the City's capital program. At March 31, 1982, $730.9 million was available to purchase City obligations. As of April 29, 1982, the Plan provides for additional public sales of $1.35 billion of the Corporation's bonds through 1984.

The amount of the Corporation's bonds to be sold publicly under the Plan will depend upon many conditions, including the City's actual capital requirements, the City's ability to continue raising funds in the public bond markets and the general conditions in the public bond markets.

In February 1981, the Corporation sold $100 million of Second General Resolution Series 27 Bonds with detachable Warrants which entitle the holders of those Warrants to purchase up to an aggregate of $100 million principal amount of Series 28 Bonds periodically
between February 5, 1981 and January 18, 1983. As of March 31, 1982, Warrants were exercised for the issuance of $15,000 principal amount of Series 28 Bonds. In November 1981, the Corporation sold $59.505 million of Second General Resolution Series 35 Bonds with detachable Warrants, which entitle the holders of those Warrants to purchase up to an aggregate amount of $59.505 million of Series 36 Bonds periodically between December 28, 1981 and January 18, 1983. As of March 31, 1982, Warrants were exercised for the issuance of $5,000 principal amount of Series 36 Bonds. The financial statements and Exhibits I and II do not give effect to the remaining unissued principal amounts of $99.985 million Series 28 Bonds and $59.5 million Series 36 Bonds; however, such are included in Exhibit III in summarizing the pro forma future payment requirements as explained therein.

The Corporation expects to fulfill a portion of its participation in the Debt Issuance Plan by the issuance in the commercial paper market of short-term obligations secured by a credit arrangement with Citibank, N.A. Such short-term obligations will not have a claim on the sales tax, stock transfer tax or per capita aid revenues which are the source of payment for the First and Second Resolution Bonds equal or prior to the claim of such Bonds. If the credit arrangement is used to pay the short-term obligations, the Corporation's obligation to Citibank, N.A. will be repayable over a period of at least five years through the issuance of bonds or otherwise. The Corporation has authorized the issuance of up to $100 million of such short-term obligations, which may serve as an alternative to selling bonds publicly in such amount during its 1982 fiscal year. The Corporation has contracted with Citibank, N.A. to pay a commitment fee. Through March 31, the Corporation has either paid or accrued a total of $227,786 which is shown as a part of Trustee and related services.

The Corporation has agreed to reimburse the New York State Office of the Special Deputy Comptroller for the City of New York and the Financial Control Board for the cost of providing certain oversight services of the City's financial affairs.
6. Investments in the Debt Service Fund are carried at the lower of cost or market value inclusive of accrued interest in accordance with the bond resolutions pursuant to which they were established. Income from investments held in the Debt Service Fund includes such amounts necessary to record any unrealized loss on investments held at the end of the period, or reverse previously recorded losses.

7. Investments in the Capital Reserve Fund are carried at amortized cost, which exceeded market value by approximately $102.1 million at March 31, 1982. It is presently not management's intention to recognize this loss as the impaired securities will generally be held until maturity.

8. The Capital Reserve Fund balance at March 31, 1982 of $997.3 million included accrued interest of $24.6 million, and comprised $348.7 million relating to First General Resolution Bonds and $648.6 million relating to Second General Resolution Bonds. At March 31, 1982, the Fund balance includes securities sold under agreements to repurchase with a market value of $179.6 million (cost of $203.1 million). The Corporation received securities as collateral for these transactions with a market value in excess of $179.6 million, which are not included in the Fund balance. At March 31, 1982, investments in marketable securities held for the purchase of City of New York obligations include securities sold under agreements to repurchase with a market value of $173.8 million (cost of $174.1 million). The Corporation received securities as collateral for these transactions with a market value in excess of $173.8 million, which are not included in the Fund balance.

9. The assets of the Operating Fund ($3,711,368) at March 31, 1982 include approximately $353,000 for computer and related software which is being depreciated on a straight line basis over a five year period beginning January 1, 1982. The Corporation has entered into a loan agreement with the United States Trust Company of New York for $500,000 for the anticipated cost of the computer and related software. This loan, bearing an interest rate of 9¾%, is due in five equal annual installments of principal commencing July 1, 1982 with interest due semiannually.
10. Minutes of the meetings of the Board of Directors made available to you in draft form through April 29, 1982 represent all minutes of such meetings for the period commencing July 1, 1981 and ending April 29, 1982.

11. No matters or occurrences have come to our attention up to the present time which would materially affect the financial statements and related disclosures for the three-month and nine-month periods ended March 31, 1982 or, although not affecting such financial statements or disclosures, have caused or are likely to cause any material change, adverse or otherwise, in the financial position or transactions of the Corporation. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

The unaudited financial statements for the three-month and nine-month periods ended March 31, 1982 have been prepared in conformity with generally accepted accounting principles applied for each such period on a basis consistent in all material respects with that followed in the preparation of financial statements for the year ended June 30, 1981 and we are not aware of any matters or occurrences up to the present time which would materially affect such statements.

Sincerely,

Heather L. Ruth
Executive Director

Steven J. Kantor
Treasurer
29 April 1982

Mr. Larry Schilling
Chief, Distribution Sub-Section
New York State Office of Taxation and Finance
Processing Division – State Campus
Albany, NY 12227

Dear Mr. Schilling:

The New York City Energy Office has requested that we authorize your office to release fuel oil sales and sales tax information on the New York City fuel oil dealers for the year 1980. The Director of Policy for the Energy Office, Mr. James DeMetro, has assured me that the information will be kept confidential and will be used only for strategic and emergency energy planning.

Quite frankly, I am baffled that you should require the Corporation's authorization in this matter. However, I should not wish satisfaction of my curiosity to delay Mr. DeMetro's request further.

Please release the requested information to the New York City Energy Office at your earliest convenience.

Sincerely,

Heather L. Rut
Executive Director

cc: J. DeMetro
April 20, 1982

Ms. Heather Ruth  
Municipal Assistance Corporation  
1 World Trade Center  
New York, N. Y.  10038

Dear Ms. Ruth:

Recently our office requested fuel oil sales information from Mr. Larry Schilling of the State Office of Taxation and Finance. Mr. Schilling indicated that he would release the information upon approval by MAC. As you requested during our telephone conversation of April 19, attached is a draft of a letter of permission from you to Mr. Schilling. We will keep the information confidential and are only interested in gross sales figures by fuel oil type and by residential, commercial and industrial customers.

Thank you very much for your cooperation. I may be reached at 566-6882 if you have any questions.

Sincerely,

[Signature]

James DeMetro

JD:ia  
Enclosure
Mr. Larry Schilling  
Chief, Distribution Sub-Section  
New York State Office of Taxation and Finance  
Processing Division - State Campus  
Albany, New York 12227

Dear Mr. Schilling:

The New York City Energy Office has requested that we authorize your office to release fuel oil sales and sales tax information on New York City fuel oil dealers for the year 1980. The Director of Policy for the Energy Office, Mr. James DeMetro, has assured me that the information will be kept confidential and will be used only for strategic and emergency energy planning.

Please release the requested information to the New York City Energy Office at your earliest convenience.

Sincerely,

[Signature]

J. DeMetro
28 April 1982

Mr. Patrick J. Hennigan, Assistant Professor
Graduate Program & Public Policy & Administration
Columbia University
420 West 118 Street
New York, NY 10027

Dear Mr. Hennigan:

Thank you for your letter of March 30, enclosing your resume. Naturally, I am flattered that you found my presentation at the University Seminar last year interesting!

The Corporation has been interviewing graduating MBA's (and those enrolled in public policy programs) for the last several months in an effort to identify candidates and assess our need for a new entry level person on the financing and investment side of the Corporation. While your background is somewhat different from those we have been interviewing, I have kept you in mind as a possibility in that context.

On reflection, we have concluded that we will not create the new position at the Corporation this spring, but rather defer to the future. Thus, there are no employment opportunities for someone of your interests at the present time.

Even if we do create such a position in the coming year, I wonder whether it would not be more "junior" than you would have in mind. I envisage a position suitable for someone who is willing to devote him or herself to a considerable "apprenticeship" as an assistant to our on board professional staff in accounting, investment, and financial analysis.

You are welcome to check with us later, possibly in the fall. In the meantime, thank you for your interest.

Sincerely,

[Signature]

Heather L. Ruth
Executive Director
March 30, 1982

Ms. Heather Ruth  
Director  
Municipal Assistance Corporation  
One World Trade Center  
New York, New York 10048  

Dear Ms. Ruth:

For the past several years I have been teaching public administration at Columbia with a special emphasis on debt management and public securities. At this point in my career I am very interested in exploring employment possibilities in the finance field.

Last year I attended your presentation at the University Seminar in Columbia Faculty House. I was very impressed with your work at MAC. I would enjoy an opportunity to meet with you and discuss whether there might be a fit between your present or future staffing needs and my experience.

I am looking forward to hearing from you.

Sincerely yours,

[Signature]

Patrick J. Hemmigan  
Assistant Professor of  
Political Science
October 1981

Curriculum Vitae

PATRICK J. HENNIGAN

420 West 118th Street
International Affairs Building
Columbia University, New York 10027
(212) 280-2167, 280-4358

117 West 58th Street, Apt. 12-A
New York, New York 10019
(212) 541-6386

EDUCATION

Ph.D., Public Administration, The Maxwell School of Citizenship and Public Affairs, Syracuse University, Syracuse, New York 1978

M.P.A., The Maxwell School, Syracuse University, Syracuse, New York 1975


A.B., The Catholic University of America, Washington, D.C. 1967

PRINCIPAL INTERESTS

Public Administration, Public Financial Management, Government Regulation, Science and Technology Policy

EXPERIENCE

1979-
Assistant Professor, Department of Political Science and School of International and Public Affairs, Columbia University. Taught graduate courses in Policy Analysis, Public Administration, Management, Government Regulation and American Government for the Department and for the Graduate Program in Public Policy and Administration.

1978-9
Acting Assistant Professor, Woodrow Wilson Department of Government and Foreign Affairs, University of Virginia, Charlottesville, Virginia. Taught graduate and undergraduate courses in Public Administration, Organization Theory, Program Evaluation/Policy Analysis.

1975-8
Research Assistant, Albert Schweitzer Chair in the Humanities, Dwight Waldo, Professor of Public Administration, The Maxwell School, Syracuse University, Syracuse, New York

1977-80
Research Associate, Science and Technology Policy Center, Syracuse Research Corporation, Syracuse, New York. Designed research projects on organizational problem-solving and prepared proposals on educational innovations and public service delivery systems, Summer 1977. Research Consultant on retainer, 1977-80, for projects sponsored by the National Science Foundation and National Institute of Education.
1972-4
Project Manager, The Pennsylvania Day Care Personnel Project; Northeast Regional Representative, Educational Projects, Inc., Pittsburgh, Pa., and Washington, D.C. Supervised professional staff members in four field offices in developing a state-wide competency-based training and credentialing system for about 3,000 child care workers under contract for the Department of Public Welfare. Member of the corporate management team for planning, marketing, proposal development and project implementation. Directed community involvement activities, organized regional and statewide advisory committees and conferences. Represented the corporation at state and national conferences.

1971-2
Northeast Regional Coordinator, Governor's Office, Office of Human Resources, Harrisburg, Pa. Provided technical assistance in planning, and project implementation for human service programs in three model cities: Wilkes-Barre, Scranton, and Reading under contract with U.S. Dept. of Housing and Urban Development, Philadelphia Regional Office. Assisted in planning recovery efforts and emergency program development following 1972 hurricane disaster in Wilkes-Barre.

1969-71
Planning Associate and Research Associate, Planning Council for Social Services, Scranton, Pa. Conducted agency performance evaluations; prepared community-wide service delivery plans; coordinated the "Concerted Social Services Program" for Scranton Redevelopment Authority under auspices of the U.S. Dept of Housing and Urban Development, Philadelphia Regional Office.

1967-9
Rehabilitation Counseling Intern, Department of Vocational Rehabilitation, St. Elizabeth's Hospital (Federal), Washington D.C.; Lorton Reformatory and Penitentiary, Lorton, VA; Walter Reed Army Hospital, Washington, D.C.

PROFESSIONAL AFFILIATIONS

Academy of Political Science  American Political Science Association
American-Irish Historical Society  American Society for Public Administration
American Academy of Political And Social Science  Municipal Finance Officers Association

PUBLICATIONS, REPORTS, BOOK REVIEWS


Applying Professional Standards and Ethics in the '80s: A Workbook and Study Guide For Public Administrators, co-edited with Herman Mertins, Jr., for the American Society for Public Administration, Washington, D.C. (Scheduled to be published Summer 1982)

"Commercialization of Recombinant DNA Research: Government - Business-University Relations", supported by the DUKE/Rand Program and Sloan Foundation. Published by HBS Case Services, Boston MA. September, 1981.

"The Ethical Obligations of the Public Administrator: A Poorly Mapped Terrain," (with Dwight Waldo), Submitted for publication.


"Implementing Educational Innovation: Coalition-Building for Project Unique in Rochester New York," a case study prepared for the Science and Technology Policy Center, Syracuse Research Corporation, for a study sponsored by the National Science Foundation, 70 pages, Spring 1977.


(Book Reviews) Towards a Philosophy of Administration, by C. Hodgkinson, Political Science Quarterly, Fall 1979, pp. 538-9.

PROFESSIONAL PAPERS AND PANELS


"Organizing and Managing Federal Evaluation to Improve Performance and Accountability" panel convener for the National Convention, American Society for Public Administration San Francisco, Ca., April 15, 1980.

"The Maxwell Public Administration Knowledge Inventory: Study and Practice, "paper delivered at the National Conference, American Society for Public Administration, Washington, D.C. April 19-23, 1976 (with other doctoral students at the Maxwell School).

ADDITIONAL PROFESSIONAL ACTIVITIES


National Association of Schools of Public Affairs and Administration (NASPAA), Washington, D.C. Committee on Governmental Relations, 1980-81.


American Society for Public Administration, Washington, D.C., appointed member of the Committee on Professional Standards and Ethics, 1979-82.


Consultant

Science and Technology Policy Center, Syracuse Research Corporation, Syracuse, New York; Research on technology transfer to local government sponsored by the National Science Foundation and on educational innovation sponsored by the National Institute of Education. Prepared proposals and negotiated $125,000 grant from NIE.
"MONTCO" Inservice Training and Educational Resources
Project, Montgomery County Intermediate Unit, Norristown, Pa., Summer, 1976.

Teacher Corps Project, School of Education, Syracuse University 1975.


Alternative Member, New York State Governor's Task Force on Mental Hygiene Delivery System, Albany, New York, Summer/Fall 1976.

Graduate Senator, Syracuse University Senate, Committee on Research, 1975-76, Subcommittee on Services to the Faculty, 1976-77.

COMMUNITY SERVICE

Co-captain, Commercial Division, United Way of Lackawanna County, 1972-4.

Advisory Board Member of 4C Manpower Training Program, Marywood College, Scranton, Pa., 1972.

Citizen Advisory Committee Member, Title I ESEA Program, Scranton School District, 1972.

Advisory Board Member, Volunteers in Probation Program, Scranton, Pa., 1970-1.

ACADEMIC HONORS AND AWARDS

1975-78 Research Assistantship, Albert Schweitzer Chair in the Humanities, The Maxwell School, Syracuse University.


1963-67 Full Academic Scholarship--Undergraduate, The Catholic University of America, Washington, D.C.
BY MESSENGER

28 April 1982

Ms. Catherine E. Hutcheson
Vice President
Security-Columbian Division
UNITED STATES BANKNOTE CORPORATION
345 Hudson Street
New York, New York 10014

Re: Series 39 Bond Printing

Dear Kay:

In accordance with my letter of April 20, 1982, authorizing you to print borders for Series 39 Bonds of the Corporation, this letter is to provide you with the specifications for those bonds and to request a price quotation for such work.

I. Term Bonds Due 2006

Coupon: A quantity of 9,000 coupon bonds in the denomination of $5,000, dated May 1, 1982, maturing July 1, 2006, all bearing interest at the rate of 1 3/4% per annum, with coupons payable January 1 and July 1 of each year 1983 through 2006 (48 coupons), including CUSIP number HR6, facsimile seal and facsimile signatures, and numbered consecutively 39-06-1 through 39-06-9,000.

Registered: A quantity of 3,000 registered bonds in blank denomination, numbered consecutively 39R-06-1 through 39R-06-3,000.

II. Term Bonds Due 2008

Coupon: A quantity of 3,000 coupon bonds in the denomination of $5,000, dated May 1, 1982, maturing July 1, 2008, all bearing interest at the rate of 10% per annum, with coupons payable January 1 and July 1 of each year 1983 through 2008 (52 coupons), including CUSIP number HS4, facsimile seal and facsimile signatures, and numbered consecutively 39-08-1 through 39-08-3,000.

Registered: A quantity of 1,000 bonds in blank denomination, numbered consecutively 39R-08-1 through 39R-08-1,000.

III. Serial Bonds

Quantities for each maturity indicated below of 1,000 coupon bonds in the denomination of $5,000 and 300 registered bonds in blank denomination, dated May 1,
28 April 1982

Mr. Francis J. Barry
Circle Line, Inc.
Pier 83/West 43 Street
New York, NY 10036

Dear Frank:

Thank you for drawing to our attention the prospectus for the Municipal Investment Trust Fund (45th New York Series). Actually, I don't believe I have ever seen one of these before. The pages you indicate (pages 6 through 7) consist essentially of an extract from the official statements produced by the City and the Corporation. It appears to be a fair treatment; however, always a bit ominous sounding when all the "risk factors" are strung together in one place!

Thanks once more.

Sincerely,

Heather L. Ruth
Executive Director

HLR:dnd
For Immediate Release: Tuesday, April 27, 1982, 1:00 P.M.

The Municipal Assistance Corporation for The City of New York announced the results of its sale of $100 million principal amount of its Series 39 Bonds, its first competitive bond sale. The bonds were awarded to a syndicate led by Merrill Lynch White Weld Capital Markets Group, which submitted the best bid of four bids submitted.

Bids were awarded on the basis of the lowest True Interest Cost, as calculated by the Corporation, which was 12.29% on the Series 39 Bonds. The second lowest True Interest Cost submitted was 12.32% and was submitted by a group led by Salomon Brothers, Inc.

The True Interest Cost of 12.29% is the same as the Bond Buyer 20 Bond Index for the week ending April 22, 1982. This compares with the True Interest Cost of 13.92% on the Corporation's most recent previous public offering of its Series 38 Bonds in January 1982 when the Bond Buyer Index was 13.16%.

The Series 39 Bonds will mature and bear interest as follows:

<table>
<thead>
<tr>
<th>Year of Maturity</th>
<th>Principal Amount</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>$3,375,000</td>
<td>12 1/8%</td>
</tr>
<tr>
<td>1985</td>
<td>3,485,000</td>
<td>12 1/8%</td>
</tr>
<tr>
<td>1986</td>
<td>3,600,000</td>
<td>12 1/8%</td>
</tr>
<tr>
<td>1987</td>
<td>3,710,000</td>
<td>12 1/8%</td>
</tr>
<tr>
<td>1988</td>
<td>3,820,000</td>
<td>10%</td>
</tr>
<tr>
<td>1989</td>
<td>3,940,000</td>
<td>10 1/4%</td>
</tr>
<tr>
<td>1990</td>
<td>4,050,000</td>
<td>10 1/2%</td>
</tr>
<tr>
<td>1991</td>
<td>4,160,000</td>
<td>10 3/4%</td>
</tr>
<tr>
<td>1992</td>
<td>4,275,000</td>
<td>11%</td>
</tr>
<tr>
<td>1993</td>
<td>4,385,000</td>
<td>11.40%</td>
</tr>
<tr>
<td>1994</td>
<td>2,630,000</td>
<td>11 3/4%</td>
</tr>
<tr>
<td>1995</td>
<td>2,675,000</td>
<td>12%</td>
</tr>
<tr>
<td>1996</td>
<td>2,720,000</td>
<td>12 1/4%</td>
</tr>
<tr>
<td>1997</td>
<td>2,765,000</td>
<td>12 1/2%</td>
</tr>
<tr>
<td>2006</td>
<td>37,830,000</td>
<td>13%</td>
</tr>
<tr>
<td>2008</td>
<td>12,580,000</td>
<td>10%</td>
</tr>
</tbody>
</table>

Delivery of the Series 39 Bonds is expected to be made on May 11, 1982.
27 April 1982

To: Audit Committee

From: Steven J. Kantor

Re: Audit Committee Meeting - April 29, 1982

Enclosed please find a copy of the most recent draft of the financial statements of the Corporation for the period ending March 31, 1982 for your review prior to the scheduled Audit Committee meeting April 29, 1982 at Price Waterhouse, Room 4230 at 11:30 a.m.

Also enclosed are the minutes of the February 2, 1982 meeting for your approval.

SJK:dnd
Enclosures

DISTRIBUTION:

Andrew P. Steffan
Kenneth J. Bialkin
George M. Brooker
Bradford J. Race

Price Waterhouse
Frederick M. Werblow
Steven E. Kober

MAC
Heather L. Ruth
Claire L. Curry
April 29, 1982

The Municipal Assistance Corporation For The City of New York presents its unaudited financial statements for the quarter ended March 31, 1982, the third quarter of the Corporation's 1982 fiscal year.

On February 4, 1982, the Corporation issued its Second General Resolution Series 38 Bonds in the aggregate principal amount of $100 million. Of the net proceeds of the Series 38 sale, approximately $83 million is to be used to acquire bonds of the City of New York which are to be used to finance a portion of the City's capital program. The balance of the net proceeds, approximately $15 million, was deposited in the Capital Reserve Aid Fund.

During the quarter ended March 31, 1982, the Corporation issued $5,000 principal amount of Second General Resolution Series 36 Bonds. The Corporation previously issued Series 27 Bonds with warrants to purchase $100
million Series 28 Bonds, and Series 35 Bonds with warrants to purchase $59.505 million Series 36 Bonds. As of March 31, 1982, $15,000 Series 28 Bonds and $5,000 Series 36 Bonds have been issued. Exhibit III includes a pro forma presentation which assumes that all of the remaining Warrants have been exercised and that the full authorized principal amount of $100 million of Series 28 Bonds and $59.505 million of Series 36 Bonds have been issued.

During the quarter ended March 31, 1982, the Corporation entered into a loan agreement for $500,000 of notes to finance the purchase of a computer and related software. These notes, which are subordinated to both First and Second Resolution Obligations, mature in five equal annual installments beginning July 1, 1982 with interest due semiannually at 9 1/4% per annum.

At April 29, 1982, the Corporation had acquired $91.1 million of its Second General Resolution Bonds either in the open market or by tender offer with the intention of retiring these securities to satisfy its July 1, 1982 sinking fund requirements. The savings as a result of these purchases as of April 29, 1982 amount to approximately $14.7 million.

At March 31, 1982, the Corporation had on deposit in its Capital Reserve Fund approximately $997.3 million, comprising approximately $348.6 million relating to the First General Resolution Bonds and $648.7 million relating
to Second General Resolution Bonds. Such amounts equalled or exceeded the required funding levels.

Additional information has been added to the Exhibits. Exhibit I now includes the respective dated dates of the outstanding First and Second Resolution Bonds. A column has been added to Exhibit III showing the coverage of available revenues to Second Resolution debt service, after subtracting debt service on First Resolution Obligations.

The combined net revenues from the New York State Sales and Stock Transfer Taxes which were deposited in the Municipal Assistance Tax Fund and available to the Corporation during the three and twelve month periods ended March 31, 1982, amounted to approximately $565.7 million and $1,947.1 million, respectively. Sales Tax revenues during the three and twelve month periods ended March 31, 1982, amounted to $433.8 million and $1,386.1 million, respectively, an increase of 5.0% and 9.8% over comparable periods ended March 31, 1981. Stock Transfer Tax revenues during the similar periods amounted to $131.9 million and $561.0 million, respectively, a decrease of 9.0% and 3.3% over the comparable periods of the prior year. During the twelve months ended March 31, 1982, approximately $484
million of New York State Per Capita Aid was deposited in the Municipal Assistance State Aid Fund and available to the Corporation.

Felix G. Rohatyn
Chairman

Heather L. Ruth
Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

STATEMENT OF FINANCIAL POSITION

March 31, 1982
(Unaudited)

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First General Resolution Bonds</td>
<td>$2,355,738,000</td>
</tr>
<tr>
<td>Second General Resolution Bonds</td>
<td>5,012,845,000</td>
</tr>
<tr>
<td><strong>Total bonds payable</strong></td>
<td>7,368,583,000</td>
</tr>
<tr>
<td>Accrued interest on bonds payable</td>
<td>146,749,722</td>
</tr>
<tr>
<td>Required Guaranty Fund balance</td>
<td>84,020,818</td>
</tr>
<tr>
<td>Operating Fund</td>
<td>2,205,912</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>7,601,559,452</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Fund:</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>33,643</td>
</tr>
<tr>
<td>Investments in marketable securities</td>
<td>318,443,883</td>
</tr>
<tr>
<td>Accrued interest on marketable securities</td>
<td>20,561,072</td>
</tr>
<tr>
<td>City of New York obligations</td>
<td>743,822,000</td>
</tr>
<tr>
<td>Accrued interest on City of New York obligations</td>
<td>3,103,896</td>
</tr>
<tr>
<td><strong>Total Debt Service Fund</strong></td>
<td>1,085,964,494</td>
</tr>
</tbody>
</table>

| Investments in marketable securities held for:   |            |
| Capital Reserve Fund                             | 997,303,507 |
| Purchase of City of New York obligations         | 730,938,796 |
| Guaranty Fund                                    | 85,156,071  |
| **Operating Fund**                               | 3,711,368   |
| **Total assets**                                 | 2,903,074,236|
| **Funding requirements**                         | $4,698,485,216|
MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  

DEBT SERVICE, CAPITAL RESERVE AND GUARANTY FUNDS  
STATEMENT OF TRANSACTIONS  
(Unaudited)  

<table>
<thead>
<tr>
<th></th>
<th>For the three months ended March 31, 1982</th>
<th>For the nine months ended March 31, 1982</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax allocation received from State of New York</td>
<td>$ 111,000,000</td>
<td>$ 141,000,000</td>
</tr>
<tr>
<td>Income from investments</td>
<td>32,053,707</td>
<td>90,895,366</td>
</tr>
<tr>
<td>Income from obligations of the City of New York</td>
<td>17,822,454</td>
<td>50,230,625</td>
</tr>
<tr>
<td>Accrued interest received on issuance of bonds</td>
<td>109,537</td>
<td>3,775,656</td>
</tr>
<tr>
<td>City of New York obligations acquired</td>
<td>-</td>
<td>227,000,000</td>
</tr>
<tr>
<td></td>
<td>160,985,698</td>
<td>512,901,647</td>
</tr>
<tr>
<td>Capital Reserve Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers from bond proceeds</td>
<td>14,651,725</td>
<td>106,776,700</td>
</tr>
<tr>
<td>Income from investments</td>
<td>25,565,321</td>
<td>70,259,882</td>
</tr>
<tr>
<td></td>
<td>40,217,046</td>
<td>177,036,582</td>
</tr>
<tr>
<td>Guaranty Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers from bond proceeds</td>
<td>15,250,000</td>
<td>17,488,204</td>
</tr>
<tr>
<td>Income from investments</td>
<td>2,084,684</td>
<td>5,642,452</td>
</tr>
<tr>
<td></td>
<td>17,334,684</td>
<td>23,130,656</td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td>218,537,428</td>
<td>713,068,885</td>
</tr>
</tbody>
</table>

| **Expenditures:**    |                                          |                                        |
| Debt Service:        |                                          |                                        |
| Interest on First General Resolution Bonds | 45,856,233    | 138,815,808  |
| Interest on Second General Resolution Bonds | 114,388,584   | 320,774,776  |
| Principal Repayment of First General Resolution Bonds | 26,595,000    | 26,595,000   |
|                      | 186,839,817   | 486,185,584  |
| Requirement for Guaranty Fund | 15,807,699    | 29,631,332   |
| **Total expenditures** | 202,647,516   | 515,816,916  |
| **Excess of receipts over expenditures for the period** | $ 15,889,912 | $ 197,251,969 |
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

STATEMENT OF CHANGES IN FUNDS AVAILABLE TO PURCHASE
CITY OF NEW YORK OBLIGATIONS
(Unaudited)

 Receipts:
 Principal amount of bonds issued $100,005,000 $624,715,000
 Less:
   Discount on bonds issued (2,319,025) (7,215,550)
   Transfers to Capital Reserve Fund (14,651,725) (106,776,700)
   Transfers to Guaranty Fund (15,250,000) (17,488,204)
 Net proceeds available 67,784,250 493,234,546

 Distributions:
 Purchase of City of New York obligations for Debt Service Fund — 227,000,000
 Net change for the period $67,784,250 $266,234,546

 Funds available to purchase City of New York obligations:
 For the period $67,784,250 $266,234,546
 At beginning of period 663,154,546 464,704,250
 At end of period $730,938,796 $730,938,796

 SUMMARY OF CHANGES IN FUNDING REQUIREMENT
(Unaudited)

 Funding requirement at beginning of the period $4,707,163,002 $4,559,195,801

 Changes during the period:
   Net increase in debt outstanding 73,410,000 598,120,000
   Debt Service, Capital Reserve and Guaranty Funds (15,889,912) (197,251,969)
   Funds available to purchase City of New York obligations (67,784,250) (266,234,546)
   Operating Fund 1,586,376 4,655,930

 Funding requirement at end of period $4,698,485,216 $4,698,485,216
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

OPERATING FUND
STATEMENT OF TRANSACTIONS
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>For the three months ended March 31, 1982</th>
<th>For the nine months ended March 31, 1982</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from investments</td>
<td>$ 162,379</td>
<td>$ 685,847</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt issuance and service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and public notices</td>
<td>83,541</td>
<td>878,654</td>
</tr>
<tr>
<td>Legal services</td>
<td>163,100</td>
<td>407,216</td>
</tr>
<tr>
<td>Trustee and related services</td>
<td>345,029</td>
<td>727,205</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>591,670</td>
<td>2,013,075</td>
</tr>
<tr>
<td>Oversight functions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Special Deputy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comptroller</td>
<td>452,105</td>
<td>1,331,159</td>
</tr>
<tr>
<td>Financial Control Board</td>
<td>381,120</td>
<td>1,042,008</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>833,225</td>
<td>2,373,167</td>
</tr>
<tr>
<td>General and administration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel services -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>157,954</td>
<td>432,142</td>
</tr>
<tr>
<td>Other personnel services</td>
<td>32,452</td>
<td>151,295</td>
</tr>
<tr>
<td>Office rental</td>
<td>23,236</td>
<td>66,701</td>
</tr>
<tr>
<td>Data processing services</td>
<td>35,841</td>
<td>60,652</td>
</tr>
<tr>
<td>Printing and distribution</td>
<td>17,374</td>
<td>79,324</td>
</tr>
<tr>
<td>Accountancy service</td>
<td>17,414</td>
<td>77,239</td>
</tr>
<tr>
<td>General office expenses</td>
<td>29,404</td>
<td>66,579</td>
</tr>
<tr>
<td>Communications</td>
<td>6,197</td>
<td>16,695</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>3,988</td>
<td>4,908</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>323,860</td>
<td>955,535</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,748,755</td>
<td>5,341,777</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of receipts</strong></td>
<td>$ (1,586,376)</td>
<td>$ (4,655,930)</td>
</tr>
</tbody>
</table>
Municipal Assistance Corporation For The City of New York (the "Corporation") is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation. The Corporation was created by State legislation adopted in June 1975 (as amended to date, the "Act") for purposes of providing financing assistance and fiscal oversight for The City of New York (the "City"). To carry out such purposes, the Corporation, among other things, issues and sells bonds and notes to pay or loan funds received from such sales to the City and exchanges the Corporation's obligations for those of the City.

The Debt Service Fund follows the modified accrual basis of accounting. Receipts from tax allocations are recorded as received. Interest income from investments and interest expense on the Corporation's debt are recorded on the accrual basis. The Corporation's debt is recorded at the principal amount of the obligations outstanding. Original issue discounts are charged to the Debt Service Fund as incurred and become part of funding requirements. Amounts required for the payment of debt service due on July 1 and January 1 are accounted for as if paid on the immediately preceding June 30 and December 31, respectively, by which date such amounts are segregated for that purpose by the Trustee under the bond resolutions. The funding requirements of the Corporation reported in the Statement of Financial Position do not include future interest requirements.

The Operating Fund provides for the expenses of carrying out the Corporation's duties and functions and is funded from the Municipal Assistance Tax Fund. The Operating Fund accounts have been prepared on the accrual basis of accounting. The Corporation's administrative expenses of debt issuance and service are charged to the Operating Fund as incurred. The assets of the Operating Fund at March 31, 1982 include approximately $353,000 for computer and related software which is being depreciated on a straight line basis over a five year period beginning January 1, 1982. The Corporation has entered into a loan agreement with the United States Trust Company of New York for $500,000 for the anticipated cost of the computer and related software. This loan, bearing an interest rate of 9½%, is due in five equal annual installments of principal commencing July 1, 1982 with interest due semiannually.
Investments in marketable securities held in the Capital Reserve or Guaranty Funds are carried at amortized cost and investments in marketable securities in the Debt Service Fund are carried at the lower of cost or market value inclusive of accrued interest in accordance with the bond resolutions pursuant to which they were established. Income from investments held in the Debt Service Fund includes such amounts necessary to record any unrealized loss on investments held at the end of the period, or to reverse previously recorded losses. Generally, investments in other funds are carried at cost.

Note 3 - Bonds of the Corporation:

Authorization, Funding, Payment and Refunded Bonds:

Debt Authorization: The Corporation is authorized by the Act to issue obligations in an aggregate principal amount of $10 billion, exclusive of obligations issued to refund outstanding obligations of the Corporation and of notes issued to enable the City to fulfill its seasonal borrowing requirements. Pursuant to the Act, new obligations of the Corporation may not mature later than July 1, 2008 and no new obligation may be issued after December 31, 1984 except to renew or refund outstanding obligations. The Corporation may issue such obligations provided their issuance would not cause certain debt service limitations and debt service coverage ratios to be exceeded.

Funding Methods: The Corporation funds its debt service requirements and operating expenses from the State's collection of sales tax imposed by the State within the City at the rates formerly imposed by the City, the stock transfer tax and certain per capita aid, subject in each case to appropriation by the State Legislature. Net collections of such taxes and per capita aid not required by the Corporation are available to the City.

All outstanding bonds are general obligations of the Corporation. The Corporation has no taxing power. The bonds are entitled to liens, created by pledges under the respective resolutions, on moneys paid into the debt service and capital reserve funds.

Debt service for obligations issued under the First General Bond Resolution is payable from funds paid into the Debt Service Fund from the State's Municipal Assistance Tax Fund, which is funded from revenues collected, less the State's charges for collection and administration, from the sales tax and, if necessary, the stock transfer tax. In 1977, the State enacted a program of gradually increasing rebates for all stock transfer tax payers. Rebates equal to 100% of the tax began on October 1, 1981. The legislation provides that taxpayers are to continue to pay the stock transfer tax at the present rate but will be entitled to a 100% rebate should the Corporation not require the funds. To date, the Corporation has not
found it necessary to use the revenues derived from the stock transfer tax to pay its debt service. Based on present projections, the Corporation does not anticipate that it will be necessary to utilize these revenues in the future, although no assurance can be given that they will not be so required.

The net revenues from such sales and stock transfer taxes which were collected by the State during the 3 and 12 month periods ended March 31, 1982 amounted to $565.7 million and $1,947.1 million, respectively. Payments made to the Corporation from the Municipal Assistance Tax Fund are to be made quarterly and at such other times as the Corporation requests.

Debt service for obligations issued under the Second General Bond Resolution is payable from two sources: funds paid annually into the Debt Service Fund from the Municipal Assistance State Aid Fund, which is funded from per capita aid otherwise payable by the State to the City, and after satisfying the debt service requirements for obligations issued under the First General Bond Resolution as described above, funds paid quarterly from the Municipal Assistance Tax Fund. Per capita aid is subject to prior claims asserted by certain other State or City entities; however, no such claims have been asserted since the inception of the Corporation. Total per capita aid paid into the Municipal Assistance State Aid Fund during the 12 months ended March 31, 1982 amounted to $484 million.

To the extent that funds are available from investment income, receipt of principal and interest payments on obligations of the City and other sources, they may be used to reduce the Corporation's funding requirements.

The Corporation certified to and was paid on April 1, 1982, $22 million and $143 million of sales tax revenues from the Municipal Assistance Tax Fund for First and Second General Bond Resolution purposes, respectively.

Payment Dates: Principal payments at maturity or mandatory sinking fund calls are made February 1 and interest is paid semiannually on February 1 and August 1 for bonds outstanding under the First General Bond Resolution. Principal payments at maturity or mandatory sinking fund calls are made July 1 and interest is paid semiannually on July 1 and January 1 for bonds outstanding under the Second General Bond Resolution. The Corporation may from time to time purchase at a price equal to or less than par certain of its securities to satisfy its sinking fund requirements. At March 31, 1982, $57.3 million of Second General Resolution Bonds purchased in the open market were included as assets in the Debt Service Fund. On April 6, 1982, the Corporation published a Notice of Solicitation of Tenders to purchase bonds to satisfy Sinking Fund Requirements due on July 1, 1982 of its 1975 Series 1 through 4 Bonds and 1976 Series 5 and 6 Bonds. As a result of the tender offer and additional open market purchases, $91.1
million principal amount of bonds had been acquired by the Corporation as of April 29, 1982.

Refunded Bonds: The Corporation's bonds may be refunded in advance of their maturity in accordance with provisions of the First and Second General Bond Resolutions by placing in trust with the Trustee sufficient moneys or certain securities which together with investment income will be sufficient to pay principal and interest when due on the bonds which have been refunded. Although they remain valid debt instruments with regard to principal and interest payable thereon from the moneys or securities placed in trust, advance refunded bonds are deemed to have been paid within the meaning of the First and Second General Bond Resolutions and are therefore no longer presented as liabilities of the Corporation. At March 31, 1982, approximately $499.6 million of the Corporation's bonds which have been advance refunded remain valid debt instruments.

Note 4 - Capital Reserve Fund:

The Act provides for the establishment of a Capital Reserve Fund to provide security for payment of interest on and principal of the Corporation's bonds. The amount required to be on deposit in the Capital Reserve Fund is 100% of the principal (including sinking fund installments) and interest maturing or otherwise due or becoming due on outstanding bonds during the succeeding calendar year.

The Capital Reserve Fund balance at March 31, 1982 of $997.3 million, net of liabilities of $1.8 million for securities sold under agreements to repurchase, included accrued interest of $24.6 million, and comprised $348.6 million relating to First General Resolution Bonds and $648.7 million relating to Second General Resolution Bonds.

The Capital Reserve Fund may be invested only in direct obligations of, or obligations guaranteed by, the State or the United States of America, or in certain other permitted investments. At March 31, 1982, the amortized cost of the investments exceeded market value by approximately $102.1 million.

Note 5 - Guaranty Fund:

In connection with the issuance by the City of Federally guaranteed obligations, a Guaranty Fund has been established by the Corporation. The Corporation is required, at the time of each issuance of guaranteed City obligations, to have on deposit in the Guaranty Fund a specified amount. The moneys on deposit in the Guaranty Fund, up to a specified amount, are available for the benefit of the United States of America in the event the City is unable to meet debt service requirements on certain City obligations for which the payment of principal and interest is guaranteed by the United States of America. Such specified amount is presented as a liability of the Corporation. To the extent moneys on deposit in the Guaranty Fund exceed the amount
required, the Corporation is entitled to withdraw such excess from the Guaranty Fund and the United States of America has no further claim on such moneys. At March 31, 1982, no claim has been asserted. Moneys on deposit in the Guaranty Fund are invested in direct obligations of the United States of America.

Note 6 - Investments in Marketable Securities:

Debt service funds paid to the Corporation in advance of disbursement to bondholders are temporarily invested pursuant to the terms of the bond resolutions and the income therefrom is credited to the Debt Service Fund. Proceeds of debt issues may also be temporarily invested. Such funds may be invested as described in Note 4.

Note 7 - New York City Obligations Held by the Corporation:

At March 31, 1982, the Corporation held $743.8 million principal amount of City bonds which it had acquired previously as a result of purchases of City obligations and various exchanges and payments to the City. The City obligations held at March 31, 1982 bear interest at rates ranging from 7 1/4% to 11 3/8% and will mature on September 15 in each year as shown below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Maturing (In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>$ 89,589</td>
</tr>
<tr>
<td>1983</td>
<td>35,398</td>
</tr>
<tr>
<td>1984</td>
<td>37,451</td>
</tr>
<tr>
<td>1985</td>
<td>39,052</td>
</tr>
<tr>
<td>1986</td>
<td>31,217</td>
</tr>
<tr>
<td>1987-1991</td>
<td>134,760</td>
</tr>
<tr>
<td>1992-1996</td>
<td>183,044</td>
</tr>
<tr>
<td>1997-2001</td>
<td>127,231</td>
</tr>
<tr>
<td>2002-2006</td>
<td>64,295</td>
</tr>
<tr>
<td>2007</td>
<td>1,785</td>
</tr>
<tr>
<td></td>
<td>$743,822</td>
</tr>
</tbody>
</table>

The obligations may not be sold without the consent of the City.

The Corporation, in making its certification for funds, is required to exclude from consideration any amounts it expects to receive as payment on City obligations until such amounts are received.

Note 8 - Commitments:

The Corporation and the City have developed a Debt Issuance Plan (the "Plan") to provide for a significant portion of the City's long-term financing requirements through 1984. Under the Plan, proceeds of
debt issuances of the Corporation will be used principally to purchase obligations of the City when issued to provide a source of funding for a portion of the City's capital program. At March 31, 1982, $730.9 million was available to purchase City obligations. As of April 29, 1982, the Plan provides for additional public sales of $1.35 billion of the Corporation's bonds through 1984.

The amount of the Corporation's bonds to be sold publicly under the plan will depend upon many conditions, including the City's actual capital requirements, the City's ability to continue raising funds in the public bond markets and the general conditions in the public bond markets.

In February 1981, the Corporation sold $100 million of Second General Resolution Series 27 Bonds with detachable Warrants which entitle the holders of those Warrants to purchase up to an aggregate of $100 million principal amount of Series 28 Bonds periodically between February 5, 1981 and January 18, 1983. As of March 31, 1982, Warrants were exercised for the issuance of $15,000 principal amount of Series 28 Bonds. In November 1981, the Corporation sold $59,505 million of Second General Resolution Series 35 Bonds with detachable Warrants, which entitle the holders of those Warrants to purchase up to an aggregate amount of $59,505 million of Series 36 Bonds periodically between December 28, 1981 and January 18, 1983. As of March 31, 1982, Warrants were exercised for the issuance of $5,000 principal amount of Series 36 Bonds. The financial statements and Exhibits I and II do not give effect to the remaining unissued principal amounts of $99,985 million Series 28 Bonds and $59.5 million Series 38 Bonds; however, such are included in Exhibit III in summarizing the pro forma future payment requirements as explained therein.

The Corporation expects to fulfill a portion of its participation in the Debt Issuance Plan by the issuance in the commercial paper market of short-term obligations secured by a credit arrangement with Citibank, N.A. Such short-term obligations will not have a claim on the sales tax, stock transfer tax or per capita aid revenues which are the source of payment for the First and Second Resolution Bonds equal or prior to the claim of such Bonds. If the credit arrangement is used to pay the short-term obligations, the Corporation's obligation to Citibank, N.A. will be repayable over a period of at least five years through the issuance of bonds or otherwise. The Corporation has authorized the issuance of up to $100 million of such short-term obligations, which may serve as an alternative to selling bonds publicly in such amount during its 1982 fiscal year. The Corporation has contracted with Citibank, N.A. to pay a commitment fee which will be credited against future fees when commercial paper is sold. Through March 31, the Corporation has either paid or accrued a total of $227,786 which is shown as a part of Trustee and related services.
The Corporation has agreed to reimburse the New York State Office of the Special Deputy Comptroller for the City of New York and the Financial Control Board for the cost of providing certain oversight services of the City's financial affairs.
<table>
<thead>
<tr>
<th>FY ending</th>
<th>First General Bond Resolution</th>
<th>Second General Bond Resolution</th>
<th>Total</th>
<th>Capital Reserve Fund Additions/ (Releases)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>$62,786†</td>
<td>$137,866</td>
<td>$200,630</td>
<td>($9,067)</td>
<td>$191,563†</td>
</tr>
<tr>
<td>1983</td>
<td>245,650</td>
<td>603,935</td>
<td>849,585</td>
<td>14,949</td>
<td>864,532</td>
</tr>
<tr>
<td>1984</td>
<td>260,447</td>
<td>646,889</td>
<td>907,336</td>
<td>38,562</td>
<td>945,908</td>
</tr>
<tr>
<td>1985</td>
<td>261,862</td>
<td>671,461</td>
<td>933,323</td>
<td>(38,423)</td>
<td>961,746</td>
</tr>
<tr>
<td>1986</td>
<td>246,116</td>
<td>608,761</td>
<td>854,877</td>
<td>(15,950)</td>
<td>869,822</td>
</tr>
<tr>
<td>1987</td>
<td>255,167</td>
<td>647,491</td>
<td>902,658</td>
<td>(7,766)</td>
<td>895,422</td>
</tr>
<tr>
<td>1988</td>
<td>309,639</td>
<td>627,957</td>
<td>937,596</td>
<td>76,814</td>
<td>1,014,410</td>
</tr>
<tr>
<td>1989</td>
<td>356,036</td>
<td>611,928</td>
<td>967,964</td>
<td>(26,642)</td>
<td>941,322</td>
</tr>
<tr>
<td>1990</td>
<td>352,770</td>
<td>589,949</td>
<td>942,719</td>
<td>(5,565)</td>
<td>937,154</td>
</tr>
<tr>
<td>1991</td>
<td>352,356</td>
<td>585,309</td>
<td>937,665</td>
<td>324</td>
<td>937,989</td>
</tr>
<tr>
<td>1992</td>
<td>352,201</td>
<td>586,424</td>
<td>938,625</td>
<td>(181,083)</td>
<td>756,542</td>
</tr>
<tr>
<td>1993</td>
<td>349,300</td>
<td>400,584</td>
<td>749,884</td>
<td>(3,434)</td>
<td>746,450</td>
</tr>
<tr>
<td>1994</td>
<td>350,962</td>
<td>410,050</td>
<td>761,012</td>
<td>(3,018)</td>
<td>758,004</td>
</tr>
<tr>
<td>1995</td>
<td>177,272</td>
<td>400,609</td>
<td>577,881</td>
<td>(396,901)</td>
<td>181,180</td>
</tr>
<tr>
<td>1996</td>
<td>346,797</td>
<td>346,797</td>
<td>693,594</td>
<td>93,492</td>
<td>253,305</td>
</tr>
<tr>
<td>1997</td>
<td>254,778</td>
<td>254,778</td>
<td>509,556</td>
<td>6,191</td>
<td>260,947</td>
</tr>
<tr>
<td>1998</td>
<td>249,601</td>
<td>249,601</td>
<td>499,202</td>
<td>(9,9)</td>
<td>249,303</td>
</tr>
<tr>
<td>1999</td>
<td>260,261</td>
<td>260,261</td>
<td>520,522</td>
<td>(57,740)</td>
<td>202,782</td>
</tr>
<tr>
<td>2000</td>
<td>203,354</td>
<td>203,354</td>
<td>406,708</td>
<td>(28,581)</td>
<td>178,127</td>
</tr>
<tr>
<td>2001</td>
<td>175,190</td>
<td>175,190</td>
<td>350,380</td>
<td>(30,315)</td>
<td>320,065</td>
</tr>
<tr>
<td>2002</td>
<td>145,597</td>
<td>145,597</td>
<td>291,194</td>
<td>(1,349)</td>
<td>292,543</td>
</tr>
<tr>
<td>2003</td>
<td>144,103</td>
<td>144,103</td>
<td>288,206</td>
<td>(4,071)</td>
<td>292,135</td>
</tr>
<tr>
<td>2004</td>
<td>139,963</td>
<td>139,963</td>
<td>279,926</td>
<td>(2,129)</td>
<td>282,055</td>
</tr>
<tr>
<td>2005</td>
<td>137,892</td>
<td>137,892</td>
<td>275,784</td>
<td>(1,000)</td>
<td>274,784</td>
</tr>
<tr>
<td>2006</td>
<td>136,494</td>
<td>136,494</td>
<td>272,988</td>
<td>(1,000)</td>
<td>271,988</td>
</tr>
<tr>
<td>2007</td>
<td>135,276</td>
<td>135,276</td>
<td>270,552</td>
<td>(597)</td>
<td>269,955</td>
</tr>
<tr>
<td>2008</td>
<td>134,049</td>
<td>134,049</td>
<td>268,098</td>
<td>(136,987)</td>
<td>131,111</td>
</tr>
</tbody>
</table>

Total: $3,932,562 $10,049,146 $13,981,708 ($997,303) $12,984,405

† The fiscal year 1982 requirements represent the balance of funding required during the year.
## Municipal Assistance Corporation for the City of New York

### Summary of Annual Debt Service Payment Requirements

(In Thousands)
(UNAUDITED)

<table>
<thead>
<tr>
<th>FY Ending</th>
<th>First General Bond Resolution</th>
<th>Second General Bond Resolution</th>
<th>Total Debt Service on Bonds Outstanding</th>
<th>Pro Forma Additional Debt Service on Series 28 and Series 36 Bonds</th>
<th>Total of Additional Debt Service on First Resolution Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>$251,058</td>
<td>$556,225</td>
<td>$807,283</td>
<td>$28,706</td>
<td>$835,989 (3.59)</td>
</tr>
<tr>
<td>1983</td>
<td>249,243</td>
<td>697,311</td>
<td>946,554</td>
<td>16,210</td>
<td>856,764 (3.43)</td>
</tr>
<tr>
<td>1984</td>
<td>280,652</td>
<td>642,197</td>
<td>922,849</td>
<td>20,860</td>
<td>943,729 (3.12)</td>
</tr>
<tr>
<td>1985</td>
<td>243,111</td>
<td>665,678</td>
<td>908,789</td>
<td>24,607</td>
<td>933,396 (3.06)</td>
</tr>
<tr>
<td>1986</td>
<td>249,121</td>
<td>662,475</td>
<td>911,596</td>
<td>24,150</td>
<td>935,746 (3.06)</td>
</tr>
<tr>
<td>1987</td>
<td>261,213</td>
<td>641,149</td>
<td>902,362</td>
<td>23,641</td>
<td>926,003 (3.15)</td>
</tr>
<tr>
<td>1988</td>
<td>358,065</td>
<td>621,504</td>
<td>979,569</td>
<td>23,081</td>
<td>1,002,550 (3.09)</td>
</tr>
<tr>
<td>1989</td>
<td>354,008</td>
<td>605,527</td>
<td>959,535</td>
<td>22,480</td>
<td>981,795 (3.14)</td>
</tr>
<tr>
<td>1990</td>
<td>351,531</td>
<td>683,349</td>
<td>934,880</td>
<td>18,722</td>
<td>953,602 (3.32)</td>
</tr>
<tr>
<td>1991</td>
<td>353,182</td>
<td>578,225</td>
<td>931,407</td>
<td>18,183</td>
<td>949,590 (3.35)</td>
</tr>
<tr>
<td>1992</td>
<td>351,219</td>
<td>578,756</td>
<td>929,975</td>
<td>17,636</td>
<td>947,611 (3.36)</td>
</tr>
<tr>
<td>1993</td>
<td>347,380</td>
<td>390,638</td>
<td>734,418</td>
<td>17,064</td>
<td>760,482 (4.85)</td>
</tr>
<tr>
<td>1994</td>
<td>354,543</td>
<td>404,916</td>
<td>759,459</td>
<td>16,468</td>
<td>776,927 (4.74)</td>
</tr>
<tr>
<td>1995</td>
<td>395,376</td>
<td>395,376</td>
<td>790,752</td>
<td>13,916</td>
<td>409,292 (5.75)</td>
</tr>
<tr>
<td>1996</td>
<td>342,113</td>
<td>342,113</td>
<td>684,226</td>
<td>13,482</td>
<td>356,596 (6.62)</td>
</tr>
<tr>
<td>1997</td>
<td>251,576</td>
<td>251,576</td>
<td>503,152</td>
<td>13,043</td>
<td>284,010 (8.89)</td>
</tr>
<tr>
<td>1998</td>
<td>246,188</td>
<td>246,188</td>
<td>492,376</td>
<td>12,584</td>
<td>258,772 (9.69)</td>
</tr>
<tr>
<td>1999</td>
<td>250,342</td>
<td>250,342</td>
<td>500,684</td>
<td>12,121</td>
<td>268,493 (8.76)</td>
</tr>
<tr>
<td>2000</td>
<td>200,270</td>
<td>200,270</td>
<td>400,540</td>
<td>12,533</td>
<td>212,803 (11.06)</td>
</tr>
<tr>
<td>2001</td>
<td>172,524</td>
<td>172,524</td>
<td>345,048</td>
<td>12,083</td>
<td>184,607 (12.74)</td>
</tr>
<tr>
<td>2002</td>
<td>143,654</td>
<td>143,654</td>
<td>287,308</td>
<td>12,678</td>
<td>196,232 (15.06)</td>
</tr>
<tr>
<td>2003</td>
<td>142,009</td>
<td>142,009</td>
<td>284,018</td>
<td>12,128</td>
<td>194,137 (12.56)</td>
</tr>
<tr>
<td>2004</td>
<td>137,399</td>
<td>137,399</td>
<td>274,798</td>
<td>11,079</td>
<td>185,877 (15.74)</td>
</tr>
<tr>
<td>2006</td>
<td>133,996</td>
<td>133,996</td>
<td>267,992</td>
<td>10,213</td>
<td>144,209 (16.31)</td>
</tr>
<tr>
<td>2007</td>
<td>132,568</td>
<td>132,568</td>
<td>265,136</td>
<td>9,841</td>
<td>142,392 (16.52)</td>
</tr>
<tr>
<td>2008</td>
<td>131,111</td>
<td>131,111</td>
<td>262,222</td>
<td>9,414</td>
<td>131,111 (17.94)</td>
</tr>
</tbody>
</table>

**Total** $3,995,326 $10,353,952 $14,349,278 $430,586 $14,779,864

<table>
<thead>
<tr>
<th>FY Ending</th>
<th>First General Bond Resolution</th>
<th>Second General Bond Resolution</th>
<th>Total Debt Service on Bonds Outstanding</th>
<th>Pro Forma Additional Debt Service on Series 28 and Series 36 Bonds</th>
<th>Total of Additional Debt Service on First Resolution Obligations</th>
</tr>
</thead>
</table>

† Assumes the issuance of the remaining unissued authorized principal amount of $99.985 million of Series 28 Bonds and $59.5 million of Series 36 Bonds on April 25, 1982.

* All revenues include $1,947.1 million combined New York State Sales and Stock Transfer Tax and $441.4 million in Per Capita Aid. First Resolution Obligations include Debt Service on First Resolution Bonds and Operating Expenses of $8.8 million.

Estimated coverage ratios on Second Resolution Bonds assume the exercise of all outstanding warrants.
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Minutes of the Audit Committee Meeting

February 2, 1982

The meeting of the Audit Committee of the Board of Directors of the Municipal Assistance Corporation For The City of New York was held on February 2, 1982 at 10:00 A.M. at the offices of Price Waterhouse, 42nd Floor, 153 East 53rd Street, New York City.

The following Directors and Representatives were present:

Andrew P. Steffan, Chairman
Kenneth J. Bialkin
Bradford J. Race, Jr.

The following members of the staff were present:

Heather L. Ruth
Steven J. Kantor
Claire L. Curry

The following representatives of Price Waterhouse were present:

Frederick M. Werblow
Steven E. Kober

Mr. Kantor commenced the meeting with remarks about the quarter ended December 31, 1981. In reviewing the letter from the Chairman and the Executive Director, it was noted that the second quarter, with $524.7 million of sales of the Corporation's obligations, was the most active since the Corporation had begun selling bonds for City capital purposes. Mr. Kantor reminded the Committee that in the first quarter only $5,000 of bonds were sold.
Mr. Kantor proceeded to review the financial statements with the Committee members, noting that in the "Statement of Financial Position" as of December 31, 1981, the Guaranty Fund of the Corporation was underfunded (i.e., the amount required to be set aside in this fund by the Corporation exceeded the amount of investments actually held in the account).

Mr. Kantor went on to explain that this problem was caused by a calculation error and that it was corrected with a transfer of $500,000 to the Guaranty Fund in January 1982. Mr. Kantor informed the members of the Committee that the Corporation had notified both the City of New York and the Federal government of the deficiency, as soon as it was discovered.

Further discussion followed among the Committee members as to possible consequences which may result. In conclusion, Mr. Bialkin suggested, and those members present agreed, obtaining a written opinion from Paul, Weiss, Rifkind, Wharton and Garrison, the Corporation's General Counsel, on the Corporation's liability due to the deficiency. Mr. Kantor stated that he expected such an opinion would be available by the next meeting.

The current wording in the footnotes regarding the Guaranty Fund was discussed in light of the situation. It
was unanimously agreed to delete the following sentence from footnote #5:

"... Except at the time of issuance, the Corporation is under no obligation to maintain the Guaranty Fund at any level ..."

In continuing with his review of the financial statements, Mr. Kantor noted the following points:

1. On the statement of financial position, the Operating Fund caption was no longer listed under "Investments in Marketable Securities Held For", since the fund now includes the cost of the computer as part of its assets.

2. Included in the "Statement of Transactions" is the Corporation's purchase of $227 million of NYC obligations, which occurred this quarter.

Mr. Kantor also noted that, due to market improvement, there is no adjustment for unrealized loss in interest income of the Debt Service Fund as there was last quarter. Mr. Steffan commented that footnote #6 had been changed, but queried as to whether further revision of the note would be necessary for purposes of consistency, should future fluctuations arise. Further discussion followed, and the note was amended accordingly.

Mr. Kantor then reviewed the "Operating Fund Statement of Transactions," noting that two "abnormal" expenditures had occurred this quarter:
1. The cost of advertising for the Series B redemption notice which was approximately $550,000.

2. The fee paid to Citibank for their proposal on the Commercial Paper Program of $100,000.

As a final point, Mr. Kantor noted that the market value of the investments held by the Corporation in the Capital Reserve Fund, as specified in footnote #4, had improved since the previous quarter.

A brief discussion followed regarding the United States Trust Company and their current level of involvement with the Corporation. Mr. Steffan questioned whether the services provided by the Trust Company to the Corporation remained inadequate, and, if so, why had their fees been increased recently. Ms. Ruth responded that the services performed by the Trust Company were satisfactory, and that their fees were not increased because of additional involvement with the Corporation, but rather that the Trust Company had been servicing the Corporation for many years without an increase in fees, and such an increase was granted to compensate for increased operating costs.

The meeting adjourned at 11:05 A.M.
April 27, 1982

Mr. Pat Santivasci
Assistant Vice President
UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street/21st Floor
New York, New York 10005

Dear Pat:

Price Waterhouse has informed the Corporation that they would like to visit the United States Trust Company of New York to review your operations with respect to the Corporation's activities. I have enclosed a copy of their request for your information.

Of the dates mentioned, May 10, 1982 seems to fit our schedules the best. Would you be so kind as to ascertain the availability of the Trust Company personnel, particularly Rick Lancia and Al Antignolo?

Thank you,

Sincerely,

Steven J. Kantor

SJK:bba

Enclosure
Memo to: Steve Kantor  
From: Steve Kober  
Re: Visit to U.S. Trust

As previously discussed, we would like to visit the U.S. Trust Company to review their operations. Our review would preferably consist of a walk-through of their investment and accounting operations. We feel it would be beneficial to walk through the entire processing flow from inception (MAC's phone call authorizing an investment) to the final posting on the bank statement and property statement. (This review should include their computer operations.) We would also be interested in reviewing the securities lending department in order to understand their operations. Our emphasis throughout the visit will be an evaluation of the controls and procedures in place to protect MAC's assets and ensure that MAC obtains the best available prices for security and repurchase transactions.

Fred Werblow, Mike Morrell and I will be attending for PW. We would prefer to set up the visit for May 10, 11 or 12th.

Thanks.
Structure: Effective March 1982

Senior Officers/Executive Staff

Executive Director: H. Ruth 65,700
Deputy Ex. Dir.: S. Weinstein 64,700
Counsel: J. Bove 62,900
Treasurer: S. Kantor 48,300

Other Officers/Policy Staff

Asst. Counsel: M. Gillman 42,800
Dir./Cash Management: W. Lithgow 37,400
Director of Budget Studies: T. Posner 33,200
Analyst: L. Flood 22,400 P/T

Accounting & Systems Support

Director of Accounting: C. Curry 27,000
Director/MIS: K. A'Hearn-Sweeney 18,500
Assistant Accountant: B. Gilling 17,200
Short-Term Investment Officer: F. Higgins 14,100

Office Support

Exec. Sec/A.A.: B. Alpern 23,800
Exec. Sec.: D. Nurse 19,800
Exec. Sec.: B. Wetter 19,800
Receptionist: V. Standifer 12,000
27 April 1982

Mr. Robert P. Mabon, Jr.
Vice President
Salomon Brothers Inc.
One New York Plaza
New York, NY 10004

Dear Bob:

Thank you for your letter. I did dictate a memorandum to the rest of the MAC staff following our telephone conversation so that we could all begin thinking about the MBIA idea. However, as I indicated on the phone, we regard this as a lead to follow up upon only at such time as we have a commercial paper program in the market. Let us hope that is soon!

One of the issues we will consider is whether MAC wants at this late date to set the precedent of using MBIA or other insurance. In worse circumstances in the past, the Corporation has rejected that option. The facts are different in this case, but the appearance might be similar.

I would not wish to suggest that insurance is or will be ruled out. However, it is one "negative" which must be balanced against the considerable apparent "positives".

As always, we will be in touch.

Best wishes,

Heather L. Ruth
Executive Director

HLR:dnd
Date: 27 April 1982
To: Allen Thomas, Dorothy Carey, Don Robinson, John Keohane, Jack Schrager, Larry Remmel, John Phelan
From: Steve Weinstein
Re: BPA Waiver -- Information Meeting

We are scheduled to meet with the Purchasers to the proposed Waiver to the Bond Purchase Agreement required in connection with the commercial paper program at our offices on Friday, April 30, 1982, at 11:00 A.M. Attendance by each of your firms is welcome.

I am enclosing, for your information, copies of the letter, memorandum and proposed waiver as sent to each of the Purchasers and their counsel. I am also enclosing a copy of the letter agreement between the Corporation and Price Waterhouse regarding the procedure for tabulating the consents, as distributed to counsel for the purchasers.

SJW:dan
Enclosures (4)
26 April 1982

Richard B. Smith, Esquire
Davis, Polk & Wardwell
One Chase Manhattan Plaza (42nd Fl.)
New York, N.Y. 10005

Dear Dick:

As we discussed on the phone, enclosed is a copy of the letter of instruction we have given to Price Waterhouse. You are, of course, welcome to share it with the financial institutions. We have also sent copies to counsel for the other purchasers.

Sincerely,

[Signature]

Heather L. Ruth
26 April 1982

Mr. Morton M. Bock
365 West 25th Street
New York, New York 10001

Dear Mr. Bock:

We have received your request to have interest on your Municipal Assistance Corporation For The City of New York Second General Resolution 8% of 1986 bonds directly deposited to your account at East River Savings Bank. We have forwarded your request to:

Mr. William Jennings
Corporate Trust
United States Trust Company of New York
45 Wall Street/21st Floor
New York, New York 10005
(212) 425-4500 Ext. 1246

If you have any difficulties or questions, please do not hesitate to contact either Mr. Jennings or the Corporation.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw
26 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on April 27, 1982, $19,350.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK: dnd

cc: William J. Lithgow
    Pat Santivasci
    Administrative Files
Date: 26 April 1982
To: Don Robinson, John Keohane, Jack Schrager, Allen Thomas, Dorothy Carey, Larry Remmel
From: Steve Weinstein
Re: Series 39 Documents

Enclosed for your review and comment is a draft list of documents to be delivered at the Series 39 closing. The list will be furnished to each of the bidders for that issuance at the time at which each of their bids is submitted, along with our receipts for the bids and checks submitted.

Our working schedule for the final Official Statement is to begin after the bid award in our offices tomorrow, assuming that it will take place by early afternoon. If the award does not occur until late afternoon, we will meet here on Wednesday at 10:00 A.M. to finalize the document. We are obligated to deliver a final Official Statement no later than Thursday, April 29th.

Please call if you have any comments or questions.
23 April 1982

The Honorable Karen Gerard
Deputy Mayor—Economic Development
City Hall Room 8
New York, NY 10007

Dear Karen:

I called your office today inquiring as to your interest and possible availability to participate with me in a panel sponsored by the New York Metropolitan Chapter of ASPA (American Society For Public Administration) on "Women Executives in the Public Sector." The panel is scheduled for the evening of May 11th, on Governor's Island. Rick Culley, the President of the local ASPA chapter asked me to contact you. He has also asked Alair Townsend. Donna Shalala, who was originally scheduled to participate and who, like me, is a member of the ASPA Advisory Board, will be out of the country on that date.

I know we all do more than our share of speaking engagements and have to set priorities. I personally regard this one as a good cause. Preliminary interest in the idea suggests that the audience will include a large number of young women professionals in government from the local area who are concerned about their prospects for advancement and have rather little exposure to women "at the top." Furthermore, of the possible participants we have been thinking of, you could provide a special prospective in view of your substantial experience in the private sector before becoming Deputy Mayor.

Your secretary felt that you would want an invitation in writing before speaking with me about this. Here it is! If you have an alternative commitment which definitely rules out this panel, I would like to learn that as soon as possible so that I may extend the invitation to someone else. At the same time, I hope that will not be necessary. I will call you soon.

Best wishes,

Heather L. Ruth
Executive Director

HLR: dnd
22 April 1982

Ms. Julia Vitullo-Martin  
Executive Director  
Citizens Housing & Planning Council  
20 West 40 Street  
New York, NY 10018

Dear Julie:

Congratulations on the recent election to your new post. I am reminded of a comment made by an old friend (whom I had not seen for a long time) upon reading of my appointment to MAC in the Wall Street Journal. Roughly, it went something like this: "Welcome back to the work force." I am wondering how many "friends" have given you that line! (Put another way: why is it that no one seems to understand that independent consultants, writers whatever actually work for a living?)

Anyway, sounds like a neat opportunity. Knowing you, I assume you may also be doing other things on the side. I am reminded that it is almost a year since we have seen you and that it is definitely our turn to give a dinner party. The apartment is half fixed, so our excuses are running out.

Hello to Tom, as well. Best wishes.

Heather L. Ruth
22 April 1982

Ms. Deborah E. Silvano
128 Morris Street
Philadelphia, PA 19148

Dear Ms. Silvano:

As you requested, I am forwarding two copies of the original 1975 "MAC Act", a New York State Statute, and a single copy of each of the annual reports of the Corporation to date. I hope that they will be helpful to you and enable you to limit requests for further documents to those which are genuinely relevant to your interests. As I indicated on the phone, I will hold off sending you any additional materials unless I hear from you again.

For your information, I checked with Felix's office, and they have no record of your previous correspondence. Quite frankly, this is a mystery to both us and them. I cannot recall such an incident happening previously. In any case, I am sorry it took you several calls to get the information you were interested in.

Sincerely,

[Signature]

Heather L. Ruth
Executive Director

HLR:dnd
Enclosures
MEMORANDUM

Date: 22 April 1982
To: See Distribution
From: Heather L. Ruth, Executive Director

Attached is a copy of materials sent today to the four Pension Funds and to appropriate officials of each of the Financial Institutions who together constitute the Private Purchasers under the 1978 Agreement.

As you may be aware, the approval process for the Corporation's planned Commercial Paper program has been delayed beyond our original expectations for lengthy discussions with certain of the Financial Institutions and their counsel. We regard the enclosed version of a Waiver as the final one and are requesting a vote. As indicated in the letter, we are having an information meeting on April 30 and request the consent forms be submitted to Price Waterhouse for tallying by May 5.

Naturally, we are willing to answer any additional questions you may have either at the information meeting or directly on the telephone. (In John Bove's absence from today through May 2, please contact Steve Weinstein or Maxine Gillman directly with respect to any legal questions.) I will be talking to many of you directly as well as to the executive directors of the Pension Funds.

Encl.

Distribution:

Office of the Comptroller

Joe Moss
Jack Myer
Paul O'Brien

OMB

Alair Townsend
Lou Friedrich
Mark Page
Steve Levine

Law Department

Sandy Altman
Leslie Buch
21 April 1982

Dear

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to raise up to $250 million through the issuance of short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described in the enclosed memorandum. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation requests your consent, as a party to the Agreement, to a waiver of those restrictions for the limited purpose of enabling the Corporation to undertake its Commercial Paper Program. Enclosed is a proposed "Waiver Upon Consent" (the "Waiver") for your consideration.

The objective of the Program is to achieve for the City of New York the substantial annual debt service savings available as a result of the very steep differential in the current market between short-term and long-term interest rates. The Corporation has already obtained a commitment from Citibank, N.A., for a $100 million irrevocable line of credit which will enable the Corporation to raise the initial $100 million of the proposed $250 million. The debt service savings on this $100 million is estimated to be approximately $3 million annually for each year the Commercial Paper is outstanding.

An additional advantage of the Program is its attractiveness to institutional investors who are not currently active investors in long-term municipal obligations. The Corporation expects this relatively small portion of the $1.3 billion of obligations remaining to be issued by the Corporation to be sold principally to those institutions, reducing some of the demand upon the market for the Corporation's publicly offered bonds.
In developing the Commercial Paper Program, the Corporation has attempted to anticipate and address the concerns that you and other of the Corporation's investors may have. The Corporation has limited the size of the Program and its duration. The proposed $250 million of outstanding Commercial Paper represents only 18 percent of the principal amount of the Corporation's remaining financings and only 3 percent of the projected maximum outstanding debt of the Corporation. In addition, no Commercial Paper may be sold unless the then current revenues meet or exceed the maximum debt service on Second Resolution Bonds by a factor of 2.2, a higher coverage test than that currently applicable to the issuance of Second Resolution Bonds.

The Corporation expects to refund the Commercial Paper through the future issuance of bonds at a time when the Corporation's financing program in the public markets is less ambitious than it is currently and when market conditions may have improved. However, in order to provide assurance that the Commercial Paper can be refunded upon acceptable terms under the worst of circumstances, the Waiver requires that one or more banks make available a "take-out" which would permit the Corporation to amortize the borrowing over no less than a five-year period. The Corporation's repayment obligation to the banks may be evidenced by Second Resolution Bonds, but not by First Resolution Bonds.

To facilitate your review of the Commercial Paper Program and the Waiver, the Corporation, together with Mr. Richard B. Smith of Messrs. Davis Polk & Wardwell, special counsel to the Financial Institutions, will conduct an information meeting, at which the Corporation will describe the Program and answer any questions you may have. The meeting will be held at 11:00 o'clock on Friday, April 30, 1982 at the Corporation's offices. For convenience in planning this meeting, please contact Ms. Vicki Standifer at the Corporation (775-0010) if you plan to attend.

Upon request the Corporation will make available copies of the agreements between the Corporation and Citibank. As provided in the Waiver, the Corporation will make available such agreements as it may enter into with any other bank in connection with its Commercial Paper Program.
Also enclosed is a form which indicates the principal amount of bonds still held by you of those originally purchased under the Agreement. This information is required to determine whether sufficient consents have been received for the Waiver to become effective. The form should be completed and returned even if you do not consent to the Waiver.

This form and the Waiver should be returned to Mr. Frederick M. Werblow at Price Waterhouse, 153 East 53rd Street, New York, New York 10022, who will tally the information and report the results to the Corporation. Price Waterhouse will hold the form in confidence; provided, however, that counsel for each of the Purchasers under the Agreement shall have the right to examine the form submitted by their respective clients.

The Corporation requests that these materials be returned by May 5th.

Sincerely,

Heather L. Ruth
Executive Director

Enclosures
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.

(Name of purchaser)

By ____________________________

Title: ____________________________

Dated as of April 30, 1982
MEMORANDUM

21 April 1982

Purchasers under the Bond Purchase Agreement dated as of November 15, 1978.

Municipal Assistance Corporation For The City of New York

The Corporation's Proposed Tax Exempt Commercial Paper Program and Request for a Waiver of the Bond Purchase Agreement

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to issue short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described below. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation is requesting your consent, as a party to the Agreement, to a waiver of those restrictions.

The Tax Exempt Commercial Paper Program

Under the Commercial Paper Program the Corporation will issue either interest bearing or discounted Commercial Paper to finance a portion of the City's capital program. The Commercial Paper will mature within twelve months of issue. During the term of the Program the Commercial Paper is intended to be paid out of the proceeds of the sale of additional Commercial Paper. The principal or face amount of Commercial Paper outstanding at any time will not exceed $250 million. After December 31, 1984, the Corporation will sell no Commercial Paper, except to refund outstanding Commercial Paper or to repay amounts advanced pursuant to the Bank Commitment described below. The Program will terminate entirely by July 1, 1987, after which no Commercial Paper is to be outstanding.

A coverage test is to be applied to the issuance of the Commercial Paper. Under this test no Commercial Paper may be issued unless at the time of issuance the revenues available and pledged for the payment of Second Resolution Bonds is at least 2.2 times the maximum debt service on such bonds. For the purposes of this test, the Corporation is assumed to be indebted to the Banks providing the Commitment described below to the full extent of the Commitment and the repayment obligation is to be treated as additional debt service on Second Resolution Bonds.

As a condition to the issuance of any Commercial Paper, the Corporation must obtain from one or more banks (the "Banks") an irrevocable commitment (the "Commitment") to pay or make advances to pay the face amount of, and interest, if any, to
accrue to maturity on the Commercial Paper. The Commitment may take a number of forms, e.g. letter of credit, line of credit. However, the Banks must be obligated to pay or make advances to pay outstanding Commercial Paper even though the Corporation's financial condition may have deteriorated, rendering it unable to pay the Commercial Paper from other sources.

While the Corporation intends to end the Program by refunding the Commercial Paper through the issuance of bonds in the public market, the Commitment must also provide that the Corporation's obligation to the Banks is to be repaid over a period of not less than five years. This assures that the Corporation's debt to the Banks at termination of the Commercial Paper Program can be amortized in a manner that will not disrupt the operation of either the Corporation or the City. The Corporation's repayment obligation to the Banks may be evidenced by bonds issued under its Second General Bond Resolution (but not its First General Bond Resolution), or by other obligations payable from revenues available to the Corporation after the payment of Second Resolution Bonds.

The Corporation may secure its repayment obligation to the Banks by the pledge of other assets of the Corporation. The Corporation's portfolio of bonds of the City of New York is not subject to any pledge or lien for the benefit of the Corporation's bondholders and, therefore, is available as security for its repayment obligation to the Banks. However, if the repayment obligation is to be secured by a pledge of City bonds, the pledged bonds, after September 15, 1982, may not at any time mature within the succeeding twelve months.

* * *

The Corporation has concluded negotiations with Citibank, N.A. for an irrevocable line of credit which would allow the Corporation to begin the Commercial Paper Program by providing for the first $100 million of the proposed $250 million. This Program conforms to the terms described above and contained in the Waiver. The Corporation's Board of Directors authorized the Program in December 1981. Standard & Poor's has informed us that they will rate the Commercial Paper A1+. Fitch Investors Service rated it F-1, its highest rating. The Corporation has requested Moody's Investors Service to rate the Commercial Paper but its rating has not yet been announced.

During the term of this Program, advances made for the payment of maturing Commercial Paper are to be repaid out of the proceeds of subsequently issued Commercial Paper. Advances outstanding upon termination of Citibank's commitment may be amortized over a period of at least five years. The Corporation's repayment obligations to Citibank will be
evidenced by a note payable out of the revenues available to the Corporation after payment of debt service on bonds issued under the Corporation's First or Second General Bond Resolutions. The note is to be secured by a pledge of bonds of the City of New York held by the Corporation. Under certain circumstances, the Corporation's obligation under the note may be exchanged for Second Resolution Bonds to be issued to Citibank.

Consents to the Waiver

The Waiver is expressly limited to Commercial Paper Programs which conform to the terms described above and would not permit the Corporation to issue any other obligations proscribed by Section 4.3 of the Agreement.

Beginning in December 1981, the Corporation met with representatives of The Chase Manhattan Bank, N.A., Morgan Guaranty Trust Company of New York, the Savings Bank Association of New York State, Metropolitan Life Insurance Company, New York Life Insurance Company and Messrs. Davis Polk & Wardwell, special counsel to the Financial Institutions, as well as with the City Pension Funds. The discussions were useful to the Corporation in developing a Waiver that we believe adequately addresses the concerns you may have about the Corporation's Commercial Paper Program. The proposed Waiver reflects many of the suggestions made by the Financial Institutions. None of the Financial Institutions which participated in the discussion have informed the Corporation of their intentions with respect to the Waiver. Their consent and the consent of the City Pension Funds is being requested at this time as well.

The Agreement provides that so long as at least 50% of the bonds originally purchased by the Financial Institutions and the City Pension Funds are held by them, no waiver will be effective unless the consent of the holders of at least 50% of the bonds still held is obtained. The percentage of the holders required to approve increases to 75% if 75% or more of the bonds purchased are still held by Financial Institutions and City Pension Funds. In order to determine which percentage is applicable and whether the required consents have been obtained, it is necessary for you to indicate the principal amount of the bonds originally purchased under the Agreement that are now held by you. A form is attached for your convenience.

Other Approvals Required

In addition to your consent to the Waiver, the consent of the Mayor and Comptroller of the City, the United States Secretary of the Treasury, and the State Comptroller will also be required. The Corporation has periodically briefed their representatives about the Program.
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING INFORMATION.

<table>
<thead>
<tr>
<th>Series</th>
<th>Principal Amount of Bonds Currently Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 12 (8-3/8% of 1998)</td>
<td>$</td>
</tr>
<tr>
<td>Series 18 (7-7/8% of 1999)</td>
<td>$</td>
</tr>
<tr>
<td>Series 22 (8-3/4% of 1999)</td>
<td>$</td>
</tr>
<tr>
<td>Series 26 (10-3/4% of 2000)</td>
<td>$</td>
</tr>
<tr>
<td>Series 30 (11-3/8% of 2000)</td>
<td>$</td>
</tr>
<tr>
<td>Series 33 (13-3/8% of 2001)</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

Pension Fund:

______________________________
Name of Pension Fund

______________________________
Signature of Authorized Officer

______________________________
Title

Dated:

COMPLETE AND RETURN EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING INFORMATION.

<table>
<thead>
<tr>
<th>Series</th>
<th>Principal Amount of Bonds Currently Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 11 (8-3/8% of 1998)</td>
<td>$</td>
</tr>
<tr>
<td>Series 13 (7.85-8.5% of 1985-1998)</td>
<td>$</td>
</tr>
<tr>
<td>Series 17 (7-7/8% of 1999)</td>
<td>$</td>
</tr>
<tr>
<td>Series 21 (8-3/4% of 1999)</td>
<td>$</td>
</tr>
<tr>
<td>Series 25 (10-3/4% of 2000)</td>
<td>$</td>
</tr>
<tr>
<td>Series 29 (11-3/8% of 2000)</td>
<td>$</td>
</tr>
<tr>
<td>Series 32 (13-3/8% of 2001)</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

Financial Institution:

______________________________
Name of Institution

______________________________
Signature of Authorized Officer

______________________________
Title

Dated:

COMPLETE AND RETURN EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
MEMORANDUM

Date: 22 April 1982

To: John Bove, Steve Weinstein,
Steve Kantor, Maxine Gillman

From: Heather Ruth

Re: Bob Mabon's call of April 20th: A New Commercial Paper Idea (!)

Full consideration of the following information can await our 1) having a commercial paper program or 2) knowing we don't have one. However, in the meantime, I don't want to lose track of the conversation I recently had with Bob Mabon. Bob called to report what he had learned of the rumored Erie County Commercial Paper program. (The bank is Marine Midland; the dealer is Goldman, presumably alone; further details below).

The distinctive feature of this program is that MBIA is involved and, apparently, insuring that whatever monies are advanced by the bank or banks will be repaid by the issuer. (Thus, the insurance which is paid for by the issuer goes to the benefit of the bank.) The bank is providing a letter of credit even though it is against the stated policy of Marine Midland to do so because, after conversations with the Controller of the Currency, they have been assured that a letter of credit with MBIA insurance for repayment will not be counted as a contingent liability of the bank.

The bank is not asking for the loan to be collateralized. S&P has given the program a A 1+ rating, presumably having no problem with the 90 day preference so long as both the banks and the noteholders are not secured. (Whether this also is a "direct pay" deal, I do not at present know.) The MBIA insurance reportedly costs 1/4 of 1%—though that is not confirmed.

Bob reports that Erie County is a AA credit, though with concern about being downgraded. In any case, it is fair to describe Erie County's rating as better than ours. Therefore we might not get the same results. With this caveat, however, Bob's information suggests that a MBIA insurance scheme might, in one fell swoop, solve all of our following problems:

1. The letter of credit we wanted in the first place, and the possibility of opening up our deal to a wide range of banks who previously were not interested, often on grounds of "bank policy" but, presumably, because they weren't prepared to take on the contingent liability. Yea, competition! Also, it ought to be priced as a line of credit.
22 April 1982
MEMO TO: JB;SW;SK;MG
Page Two

2. No collateral; no approval of the Mayor and the Comptroller.

3. No rating agency problem -- no need to limit maturity of paper to 45 days.

Against these potential positives are the possible negatives:

1. Erie County's situation may be materially different from ours (there's no evidence, for example, of a 5-year take out); and

2. The precedent and "market perception" implications of MBIA insurance for MAC may not be terrific. Remember the City's reaction to Felix's proposed MAC-guaranteed City bonds? An acceptable though expensive MAC CP program with a 45 day limit may turn out to be more attractive than a cheaper program with longer maturities thanks to MBIA.

At present, I don't know enough about the market's perception of issuers "needing" MBIA to have an opinion on the last item.

I have told Bob that this is something to be explored as soon as we know where we are in the current process--ideally, when we have a program in the market--as a way of devising strategies with respect to the next round of negotiations with Citibank and any other banks, and as a means of overcoming the 45 day limit. Naturally, he ended with: "Remember where you got this from." (For your information, Jonathan Plutzik has also been drawing our attention to the imminent Erie County program. To my knowledge, however, he has not mentioned the MBIA angle to either me or Steve.)
April 23, 1982

Heather Ruth
Executive Director
Municipal Assistance Corporation
For the City of New York
One World Trade Center
Suite 8901
New York, New York 10048

Dear Heather:

As I proposed in our telephone conversation on Tuesday, it would be worthwhile to explore obtaining MBIA insurance for the Corporation's Commercial Paper Program. MBIA insurance may offer MAC several advantages. By reinsuring Citibank's credit facility, MBIA may eliminate the need to collateralize the Loan Agreement with Citibank. This, in turn, would solve your "preference" problem with Standard & Poor's and permit you to sell commercial paper with a maturity in excess of 45 days. In addition, MBIA insurance may enable you to negotiate lower fees with Citibank, since Citibank's facility would operate solely as a liquidity mechanism and not as a source of take-out financing. MBIA would provide the take-out.

Based on recent conversations I've had with MBIA on a $50 million commercial paper program it's insuring for Erie County, New York, where Marine Midland Bank is providing a letter of credit, MBIA's fees seem reasonable. MBIA is charging Erie County 1/4 of 1% per annum of the principal amount of commercial paper issued.

After you've secured approval from the Financial Institutions to sell commercial paper, I would like to talk to MBIA on your behalf about providing insurance for your commercial paper program. Please let me know when you think it would be appropriate to initiate discussions with MBIA.

Very truly yours,

Bob Mabon

BM/ha

CC: Felix Rohatyn
Date: 22 April 1982  
To: S. Weinstein, J. Bove, M. Gilling  
From: Heather L. Ruth  
Re: Mailing of commercial paper waiver  

Things I want to make sure that someone other than me knows:

1. Presumably at our request, Peter Kornman called the night of April 21st to confirm the following mergers from our list:

<table>
<thead>
<tr>
<th>Old Banks Merged into</th>
<th>Other Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Dime</td>
<td>Buffalo Savings</td>
</tr>
<tr>
<td>NY Bank for Savings</td>
<td>Bank*</td>
</tr>
<tr>
<td>Central Savings Bank</td>
<td>Harlem Savings Bank</td>
</tr>
<tr>
<td>Greenwich Savings</td>
<td>Metropolitan Savings Bank</td>
</tr>
<tr>
<td>Brooklyn Savings</td>
<td></td>
</tr>
<tr>
<td>Empire Savings Bank</td>
<td>American Savings</td>
</tr>
<tr>
<td>Franklin Savings Bank</td>
<td>Bank</td>
</tr>
</tbody>
</table>

2. Today, April 22nd, Dick Smith explicitly requested in behalf of the following, that revised versions of the credit agreements with Citibank be mailed out when they are available. I told him we would do so when they are available, with a cover note indicating that he had requested it in their behalf:

Each one of the negotiating institutions, including the Savings Bank Association.

Every Clearing House Bank.

*The Buffalo Savings Bank is the only new named bank among our private purchasers.
22 April 1982

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 Park Avenue
New York, New York 10022

Dear Sirs:

In various letters, the most recent dated February 3, 1982, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 28, 1982, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 3, 1982, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

Please advise Price Waterhouse that whenever, in the course of performing legal services for the Corporation with respect to a matter recognized by you to involve an unasserted possible claim or assessment that may call for financial statement disclosure, you as a matter of professional responsibility to the Corporation will so advise the Corporation and will consult with the Corporation concerning the question of such disclosure.

We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.
Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

cc: Mr. S. E. Kober
    Price Waterhouse & Co.
    153 East 53rd Street (#3966)
    New York, New York 10022
22 April 1982

HAWKINS, DELAFIELD & WOOD
67 Wall Street
New York, New York 10005

Dear Sirs:

In various letters, the most recent dated February 3, 1982, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 28, 1982, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 3, 1982, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.
Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

SJW:bba

cc: Mr. S. E. Kober
Price Waterhouse & Co.
153 East 53rd Street (#3966)
New York, New York 10022
22 April 1982

TO: Felix Rohatyn
RE: Your letter for the upcoming Quarterly Report.

Attached is a draft of the standard letter for your approval. I draw your attention to the last page (where I have underlined the revenue changes) and enclose a copy of last quarter's letter, for comparison.

Consistent with your observation at the last meeting of the Board, note that we report here that Sales Tax grew only 5% this quarter as compared with the same quarter in 1981; for the year, the increase is 9.8%. In the last Quarterly, the comparable growth rates were 11.2% and 13.2%, respectively—a very significant change.

On the other hand, the drop in Stock Transfer Tax revenues seems to be stabilizing; a decrease of 9% and 0.3% this quarter, as compared with a decrease of 22.9% and 0.4% in the last Quarterly.
The Municipal Assistance Corporation For The City of New York presents its unaudited financial statements for the quarter ended December 31, 1981, the second quarter of the Corporation's 1982 fiscal year.

On October 23, 1981, the Corporation issued its Second General Resolution Series 32 and 33 Bonds in the aggregate principal amount of $324.7 million. The sale of these bonds marked the successful completion of the four-year program for the purchase of $1.8 billion of the Corporation's bonds by certain commercial banks, savings banks, insurance companies and City pension funds. Of the net proceeds of the Series 32 and 33 sale, approximately $276 million is to be used to acquire bonds of the City of New York which are to be issued to finance a portion of the City's capital program. The balance of the net proceeds, approximately $48.7 million, was deposited in the Capital Reserve Aid Fund.

On November 23, 1981, the Corporation issued its Second General Resolution Series 34 Bonds in the aggregate principal amount of $40.495 million and Series 35 Bonds in the aggregate amount of $59,505 million with warrants to purchase $59,505 million of Series 36 Bonds. Of the combined net proceeds of the Series 34 and 35 sale, approximately $83 million is to be used to acquire bonds of the City of New York which are to be issued to finance a portion of the City's capital program. The balance of the net proceeds, approximately $15 million, was deposited in the Capital Reserve Aid Fund.

On February 4, 1982, the Corporation issued its Second General Resolution Series 38 Bonds in the aggregate principal amount of $100 million. Of the net proceeds of the Series 38 sale, approximately $83 million is to be used to acquire bonds of the City of New York which are to be used to finance a portion of the City's capital program. The balance of the net proceeds, approximately $15 million, was deposited in the Capital Reserve Aid Fund.

During the quarter ended December 31, 1981, the Corporation issued $5,000 principal amount of Series 28 Bonds. The accompanying financial statements include this issuance together with $10,000 principal amount of Series 28 Bonds issued previously. On January 25, 1982, the Corporation issued $5,000 Series 36 Bonds. The accompanying financial statements do not reflect the Series 38 issuance although the exhibits do. Exhibit III includes a pro forma presentation which assumes that all of the remaining Warrants have been exercised and that the full authorized principal amount of $100 million of Series 28 Bonds and $59,505 million of Series 36 Bonds have been issued.

At December 31, 1981, the Corporation had on deposit in its Capital Reserve Fund approximately $957.1 million, comprising approximately $340.1 million relating to the First General Resolution Bonds and $617.0 million relating to Second General Resolution Bonds. Such amounts equalled or exceeded the required funding levels.

The combined net revenues from the New York State Sales and Stock Transfer Taxes which were deposited in the Municipal Assistance Tax Fund and available to the Corporation during the three and twelve month periods ended December 31, 1981, amounted to approximately $489.9 million and $1,939.5 million, respectively. Sales Tax revenues during the three and twelve month periods ended December 31, 1981, amounted to $349.0 million and $1,365.5 million, respectively, an increase of 11.2% and 13.2% over comparable periods ended December 31, 1980. Stock Transfer Tax revenues during the similar periods amounted to $140.9 million and $574.0 million, respectively, a decrease of 22.9% and 4% over the comparable periods of the prior year. During the twelve months ended December 31, 1981, approximately $484 million of New York State Per Capita Aid was deposited in the Municipal Assistance State Aid Fund and available to the Corporation.

Felix G. Rohatyn
Chairman

Heather L. Ruth
Executive Director
The Municipal Assistance Corporation For The City of New York presents its unaudited financial statements for the quarter ended March 31, 1982, the third quarter of the Corporation's 1982 fiscal year.

On February 4, 1982, the Corporation issued its Second General Resolution Series 38 Bonds in the aggregate principal amount of $100 million. Of the net proceeds of the Series 38 sale, approximately $83 million is to be used to acquire bonds of the City of New York which are to be used to finance a portion of the City's capital program. The balance of the net proceeds, approximately $15 million, was deposited in the Capital Reserve Aid Fund.

During the quarter ended March 31, 1982, the Corporation issued $5,000 principal amount of Series 36 Bonds. The Corporation previously issued Series 27 Bonds with warrants to purchase $100 million Series 28 Bonds, and
Series 35 Bonds with warrants to purchase $59.505 million Series 36 Bonds. As of March 31, 1982, $15,000 Series 28 Bonds and $5,000 Series 36 Bonds have been issued. Exhibit III includes a pro forma presentation which assumes that all of the remaining Warrants have been exercised and that the full authorized principal amount of $100 million of Series 28 Bonds and $59.505 million of Series 36 Bonds have been issued.

At April 29, 1982, the Corporation had acquired $ million of its Second General Resolution Bonds either in the open market or by tender offer with the intention of retiring these securities to satisfy its July 1, 1982 sinking fund requirements. The savings as a result of these purchases as of April 29, 1982 amount to approximately $14.7 million.

At March 31, 1982, the Corporation had on deposit in its Capital Reserve Fund approximately $996.3 million, comprising approximately $348.6 million relating to the First General Resolution Bonds and $647.0 million relating to Second General Resolution Bonds. Such amounts equalled or exceeded the required funding levels.

The combined net revenues from the New York State Sales and Stock Transfer Taxes which were deposited in the Municipal Assistance Tax Fund and available to the Corporation during the three and twelve month periods ended March 31, 1982, amounted to approximately $565.7 million and $1,947.1 million, respectively. Sales Tax revenues during
the three and twelve month periods ended March 31, 1982, amounted to $433.8 million and $1,386.1 million, respectively, an increase of 5.0% and 9.8% over comparable periods ended March 31, 1981. Stock Transfer Tax revenues during the similar periods amounted to $131.9 million and $561.1 million, respectively, a decrease of 9.0% and .3% over the comparable periods of the prior year. During the twelve months ended March 31, 1982, approximately $484 million of New York State Per Capita Aid was deposited in the Municipal Assistance State Aid Fund and available to the Corporation.

Felix G. Rohatyn
Chairman

Heather L. Ruth
Executive Director
Heather L. Ruth

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

22 April 1982

TO: Finance Committee

1. MAC is not on S & P's "Creditwatch" (see enclosed release).

2. After seemingly interminable negotiations, the final Commercial Paper Waiver is being delivered to all Private Purchasers today -- at last! (See enclosed).

[Signature]

Heather
FOR IMMEDIATE RELEASE, APRIL 21, 1982.

Debt issues of New York State and certain of its agencies have been placed on Standard & Poor's CreditWatch. The State failed to adopt a final fiscal 1983 budget although fiscal 1982 ended four weeks ago. This lack of a timely decision creates financial pressures on State operations and adds to fiscal planning problems for local government units which depend on the State for in excess of $9 billion in annual aid. Furthermore, an infusion of one-time revenues is projected to help close a gap estimated at $662 million in the proposed $17.8 billion 1983 budget. This is cause for concern not only in fiscal 1983 but for future years as problems of matching revenues with expenditures persist. There is also a question over the magnitude of the one-time revenue infusion and a proposed drawdown of cash reserves for budget needs. S&P is monitoring plans for timely adoption of a conservatively balanced budget and divergent proposals of the governor and legislature for dealing with the budgetary gap. The impact of such measures will be assessed to determine whether they will negatively affect the State's 'AA-' general obligation bond rating and that of several state agencies whose ratings may be tied to that of New York State.

For information please contact Richard Larkin (212) 248-2471 or Cathy Daicoff Macsherry (212) 248-2516.
21 April 1982

Dear

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to raise up to $250 million through the issuance of short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described in the enclosed memorandum. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation requests your consent, as a party to the Agreement, to a waiver of those restrictions for the limited purpose of enabling the Corporation to undertake its Commercial Paper Program. Enclosed is a proposed "Waiver Upon Consent" (the "Waiver") for your consideration.

The objective of the Program is to achieve for the City of New York the substantial annual debt service savings available as a result of the very steep differential in the current market between short-term and long-term interest rates. The Corporation has already obtained a commitment from Citibank, N.A., for a $100 million irrevocable line of credit which will enable the Corporation to raise the initial $100 million of the proposed $250 million. The debt service savings on this $100 million is estimated to be approximately $3 million annually for each year the Commercial Paper is outstanding.

An additional advantage of the Program is its attractiveness to institutional investors who are not currently active investors in long-term municipal obligations. The Corporation expects this relatively small portion of the $1.3 billion of obligations remaining to be issued by the Corporation to be sold principally to those institutions, reducing some of the demand upon the market for the Corporation's publicly offered bonds.
In developing the Commercial Paper Program, the Corporation has attempted to anticipate and address the concerns that you and other of the Corporation's investors may have. The Corporation has limited the size of the Program and its duration. The proposed $250 million of outstanding Commercial Paper represents only 18 percent of the principal amount of the Corporation's remaining financings and only 3 percent of the projected maximum outstanding debt of the Corporation. In addition, no Commercial Paper may be sold unless the then current revenues meet or exceed the maximum debt service on Second Resolution Bonds by a factor of 2.2, a higher coverage test than that currently applicable to the issuance of Second Resolution Bonds.

The Corporation expects to refund the Commercial Paper through the future issuance of bonds at a time when the Corporation's financing program in the public markets is less ambitious than it is currently and when market conditions may have improved. However, in order to provide assurance that the Commercial Paper can be refunded upon acceptable terms under the worst of circumstances, the Waiver requires that one or more banks make available a "take-out" which would permit the Corporation to amortize the borrowing over no less than a five-year period. The Corporation's repayment obligation to the banks may be evidenced by Second Resolution Bonds, but not by First Resolution Bonds.

To facilitate your review of the Commercial Paper Program and the Waiver, the Corporation, together with Mr. Richard B. Smith of Messrs. Davis Polk & Wardwell, special counsel to the Financial Institutions, will conduct an information meeting, at which the Corporation will describe the Program and answer any questions you may have. The meeting will be held at 11:00 o'clock on Friday, April 30, 1982 at the Corporation's offices. For convenience in planning this meeting, please contact Ms. Vicki Standifer at the Corporation (775-0010) if you plan to attend.

Upon request the Corporation will make available copies of the agreements between the Corporation and Citibank. As provided in the Waiver, the Corporation will make available such agreements as it may enter into with any other bank in connection with its Commercial Paper Program.
Also enclosed is a form which indicates the principal amount of bonds still held by you of those originally purchased under the Agreement. This information is required to determine whether sufficient consents have been received for the Waiver to become effective. The form should be completed and returned even if you do not consent to the Waiver.

This form and the Waiver should be returned to Mr. Frederick M. Werblow at Price Waterhouse, 153 East 53rd Street, New York, New York 10022, who will tally the information and report the results to the Corporation. Price Waterhouse will hold the form in confidence; provided, however, that counsel for each of the Purchasers under the Agreement shall have the right to examine the form submitted by their respective clients.

The Corporation requests that these materials be returned by May 5th.

Sincerely,

Heather L. Ruth
Executive Director

Enclosures
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.
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.

(Name of purchaser)

By
Title:

Dated as of April 30, 1982
21 April 1982

Purchasers under the Bond Purchase Agreement dated as of November 15, 1978.

Municipal Assistance Corporation For The City of New York

The Corporation's Proposed Tax Exempt Commercial Paper Program and Request for a Waiver of the Bond Purchase Agreement

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to issue short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described below. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation is requesting your consent, as a party to the Agreement, to a waiver of those restrictions.

The Tax Exempt Commercial Paper Program

Under the Commercial Paper Program the Corporation will issue either interest bearing or discounted Commercial Paper to finance a portion of the City's capital program. The Commercial Paper will mature within twelve months of issue. During the term of the Program the Commercial Paper is intended to be paid out of the proceeds of the sale of additional Commercial Paper. The principal or face amount of Commercial Paper outstanding at any time will not exceed $250 million. After December 31, 1984, the Corporation will sell no Commercial Paper, except to refund outstanding Commercial Paper or to repay amounts advanced pursuant to the Bank Commitment described below. The Program will terminate entirely by July 1, 1987, after which no Commercial Paper is to be outstanding.

A coverage test is to be applied to the issuance of the Commercial Paper. Under this test no Commercial Paper may be issued unless at the time of issuance the revenues available and pledged for the payment of Second Resolution Bonds is at least 2.2 times the maximum debt service on such bonds. For the purposes of this test, the Corporation is assumed to be indebted to the Banks providing the Commitment described below to the full extent of the Commitment and the repayment obligation is to be treated as additional debt service on Second Resolution Bonds.

As a condition to the issuance of any Commercial Paper, the Corporation must obtain from one or more banks (the "Banks") an irrevocable commitment (the "Commitment") to pay or make advances to pay the face amount of, and interest, if any, to
accrete to maturity on the Commercial Paper. The Commitment may take a number of forms, e.g. letter of credit, line of credit. However, the Banks must be obligated to pay or make advances to pay outstanding Commercial Paper even though the Corporation's financial condition may have deteriorated, rendering it unable to pay the Commercial Paper from other sources.

While the Corporation intends to end the Program by refunding the Commercial Paper through the issuance of bonds in the public market, the Commitment must also provide that the Corporation's obligation to the Banks is to be repaid over a period of not less than five years. This assures that the Corporation's debt to the Banks at termination of the Commercial Paper Program can be amortized in a manner that will not disrupt the operation of either the Corporation or the City. The Corporation's repayment obligation to the Banks may be evidenced by bonds issued under its Second General Bond Resolution (but not its First General Bond Resolution), or by other obligations payable from revenues available to the Corporation after the payment of Second Resolution Bonds.

The Corporation may secure its repayment obligation to the Banks by the pledge of other assets of the Corporation. The Corporation's portfolio of bonds of the City of New York is not subject to any pledge or lien for the benefit of the Corporation's bondholders and, therefore, is available as security for its repayment obligation to the Banks. However, if the repayment obligation is to be secured by a pledge of City bonds, the pledged bonds, after September 15, 1982, may not at any time mature within the succeeding twelve months.

* * *

The Corporation has concluded negotiations with Citibank, N.A. for an irrevocable line of credit which would allow the Corporation to begin the Commercial Paper Program by providing for the first $100 million of the proposed $250 million. This Program conforms to the terms described above and contained in the Waiver. The Corporation's Board of Directors authorized the Program in December 1981. Standard & Poor's has informed us that they will rate the Commercial Paper A1+. Fitch Investors Service rated it P-1, its highest rating. The Corporation has requested Moody's Investors Service to rate the Commercial Paper but its rating has not yet been announced.

During the term of this Program, advances made for the payment of maturing Commercial Paper are to be repaid out of the proceeds of subsequently issued Commercial Paper. Advances outstanding upon termination of Citibank's commitment may be amortized over a period of at least five years. The Corporation's repayment obligations to Citibank will be
evidenced by a note payable out of the revenues available to
the Corporation after payment of debt service on bonds issued
under the Corporation's First or Second General Bond
Resolutions. The note is to be secured by a pledge of bonds of
the City of New York held by the Corporation. Under certain
circumstances, the Corporation's obligation under the note may
be exchanged for Second Resolution Bonds to be issued to
Citibank.

Consents to the Waiver

The Waiver is expressly limited to Commercial Paper Programs
which conform to the terms described above and would not
permit the Corporation to issue any other obligations
proscribed by Section 4.3 of the Agreement.

Beginning in December 1981, the Corporation met with
representatives of The Chase Manhattan Bank, N.A., Morgan
Guaranty Trust Company of New York, the Savings Bank
Association of New York State, Metropolitan Life Insurance
Company, New York Life Insurance Company and Messrs. Davis
Polk & Wardwell, special counsel to the Financial
Institutions, as well as with the City Pension Funds. The
discussions were useful to the Corporation in developing a
Waiver that we believe adequately addresses the concerns you
may have about the Corporation's Commercial Paper Program.
The proposed Waiver reflects many of the suggestions made by
the Financial Institutions. None of the Financial
Institutions which participated in the discussion have
informed the Corporation of their intentions with respect to
the Waiver. Their consent and the consent of the City Pension
Funds is being requested at this time as well.

The Agreement provides that so long as at least 50% of the
bonds originally purchased by the Financial Institutions and
the City Pension Funds are held by them, no waiver will be
effective unless the consent of the holders of at least 50% of
the bonds still held is obtained. The percentage of the
holders required to approve increases to 75% if 75% or more of
the bonds purchased are still held by Financial Institutions
and City Pension Funds. In order to determine which
percentage is applicable and whether the required consents
have been obtained, it is necessary for you to indicate the
principal amount of the bonds originally purchased under the
Agreement that are now held by you. A form is attached for
your convenience.

Other Approvals Required

In addition to your consent to the Waiver, the consent of the
Mayor and Comptroller of the City, the United States Secretary
of the Treasury, and the State Comptroller will also be
required. The Corporation has periodically briefed their
representatives about the Program.
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING INFORMATION.

<table>
<thead>
<tr>
<th>Series</th>
<th>Principal Amount of Bonds Currently Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 12 (8-3/8% of 1998)</td>
<td>$</td>
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<tr>
<td>Series 18 (7-7/8% of 1999)</td>
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</tr>
<tr>
<td>Series 22 (8-3/4% of 1999)</td>
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<tr>
<td>Series 26 (10-3/4% of 2000)</td>
<td>$</td>
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<tr>
<td>Series 30 (11-3/8% of 2000)</td>
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<tr>
<td>Series 33 (13-3/8% of 2001)</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
</tr>
</tbody>
</table>

Pension Fund:

______________________________
Name of Pension Fund

______________________________
Signature of Authorized Officer

______________________________
Title

Dated:

COMPLETE AND RETURN EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS
UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978,
REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING
INFORMATION.

<table>
<thead>
<tr>
<th>Series</th>
<th>Principal Amount of Bonds Currently Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 11 (8-3/8% of 1998)</td>
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</tr>
<tr>
<td>Series 13 (7.85-8.5% of 1985-1998)</td>
<td>$_________________________________</td>
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<tr>
<td>Series 17 (7-7/8% of 1999)</td>
<td>$_________________________________</td>
</tr>
<tr>
<td>Series 21 (8-3/4% of 1999)</td>
<td>$_________________________________</td>
</tr>
<tr>
<td>Series 25 (10-3/4% of 2000)</td>
<td>$_________________________________</td>
</tr>
<tr>
<td>Series 29 (11-3/8% of 2000)</td>
<td>$_________________________________</td>
</tr>
<tr>
<td>Series 32 (13-3/8% of 2001)</td>
<td>$_________________________________</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$_________________________________</td>
</tr>
</tbody>
</table>

Financial Institution:

__________________________
Name of Institution

__________________________
Signature of Authorized Officer

__________________________
Title

Dated:

COMPLETE AND RETURN
EVEN IF YOU DO NOT CONSENT TO THE WAIVER

* * *

RETURN TO
MR. FREDERICK M. WERBLOW
PRICE WATERHOUSE
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022
21 April 1982

Mr. Frederick M. Werblow
PRICE WATERHOUSE
153 East 53rd Street
New York, New York 10022

Re: Bond Purchase Agreement Waiver

Dear Mr. Werblow:

The Municipal Assistance Corporation For The City of New York proposes to raise up to $250 million through the issuance of short-term tax-exempt notes under one or more Commercial Paper Programs. However, the Corporation is prohibited from issuing such instruments under certain terms of Section 4 of the Bond Purchase Agreement dated as of November 15, 1978, unless such terms are waived by the Purchasers under the Agreement, as more fully described in our letter and memorandum to the Purchasers dated April 21, 1982 (copies enclosed). Copies of the Bond Purchase Agreement and the proposed Waiver are also enclosed.

Section 5.11 of the Agreement contains provisions regarding amendments, consents and waivers. Paragraph (b) of that Section states the procedure with regard to changes in Section 4, the section that would be affected by our proposed waiver.

Section 5.11(b) provides that if the Financial Institutions and the Pension Funds, considered as separate groups, still hold at least 75% of the aggregate principal amounts of bonds which they purchased, respectively, under the Agreement, no waiver will be effective unless the Corporation obtains the consent of the holders of at least 75% of the aggregate principal amounts of the bonds purchased and still held by each such group. It further provides that if the Financial Institutions or the Pension Funds hold less than 75% of the principal amounts of bonds purchased by them, respectively, the Corporation must obtain the consents of the holders of at least 50% of the principal amounts of the bonds purchased and still held by each such group. However, no consent is required from the Financial Institutions if they hold less than an aggregate principal amount of $117,470,000 of such bonds, and no consent is
Mr. Frederick M. Werblow
21 April 1982
Page 2

required from the Pension Funds if they hold less than an aggregate principal amount of $62,500,000 of such bonds. All purchases committed to be made under the Agreement were made as scheduled; a list of the Purchasers and the amounts purchased by each under the Agreement is attached as Exhibit A.

In order to determine which percentages, if any, are applicable and whether the required consents have been obtained, it is necessary for the Purchasers to indicate their current holdings of the bonds they originally purchased under the Agreement.

Our letter and memorandum to the Purchasers provides a procedure for making such determination, utilizing the services of Price Waterhouse, in response to concerns expressed by representatives of some of the Purchasers that the Purchasers not be required to disclose their individual holdings to the Corporation. Under this procedure, each of the Purchasers would submit to Price Waterhouse a report of its current holdings of bonds purchased under the Agreement, on a Reporting Form furnished by us, along with its executed Waiver. Price Waterhouse would tabulate the information and report the results to the Corporation. Such tabulation is intended to serve as the basis for the Corporation to determine whether the requisite consents have been obtained.

However, should the number of Purchasers responding be insufficient for determining whether or not the percentages specified in Section 5.11(b) of the Agreement have been met, the Corporation intends to invoke Section 5.11(e) of the Agreement. This section provides that the Purchasers submit affidavits to the Corporation, upon its request, specifying their current holdings, and establishes a conclusive presumption regarding such holdings in those instances where a Purchaser does not submit such an affidavit. This ensures a resolution of the issue. In that event, the Corporation would so notify Price Waterhouse and the Purchasers, and the services of Price Waterhouse would not be further utilized.

Under the procedure set forth in our letter to the Purchasers, each of the Purchasers is being requested to submit to Price Waterhouse, not later than May 5, 1982, its
completed Reporting Form and its executed Waiver. The procedure is as follows.

The Corporation will request and Price Waterhouse will furnish such periodic reports of its tabulation to date at such times as the Corporation may direct. Such reports to the Corporation will include, separately for the Financial Institutions as a group and for the Pension Funds as a group, the following information:

1. the number of Reporting Forms and the number of Waivers received as of the date of the report;

2. the total principal amount of bonds specified on the Reporting Forms received as of that date;

3. the total principal amount represented by the executed Waivers received to that date;

4. the resulting percentage as of the date of the report, calculated in accordance with the third paragraph of this letter; and

5. a listing of the Purchasers who have not returned the Reporting Forms and a listing of those who have not returned the Waivers as of that date.

Only bonds originally purchased under the Agreement, and still held by the original Purchaser, may be validly specified on the Reporting Form and considered for purposes of obtaining the requisite consents. In the event that any of the Purchasers submits a Reporting Form which specifies an amount of bonds currently held in a particular series which is greater than the total of such series purchased by it under the Agreement, Price Waterhouse will notify that Purchaser of such fact and request submission of a revised Reporting Form. If such Purchaser fails to submit a revision which does not include such an excess specification, Price Waterhouse will so notify the Corporation and request further instructions. A list of the principal amounts of each series of bonds purchased by each Purchaser under the Agreement will be forwarded to you under separate cover as Exhibit B.
Mr. Frederick M. Werblow  
21 April 1982
Page 4

This procedure will be subject to termination at the direction of the Corporation, either prior or subsequent to completion. Upon notice from the Corporation that, based upon reporting by Price Waterhouse indicating its receipt of the necessary percentages of consents, the Corporation deems the procedure completed, along with notice from the Corporation 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, Price Waterhouse will forward all of the original executed Waivers to the Corporation.

Price Waterhouse will retain copies of such Waivers and will also retain all of the original Reporting Forms for safekeeping until July 1, 2008. Under no circumstances will Price Waterhouse make available to the Corporation, through either inspection or delivery, either originals or copies of such Reporting Forms. However, Price Waterhouse will make available to counsel for each of the Purchasers the completed original Reporting Forms for examination by, or copies thereof for delivery to, such counsel as may so request, but only with regard to forms submitted by their respective clients. Exhibit C lists counsel currently representing the Purchasers.

We hereby request and authorize Price Waterhouse to undertake the above described functions in connection with the proposed Waiver, in accordance with the terms set forth herein. The Corporation reserves the right to issue additional instructions to Price Waterhouse in furtherance or clarification of those contained in this letter, provided that such additional instructions are not inconsistent with any of the terms set forth herein.

All directions to Price Waterhouse from the Corporation in connection with this letter agreement shall be in writing and addressed to Mr. Frederick M. Werblow, Price Waterhouse, 153 East 53rd Street (Room 4237), New York, New York 10022. All reports to the Corporation by Price Waterhouse in connection with this letter agreement shall be to Mr. Stephen J. Weinstein, Municipal Assistance Corporation, 1 World Trade Center (Suite 8901), New York, New York 10048. Charges for services performed by
Mr. Frederick M. Werblow  
21 April 1982  
Page 5

Price Waterhouse under this letter agreement should be shown as discrete items on invoices to the Corporation.  

Please indicate your acceptance of this arrangement in the space provided below.  

Sincerely,  

[Signature]  
Heather L. Ruth  
Executive Director

HLR/SJW/bjw  

Attachments (3)  
Enclosures (4)  

ACCEPTED BY:  

[Signature]  

by [Signature]  

Date: April 23, 1982

cc: Leslie M. Buch, Esq.  
Department of Law  
City of New York  
100 Church Street  
New York, New York 10007

Beverly Ross Campbell, Esq.  
Fried, Frank, Harris, Shriver & Jacobson  
One New York Plaza  
New York, New York 10004

Edward Lowenthal, Esq.  
Robinson, Silverman, Pearce, Aronsohn & Berman  
230 Park Avenue  
New York, New York 10017

Richard B. Smith, Esq.  
Davis Polk & Wardwell  
One Chase Manhattan Plaza  
New York, New York 10005
Mr. Frederick M. Werblow  
21 April 1982

EXHIBIT A

TOTAL PURCHASES  
UNDER BOND PURCHASE AGREEMENT  
DATED AS OF NOVEMBER 15, 1978

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Total</th>
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<tbody>
<tr>
<td>Financial Institutions:</td>
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<tr>
<td>Bankers Trust Company</td>
<td>$54,060,000</td>
</tr>
<tr>
<td>The Bank of New York</td>
<td>23,310,000</td>
</tr>
<tr>
<td>The Chase Manhattan Bank, N.A.</td>
<td>105,000,000</td>
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<tr>
<td>Chemical Bank</td>
<td>84,065,000</td>
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<tr>
<td>Citibank, N.A.</td>
<td>124,065,000</td>
</tr>
<tr>
<td>Irving Trust Company</td>
<td>24,940,000</td>
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<tr>
<td>Manufacturers Hanover Trust Company</td>
<td>76,750,000</td>
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<tr>
<td>Marine Midland Bank</td>
<td>40,310,000</td>
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<tr>
<td>Morgan Guaranty Trust Company of New York</td>
<td>69,505,000</td>
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<tr>
<td>National Bank of North America</td>
<td>16,560,000</td>
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<tr>
<td>United States Trust Company of New York</td>
<td>6,435,000</td>
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<tr>
<td>American Savings Bank¹</td>
<td>15,500,000</td>
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<tr>
<td>Anchor Savings Bank</td>
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<tr>
<td>The Bowery Savings Bank</td>
<td>37,400,000</td>
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<tr>
<td>Buffalo Savings Bank²</td>
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<tr>
<td>College Point Savings Bank</td>
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<td>The Dime Savings Bank of New York</td>
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<td>The Dime Savings Bank of Williamsburgh</td>
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<tr>
<td>Dollar Savings Bank of New York</td>
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<td>Dry Dock Savings Bank</td>
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<td>The East New York Savings Bank</td>
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<td>Emigrant Savings Bank</td>
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<tr>
<td>Flushing Savings Bank</td>
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<td>The Green Point Savings Bank</td>
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<td>Hamburg Savings Bank</td>
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<tr>
<td>Harlem Savings Bank³</td>
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<td>The Lincoln Savings Bank</td>
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<td>Northfield Savings Bank</td>
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<td>North Side Savings Bank</td>
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<td>Richmond County Savings Bank</td>
<td>500,000</td>
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<td>Richmond Hill Savings Bank</td>
<td>4,000,000</td>
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<tr>
<td>Ridgewood Savings Bank</td>
<td>6,000,000</td>
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<tr>
<td>Purchaser</td>
<td>Total</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Roosevelt Savings Bank</td>
<td>$3,600,000</td>
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<tr>
<td>The Seaman's Bank for Savings</td>
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<tr>
<td>Staten Island Savings Bank</td>
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<tr>
<td>United Mutual Savings Bank</td>
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<td>The Williamsburgh Savings Bank</td>
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<tr>
<td>Columbian Mutual Life Insurance Company</td>
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<tr>
<td>Companion Life Insurance Company</td>
<td>100,000</td>
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<tr>
<td>The Equitable Life Assurance Society of the United States</td>
<td>70,000,000</td>
</tr>
<tr>
<td>Home Life Insurance Company</td>
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</tr>
<tr>
<td>Metropolitan Life Insurance Company</td>
<td>110,000,000</td>
</tr>
<tr>
<td>The Mutual Life Insurance Company of New York</td>
<td>16,000,000</td>
</tr>
<tr>
<td>New York Life Insurance Company</td>
<td>46,000,000</td>
</tr>
<tr>
<td>Security Mutual Life Insurance Company of New York</td>
<td>400,000</td>
</tr>
<tr>
<td>Teachers Insurance and Annuity Association of America</td>
<td>2,000,000</td>
</tr>
<tr>
<td>United States Life Insurance Company in The City of New York</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Total for Financial Institutions:</td>
<td>$1,174,700,000</td>
</tr>
</tbody>
</table>

Pension Funds (as amended as of August 30, 1979):

<table>
<thead>
<tr>
<th>Pension Fund</th>
<th>Total</th>
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<tbody>
<tr>
<td>New York City Employees' Retirement System</td>
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<tr>
<td>Teachers' Retirement System for The City of New York</td>
<td>200,545,000</td>
</tr>
<tr>
<td>Board of Education Retirement System for The City of New York</td>
<td>10,685,000</td>
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<tr>
<td>New York City Police Pension Fund, Article 2</td>
<td>102,945,000</td>
</tr>
<tr>
<td>Total for Pension Funds:</td>
<td>$625,000,000</td>
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</tbody>
</table>

Notes: 1. Successor to Empire Savings Bank and Franklin Savings Bank of New York.
<table>
<thead>
<tr>
<th></th>
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</tr>
</tbody>
</table>

(Dollars in Thousands)

Mr. Frederick M. Werblin

21 April 1982

Exhibit B
Mr. Frederick M. Werblow
21 April 1982

EXHIBIT C

COUNSEL TO PURCHASERS
UNDER BOND PURCHASE AGREEMENT
DATED AS OF NOVEMBER 15, 1978

Counsel for Commercial Banks, Savings Banks and
Insurance Companies:

Davis Polk & Wardwell
One Chase Manhattan Plaza
New York, New York 10005
Attention: Richard B. Smith, Esq.

Counsel for New York City Employees' Retirement System:

Fried, Frank, Harris, Shriver
& Jacobson
One New York Plaza
New York, New York 10004
Attention: Beverly Ross Campbell, Esq.

Counsel for Teachers' Retirement System for The City
of New York:

Robinson, Silverman, Pearce,
Aronsohn & Berman
230 Park Avenue
New York, New York 10017
Attention: Edward Lowenthal, Esq.

Counsel for Board of Education Retirement System for
The City of New York and New York City Police Pension
Fund, Article 2:

Department of Law
City of New York
100 Church Street
New York, New York 10007
Attention: Leslie M. Buch, Esq.
Mr. Frederick M. Werblow
21 April 1982

EXHIBIT C

COUNSEL TO PURCHASERS
UNDER BOND PURCHASE AGREEMENT
DATED AS OF NOVEMBER 15, 1978

Counsel for Commercial Banks, Savings Banks and Insurance Companies:

Davis Polk & Wardwell
One Chase Manhattan Plaza
New York, New York 10005
Attention: Richard B. Smith, Esq.

Counsel for New York City Employees' Retirement System:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Beverly Ross Campbell, Esq.

Counsel for Teachers' Retirement System for The City of New York:

Robinson, Silverman, Pearce, Aronsohn & Berman
230 Park Avenue
New York, New York 10017
Attention: Edward Lowenthal, Esq.

Counsel for Board of Education Retirement System for The City of New York and New York City Police Pension Fund, Article 2:

Department of Law
City of New York
100 Church Street
New York, New York 10007
Attention: Leslie M. Buch, Esq.
21 April 1982

Mr. Frederick M. Werblow
PRICE WATERHOUSE
153 East 53rd Street
New York, New York 10022

Re: Bond Purchase Agreement Waiver

Dear Mr. Werblow:

The Municipal Assistance Corporation For The City of New York proposes to raise up to $250 million through the issuance of short-term tax-exempt notes under one or more Commercial Paper Programs. However, the Corporation is prohibited from issuing such instruments under certain terms of Section 4 of the Bond Purchase Agreement dated as of November 15, 1978, unless such terms are waived by the Purchasers under the Agreement, as more fully described in our letter and memorandum to the Purchasers dated April 21, 1982 (copies enclosed). Copies of the Bond Purchase Agreement and the proposed Waiver are also enclosed.

Section 5.11 of the Agreement contains provisions regarding amendments, consents and waivers. Paragraph (b) of that Section states the procedure with regard to changes in Section 4, the section that would be affected by our proposed waiver.

Section 5.11(b) provides that if the Financial Institutions and the Pension Funds, considered as separate groups, still hold at least 75% of the aggregate principal amounts of bonds which they purchased, respectively, under the Agreement, no waiver will be effective unless the Corporation obtains the consent of the holders of at least 75% of the aggregate principal amounts of the bonds purchased and still held by each such group. It further provides that if the Financial Institutions or the Pension Funds hold less than 75% of the principal amounts of bonds purchased by them, respectively, the Corporation must obtain the consents of the holders of at least 50% of the principal amounts of the bonds purchased and still held by each such group. However, no consent is required from the Financial Institutions if they hold less than an aggregate principal amount of $117,470,000 of such bonds, and no consent is
Mr. Frederick M. Werblow  
21 April 1982  
Page 2

required from the Pension Funds if they hold less than an aggregate principal amount of $62,500,000 of such bonds. All purchases committed to be made under the Agreement were made as scheduled; a list of the Purchasers and the amounts purchased by each under the Agreement is attached as Exhibit A.

In order to determine which percentages, if any, are applicable and whether the required consents have been obtained, it is necessary for the Purchasers to indicate their current holdings of the bonds they originally purchased under the Agreement.

Our letter and memorandum to the Purchasers provides a procedure for making such determination, utilizing the services of Price Waterhouse, in response to concerns expressed by representatives of some of the Purchasers that the Purchasers not be required to disclose their individual holdings to the Corporation. Under this procedure, each of the Purchasers would submit to Price Waterhouse a report of its current holdings of bonds purchased under the Agreement, on a Reporting Form furnished by us, along with its executed Waiver. Price Waterhouse would tabulate the information and report the results to the Corporation. Such tabulation is intended to serve as the basis for the Corporation to determine whether the requisite consents have been obtained.

However, should the number of Purchasers responding be insufficient for determining whether or not the percentages specified in Section 5.11(b) of the Agreement have been met, the Corporation intends to invoke Section 5.11(e) of the Agreement. This section provides that the Purchasers submit affidavits to the Corporation, upon its request, specifying their current holdings, and establishes a conclusive presumption regarding such holdings in those instances where a Purchaser does not submit such an affidavit. This ensures a resolution of the issue. In that event, the Corporation would so notify Price Waterhouse and the Purchasers, and the services of Price Waterhouse would not be further utilized.

Under the procedure set forth in our letter to the Purchasers, each of the Purchasers is being requested to submit to Price Waterhouse, not later than May 5, 1982, its...
completed Reporting Form and its executed Waiver. The procedure is as follows.

The Corporation will request and Price Waterhouse will furnish such periodic reports of its tabulation to date at such times as the Corporation may direct. Such reports to the Corporation will include, separately for the Financial Institutions as a group and for the Pension Funds as a group, the following information:

(1) the number of Reporting Forms and the number of Waivers received as of the date of the report;

(2) the total principal amount of bonds specified on the Reporting Forms received as of that date;

(3) the total principal amount represented by the executed Waivers received to that date;

(4) the resulting percentage as of the date of the report, calculated in accordance with the third paragraph of this letter; and

(5) a listing of the Purchasers who have not returned the Reporting Forms and a listing of those who have not returned the Waivers as of that date.

Only bonds originally purchased under the Agreement, and still held by the original Purchaser, may be validly specified on the Reporting Form and considered for purposes of obtaining the requisite consents. In the event that any of the Purchasers submits a Reporting Form which specifies an amount of bonds currently held in a particular series which is greater than the total of such series purchased by it under the Agreement, Price Waterhouse will notify that Purchaser of such fact and request submission of a revised Reporting Form. If such Purchaser fails to submit a revision which does not include such an excess specification, Price Waterhouse will so notify the Corporation and request further instructions. A list of the principal amounts of each series of bonds purchased by each Purchaser under the Agreement will be forwarded to you under separate cover as Exhibit B.
Mr. Frederick M. Werblow  
21 April 1982  
Page 4

This procedure will be subject to termination at the direction of the Corporation, either prior or subsequent to completion. Upon notice from the Corporation that, based upon reporting by Price Waterhouse indicating its receipt of the necessary percentages of consents, the Corporation deems the procedure completed, along with notice from the Corporation 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, Price Waterhouse will forward all of the original executed Waivers to the Corporation.

Price Waterhouse will retain copies of such Waivers and will also retain all of the original Reporting Forms for safekeeping until July 1, 2008. Under no circumstances will Price Waterhouse make available to the Corporation, through either inspection or delivery, either originals or copies of such Reporting Forms. However, Price Waterhouse will make available to counsel for each of the Purchasers the completed original Reporting Forms for examination by, or copies thereof for delivery to, such counsel as may so request, but only with regard to forms submitted by their respective clients. Exhibit C lists counsel currently representing the Purchasers.

We hereby request and authorize Price Waterhouse to undertake the above described functions in connection with the proposed Waiver, in accordance with the terms set forth herein. The Corporation reserves the right to issue additional instructions to Price Waterhouse in furtherance or clarification of those contained in this letter, provided that such additional instructions are not inconsistent with any of the terms set forth herein.

All directions to Price Waterhouse from the Corporation in connection with this letter agreement shall be in writing and addressed to Mr. Frederick M. Werblow, Price Waterhouse, 153 East 53rd Street (Room 4237), New York, New York 10022. All reports to the Corporation by Price Waterhouse in connection with this letter agreement shall be to Mr. Stephen J. Weinstein, Municipal Assistance Corporation, 1 World Trade Center (Suite 8901), New York, New York 10048. Charges for services performed by
Mr. Frederick M. Werblow
21 April 1982
Page 5

Price Waterhouse under this letter agreement should be shown as discrete items on invoices to the Corporation.

Please indicate your acceptance of this arrangement in the space provided below.

Sincerely,

Heather L. Ruth
Executive Director

HLR/SJW/bjw

Attachments (3)
Enclosures (4)

ACCEPTED BY:

[Signature]

Date: April 23, 1982

cc: Leslie M. Buch, Esq.
Department of Law
City of New York
100 Church Street
New York, New York 10007

Beverly Ross Campbell, Esq.
Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004

Edward Lowenthal, Esq.
Robinson, Silverman, Pearce, Aronsohn & Berman
230 Park Aveue
New York, New York 10017

Richard B. Smith, Esq.
Davis Polk & Wardwell
One Chase Manhattan Plaza
New York, New York 10005
Mr. Frederick M. Werblow  
21 April 1982  

EXHIBIT A  

TOTAL PURCHASES  
UNDER BOND PURCHASE AGREEMENT  
DATED AS OF NOVEMBER 15, 1978  

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institutions:</td>
<td></td>
</tr>
<tr>
<td>Bankers Trust Company</td>
<td>$54,060,000</td>
</tr>
<tr>
<td>The Bank of New York</td>
<td>23,310,000</td>
</tr>
<tr>
<td>The Chase Manhattan Bank, N.A.</td>
<td>105,000,000</td>
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<tr>
<td>Chemical Bank</td>
<td>84,065,000</td>
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<tr>
<td>Citibank, N.A.</td>
<td>124,065,000</td>
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<tr>
<td>Irving Trust Company</td>
<td>24,940,000</td>
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<tr>
<td>Manufacturers Hanover Trust Company</td>
<td>76,750,000</td>
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<tr>
<td>Marine Midland Bank</td>
<td>40,310,000</td>
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<tr>
<td>Morgan Guaranty Trust Company of New York</td>
<td>69,505,000</td>
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<tr>
<td>National Bank of North America</td>
<td>16,560,000</td>
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<tr>
<td>United States Trust Company of New York</td>
<td>6,435,000</td>
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<tr>
<td>American Savings Bank¹</td>
<td>15,500,000</td>
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<tr>
<td>Anchor Savings Bank</td>
<td>6,000,000</td>
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<tr>
<td>The Bowery Savings Bank</td>
<td>37,400,000</td>
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<td>Buffalo Savings Bank²</td>
<td>36,000,000</td>
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<tr>
<td>College Point Savings Bank</td>
<td>500,000</td>
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<tr>
<td>The Dime Savings Bank of New York</td>
<td>22,350,000</td>
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<tr>
<td>The Dime Savings Bank of Williamsburgh</td>
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<tr>
<td>Dollar Savings Bank of New York</td>
<td>17,750,000</td>
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<td>Dry Dock Savings Bank</td>
<td>17,000,000</td>
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<tr>
<td>The East New York Savings Bank</td>
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<td>Emigrant Savings Bank</td>
<td>21,000,000</td>
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<tr>
<td>Flushing Savings Bank</td>
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<td>The Green Point Savings Bank</td>
<td>7,000,000</td>
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<td>Hamburg Savings Bank</td>
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<td>Harlem Savings Bank³</td>
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<td>Independence Savings Bank</td>
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<td>The Lincoln Savings Bank</td>
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<td>Richmond County Savings Bank</td>
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<td>Roosevelt Savings Bank</td>
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<td>The Seaman's Bank for Savings</td>
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<td>Staten Island Savings Bank</td>
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<td>United Mutual Savings Bank</td>
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<td>The Williamsburgh Savings Bank</td>
<td>13,000,000</td>
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<tr>
<td>Columbian Mutual Life Insurance Company</td>
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<td>Companion Life Insurance Company</td>
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<td>The Equitable Life Assurance Society of the United States</td>
<td>70,000,000</td>
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<td>Home Life Insurance Company</td>
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<td>Metropolitan Life Insurance Company</td>
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<td>The Mutual Life Insurance Company of New York</td>
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<td>United States Life Insurance Company in the City of New York</td>
<td>1,000,000</td>
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<tr>
<td>Total for Financial Institutions:</td>
<td>$1,174,700,000</td>
</tr>
</tbody>
</table>

**Pension Funds:**

- New York City Employees' Retirement System                              | $306,875,000|
- Teachers' Retirement System for the City of New York                   | 205,625,000|
- Board of Education Retirement System for the City of New York           | 11,250,000 |
- New York City Police Pension Fund, Article 2                            | 101,250,000|

**Total for Pension Funds:**                                               | $625,000,000|

**Notes:**

1. Successor to Empire Savings Bank and Franklin Savings Bank of New York.
Mr. Frederick M. Werblow
21 April 1982

EXHIBIT B

PURCHASES BY SERIES
UNDER BOND PURCHASE AGREEMENT
DATED AS OF NOVEMBER 15, 1978

(to come)
Mr. Frederick M. Werblow  
21 April 1982

EXHIBIT C

COUNSEL TO PURCHASERS
UNDER BOND PURCHASE AGREEMENT
DATED AS OF NOVEMBER 15, 1978

Counsel for Commercial Banks, Savings Banks and
Insurance Companies:

Davis Polk & Wardwell
One Chase Manhattan Plaza
New York, New York 10005
Attention: Richard B. Smith, Esq.

Counsel for New York City Employees' Retirement System:

Fried, Frank, Harris, Shriver
& Jacobson
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Attention: Beverly Ross Campbell, Esq.

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230 Park Avenue
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Counsel for Board of Education Retirement System for
The City of New York and New York City Police Pension
Fund, Article 2:

Department of Law
City of New York
100 Church Street
New York, New York 10007
Attention: Leslie M. Buch, Esq.
21 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on April 22, 1982, $141,050.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:nd

cc: William J. Lithgow
    Pat Santivasci
    Administrative Files
20 April 1982

Ms. Catherine E. Hutcheson
Vice President
Security-Columbian Division
UNITED STATES BANKNOTE CORPORATION
345 Hudson Street
New York, New York 10014

Re: Series 39 Bond Printing

Dear Kay:

This letter is to authorize you to print borders for the proposed issuance of the Corporation's Series 39 Bonds in the aggregate principal amount of $100 million.

This sale will be the Corporation's first competitive offering. We have today published a Notice of Sale, which calls for proposals to be submitted on Tuesday, April 27, 1982, and for an award of the offering to the successful bidder by 4:00 P.M. on that date. The terms of that Notice specify that the proposals must include proposed maturities in accordance with a stated payment schedule, which aggregate $100 million principal amount.

Accordingly, we will not know the maturities until April 27, 1982. Therefore, I would appreciate it if you would at this time run borders only for registered bonds in a quantity of 9,000 and for coupon bonds in a quantity of 28,000.

The Series 39 Bonds in coupon form should be printed with 52 coupons, as the maximum possible maturity will be July 1, 2008, and the first coupon will be payable January 1, 1983.
The bonds should be printed in Color No. 15, "Maroon or Plum," as we discussed.

After the award, I will specify the quantities by maturity, and will at that time request a price quotation.

If you have any questions, please give me a call.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

cc: Gerard F. Fernandez, Jr., Esq.
    Hawkins, Delafield & Wood

SJW:bba
20 April 1982

Mr. Pat Santivasci
Assistant Vice President
Corporate Trust
UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street / 21st Floor
New York, New York 10005

Dear Mr. Santivasci:

I am writing to inform you that all purchases by the Municipal Assistance Corporation For The City of New York of obligations of the Municipal Assistance Corporation For The City of New York will be made with funds in Account 016793. This instruction supersedes the instruction given previously in a letter to Malcolm J. Hood from Stephen J. Weinstein dated 6 April 1982.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Monday, April 19, 1982
4:30 P.M.
345 Park Avenue/Conference Room 2811-12
New York

AGENDA

1. Adoption of the Minutes of the meeting of the Board of Directors held January 21, 1982 (attached).

2. Adoption of Series 39 Resolution.

April 1982

Maurice M. Kresky

Steven J. Kantor

Report on Investment Committee Meeting
of 25 March 1982

I have enclosed a listing of the bankers, dealers and brokers that the Corporation has approved for repurchases and reverse repurchase agreements. The firms that have an asterisk next to them are the firms that the Corporation does business with frequently. Our typical daily repo is divided between three firms with one firm, usually a dealer, receiving approximately $300-400 million, and the other two firms splitting the remaining amounts. I welcome any comments you may have prior to distribution to the rest of the Committee.

I have also enclosed the most recent report from the Bank of New York.
19 April 1982

Mr. John Daniels
DOREMUS & COMPANY
120 Broadway
New York, New York 10005

Dear Mr. Daniels:

This letter is to authorize you to place the Corporation's Notice of Sale dated April 20, 1982 (approved copy -- Proof 4 of April 19, 1982) for publication on Tuesday, April 20, 1982, in the Bond Buyer.

In addition, this is to authorize you to place an advertisement regarding the Corporation's Series 39 Bonds (approved copy -- Proof 3 of April 19, 1982) in the New York Times and the Wall Street Journal.

This further authorizes you to print 3,000 copies of the above described Notice of Sale and 3,000 copies of the Official Bid Form (approved copy -- Proof 3 of April 19, 1982), for delivery in accordance with our instructions.

It is understood that your charges for typesetting and printing will be added to the actual media billings set forth on your price estimates of April 16, 1982 and April 19, 1982.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

SJW:bba
**Notice**

**NEW YORK**

<table>
<thead>
<tr>
<th>Publication</th>
<th>Rate</th>
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**THE WALL STREET JOURNAL**

<table>
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<tr>
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</table>

**Total**

$5,577.66

*This estimate does not include the cost of mechanical preparation unless otherwise stated. The rates quoted in this estimate are subject to change without notice.*
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<thead>
<tr>
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<th>Date</th>
<th>Space</th>
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<td>Dly.</td>
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Notice of Sale

This estimate does not include the cost of mechanical preparation unless otherwise stated. The rates quoted in this estimate are subject to change without notice.
19 April 1982

Mr. John Daniels
DOREMUS & COMPANY
120 Broadway
New York, New York 10005

Dear Mr. Daniels,

This letter is to authorize you to place the Corporation's Notice of Sale dated April 20, 1982 (approved copy -- Proof 4 of April 19, 1982) for publication on Tuesday, April 20, 1982, in the Bond Buyer.

In addition, this is to authorize you to place an advertisement regarding the Corporation's Series 39 Bonds (approved copy -- Proof 3 of April 19, 1982) in the New York Times and the Wall Street Journal.

This further authorizes you to print 3,000 copies of the above described Notice of Sale and 3,000 copies of the Official Bid Form (approved copy -- Proof 3 of April 19, 1982), for delivery in accordance with our instructions.

It is understood that your charges for typesetting and printing will be added to the actual media billings set forth on your price estimates of April 16, 1982 and April 19, 1982.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

SJW:bba
<table>
<thead>
<tr>
<th>Publication</th>
<th>Space</th>
<th>Amount</th>
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<tr>
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<td>Midwest Edition</td>
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<td>902.88</td>
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<td>Southwest Edition</td>
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<td>514.80</td>
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<td><strong>$ 5,577.66</strong></td>
</tr>
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This estimate does not include the cost of mechanical preparation unless otherwise stated. The rates quoted in this estimate are subject to change without notice.
| Bond Buyer | Dly. | $2.20 | 4/20 | 200x3 | $1,320.00 |

Notice of Sale

This estimate does not include the cost of mechanical preparation unless otherwise stated. The rates quoted in this estimate are subject to change without notice.
16 April 1982

Dr. Michael H. Lang
Acting Director
Forum for Policy Research, Public Service
Camden College of Arts and Sciences
401 Cooper Street
Camden, New Jersey 08102

Dear Dr. Lang:

Please accept my apologies for the delay in forwarding my preliminary thoughts on the topic "Urban Revitalization: The Search for Innovative Policy Approaches". However, the holiday season (and probably the tax season) delayed my receipt of your letter until last Tuesday.

I plan to arrive at Camden by automobile, hopefully by 5:30 P.M. I will call on Thursday, 22 April 1982, to learn where we shall meet.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw
Attachment
OUTLINE OF PROPOSED
REMARKS FOR
URBAN REVITALIZATION AND PRODUCTIVITY

I. Introduction
II. Background: MAC
   1. History of Crisis
   2. Creation of Corporation
   3. Role of Corporation
III. Federal Approaches
   1. Taxable Bonds
   2. Reconstruction Finance Corporation (RFC)
IV. Local Approaches
   1. Public Authorities
   2. Industrial Development Bonds
   3. Taxing Structures
   4. Leasing
   5. Joint Projects
V. Conclusion
Date: 16 April 1982

To: Members of the Board of Directors/Representatives

From: Heather L. Ruth, Executive Director

Re: Upcoming Board meeting to authorize competitive sale of Series 39 bonds.

The Finance Committee of the Board has determined that the Corporation's next bond issuance, scheduled for April 27, will be awarded by competitive bid. This will be the first competitive sale in the Corporation's history.

The Corporation has contemplated a competitive sale for some time as indicated, for example, in our response to the State Comptroller's recent audit of the Corporation. Generally adverse market conditions, however, have argued for caution despite the continued improvement in the market acceptance of our bonds. We now feel that a competitive sale is feasible, that we can be assured of multiple bids, and that an attempt can be safely made at minimum risk to our long-run market.

The procedures associated with a competitive sale are somewhat different from those involved in a more familiar negotiated sale. Considering these differences, we are scheduling a meeting of the Board of Directors in advance of the Corporation's official solicitation of bids. The meeting is scheduled for Monday, April 19, at 4:30 P.M. Draft bid documents will be delivered to you Monday morning. The meeting agenda and the minutes of the last meeting are enclosed.
The Honorable Edward V. Regan  
Comptroller - State of New York  
270 Broadway  
New York, NY 10007

Dear Comptroller Regan:

In compliance with your requirement of notice and justification of debt issuances, I am writing in advance of our planned public sale on April 27, 1982 of $100 million Second Resolution Bonds (Series 39). The bonds will be sold competitively for the first time in the Corporation's history. All of the proceeds will be devoted to the capital program of the City of New York and to necessary reserves of the Corporation.

The final structure will not be determined until bids are received on April 27th. However, the maximum maturity will be July 1, 2008. If we were selling this week, we would not expect the coupon on a bond maturing July 1, 2008 to exceed 14 percent.

This sale is part of the Debt Issuance Plan formulated by the City of New York and the Corporation to provide funding for the City's critically needed program of capital improvements. It is the final planned issuance of bonds by the Corporation during this fiscal year, assuming initiation of our proposed tax exempt commercial paper program by the end of the year.

We continue to experience adverse market conditions. As I have indicated in conjunction with all of our bond sales this fiscal year, however, we believe the Corporation's continued meeting of planned financing targets is an important enhancement of the credibility of the Plan under which the City currently seeks to attain self-sufficiency in the market.

Copies of the bidding documents will be forwarded as soon as they are available, Monday, April 19th.

Sincerely,

Heather L. Ruth  
Executive Director

cc: John Hull
FOR RELEASE: April 16, 1982

CONTACT: Denise N. Dean

PUBLIC NOTICE


# # # #
16 April 1982

TO: Jack Tamagni

Enclosed are the latest versions of the bid documents (except for the informational OS which will be out Monday). We are meeting at noon Sunday at MAC to finalize these and anxious to have the benefit of your reactions and comments in time for the meeting.

I will call you at home Sunday morning after 10:00 a.m. If you would prefer to reach me earlier, my home number is 212-864-3014.

In getting this far, we have benefited a great deal from your advice via Gene on a number of issues. Sorry to interrupt you on vacation--as usual, our timing is impeccable! At this point, we are particularly interested in your reactions to the bid form: does it work, will it be comprehensible, can it be improved, etc.?

Welcome home!

CC: Gene Keilin
15 April 1982

Heather L. Ruth

Stephen J. Weinstein

Financial Printing

This memorandum is to update discussions of the Corporation's record regarding financial printing services utilized in connection with its debt offerings.

The Corporation's already excellent record in this regard continues to improve, due to two significant factors. First, the procurement policies and practices which we have designed provide us with unprecedented means of controlling these costs. These controls are so effective that twice in the last six months we have incurred record low printing expenditures for our public offerings. This continuing general pattern of absolute declining outlays is even more significant when considered in the context of the extraordinarily high inflation rates of the past few years. Second, our purchase of a word-processing system in May 1981 has, in just ten months of operation, fully paid for itself and, additionally, generated actual savings of approximately $40,000 in the area of financial printing expenses alone.

The Corporation's recent experience again demonstrates the dramatic decreases in its public offering printing expenses. The printing expense for our most recent public offering (Series 38 in February 1982) was $41,164, the lowest which we ever incurred for such a job. That price was even better than the previous low of $48,146 in the Series 31 offering in October 1981. The intervening public sale, in November 1981, cost $65,364, which was a greater amount but most reasonable, considering the relative complexity of that transaction, involving issuance of Series 34 and 35 Bonds and Warrants for Series 36 Bonds.

The overall decreasing trend is marked over the life of the Corporation, resulting in substantial savings in the Corporation's operations, as shown in Exhibit A. It is attributable to considered and persistent efforts to control those costs, in the face of contrary industry practice.

The cost reduction for printing in connection with the Corporation's private placements is also impressive. The average financial printing charges for the three private placements between August 1979 and October 1981 was $28,365.
However, each of the subsequent two private placements, in June 1981 and October 1981, involved no financial printing charges at all. This was possible because of the Corporation's acquisition of Xerox 860 Word Processing System equipment, enabling us to produce the necessary financing documents in our offices, a sensible approach for private placements requiring modest quantities of complex materials.

In the two private placements undertaken after acquisition of the system, the Corporation's combined outlay was under $4,000 (miscellaneous out-of-pocket costs including temporary office help and some commercial copying services), as compared with the $56,730 which we would have otherwise spent (based on the average cost of the three previous private placements), for a savings of about $53,000. This savings alone more than pays for the two units we purchased for this purpose. Those units cost $30,214, which we are amortizing over a three-year period (coinciding with our remaining period of issuance authorization) at an interest cost of 10%, or $4,883, for a total expense of $35,097. This produced a net savings of nearly $18,000 in these private placements alone.

However, the total savings from the word-processing equipment is actually greater, taking into consideration the impact of our utilization of this equipment on public sale printing. For one thing, we now produce series resolutions entirely in-house, eliminating a charge of about $5,000 each time we issue. In addition, the machinery enables us often to prepare preliminary proofs in-house and to do much of the subsequent editing in-house as well, thus reducing charges for overtime and author's alterations by the printing firm.

The best indication of this is a comparison of our actual cost experience before and after installing this equipment. The average cost for the three public sales produced entirely by financial printers (in January 1980, September 1980 and February 1981), was $67,419. The average cost of the three subsequent public sales (in October 1981, November 1981 and February 1982), was $51,558. This resulted in an average cost savings of $15,861 for each issuance, or a total of $47,583. Calculating that half of this is attributable to the new equipment and half to our procurement system, the word processors have generated cost savings of about $24,000 in those three public sales.
The savings in the private placements of approximately $53,000 added to the savings in the public sales of approximately $24,000 results in a total savings of $77,000. Deducting the $35,000 total cost of the purchase, the savings to the Corporation is $42,000. Even when maintenance charges for the new equipment are also deducted, the net savings is still approximately $40,000 over and above the total acquisition costs.

These are substantial cost savings to date. Further benefits will continue to accrue in connection with future issuances, as much editing and production will be accomplished on an in-house basis. Additionally, the system improves our internal efficiency and decreases our reliance on external professional support facilities in production of documents in connection with other transactions, along with the third word-processing unit purchased to handle general office work.

Importantly, continuation of the procurement procedures and utilization of the word processing system now in place ensure that additional significant savings will be realized by the Corporation for as long as it continues to issue debt obligations.
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<thead>
<tr>
<th>Date</th>
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<th>Type</th>
<th>Firm</th>
<th>Billing</th>
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<td>Donnelley</td>
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<td>Young</td>
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</table>
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Heather L. Ruth
Executive Director
Municipal Assistance Corporation For The City of New York
Suite 8901
One World Trade Center
New York, New York 10048

Dear Mrs. Ruth:

Subject to the provision and in accordance with the terms of the Notice of Sale, dated April 20, 1982, which is made a part of this proposal, we hereby offer to purchase all, but not a part, of the $100,000,000 Series 39 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below. The Bonds shall be dated and bear interest from May 1, 1982, until their maturity or earlier redemption at the respective rates per annum stated below.

An interest rate is stated in Table 1 only for those years during which Serial Bonds mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemptions. Where less than all of a Required Principal Payment in a year is represented by Serial Bonds maturing during such year, the principal amount of such Serial Bonds is stated and the balance of such Required Principal Payment is to be made through Mandatory Sinking Fund Redemptions. Each of the Mandatory Sinking Fund Redemptions shall be allocated to the payment of the Term Bond maturing nearest, but subsequent, to such Mandatory Sinking Fund Redemptions. The principal amount, maturity date and interest rate for each Term Bond, if any, is separately stated in Table 2 below.

Because the amount of a Required Principal Payment not allocated to a Serial Bond maturity will constitute Mandatory Sinking Fund Redemptions, the amount of such Mandatory Sinking Fund Redemptions need not be stated. If such Mandatory Sinking Fund Redemptions are stated, such statement is provided for convenience only, and an error shall not invalidate this offer.

This offer shall be null and void if (i) the total of all Mandatory Sinking Fund Redemptions does not equal the total principal amount of the Term Bonds or (ii) the principal amount of the Serial Bonds and the Term Bonds do not together equal $100,000,000.
### TABLE 1
SERIAL BONDS AND SINKING FUND REQUIREMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Required Principal Amount (in 000's)</th>
<th>Rate</th>
<th>Serial Maturity</th>
<th>Mandatory Sinking Fund Redemption</th>
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<td>3,375</td>
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<td>$ ______________</td>
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<tr>
<td>2008</td>
<td>6,515</td>
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</tbody>
</table>

### TABLE 2
TERM BONDS

$ _____ Term Bonds maturing on July 1, _____ at __% per annum.

$ _____ Term Bonds maturing on July 1, _____ at __% per annum.

$ _____ Term Bonds maturing on July 1, _____ at __% per annum.
(Any bidder desiring to specify more than three (3) separate maturities of Term Bonds shall submit as an attachment to this Bid Form a separate sheet entitled "additional Term Bonds" setting forth, for each such maturity, on a separate line, the following:

$_______ Term Bonds maturing on July 1,____ at ____% per annum.)

We offer to pay the sum of $________________ together with accrued interest, if any, to the date of delivery.

In accordance with the Official Notice of Sale, we enclose herewith a certified or bank cashier's check in the amount of One Million Dollars ($1,000,000) upon an incorporated bank or trust company, payable unconditionally to the order of the Municipal Assistance Corporation For the City of New York, to be applied in accordance with the Official Notice of Sale.

Respectfully Submitted,

___________________________

The following computations are submitted for purposes of information only and are not part of the proposal.

True Interest Cost____________ %
Net Interest Cost______________ %
BY MESSENGER

15 April 1982

Richard B. Smith, Esq.
DAVIS, POLK & WARDWELL
One Chase Manhattan Plaza (42nd Floor)
New York, New York 10005

Dear Dick:

Enclosed for your review are two copies each of: (1) our proposed letter and memorandum to the purchasers under the Bond Purchase Agreement dated as of November 15, 1978; and, (2) a revised draft of the proposed Waiver Upon Consent for consideration by those purchasers, marked to show changes.

We would appreciate your comments at your earliest convenience.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

SJW/bjw

Enclosures
13 April 1982

(Address)

Dear ____________:

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to raise up to $250 million through the issuance of short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described in the enclosed memorandum. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation requests your consent, as a party to the Agreement, to a waiver of those restrictions for the limited purpose of enabling the Corporation to undertake its Commercial Paper Program. Enclosed is a proposed "Waiver Upon Consent" (the "Waiver") for your consideration.

The objective of the Program is to achieve for the City of New York the substantial annual debt service savings -1-
available as a result of the very steep differential in the current market between short-term and long-term interest rates. The Corporation has already obtained a commitment from Citibank, N.A., for a $100 million irrevocable line of credit which will enable the Corporation to raise the initial $100 million of the proposed $250 million. The debt service savings on this $100 million is estimated to be approximately $3 million annually for each year the Commercial Paper is outstanding.

An additional advantage of the Program is its attractiveness to institutional investors who are not currently active investors in long-term municipal obligations. The Corporation expects this relatively small portion of the $1.3 billion of obligations remaining to be issued by the Corporation to be sold principally to those institutions, reducing some of the demand upon the market for the Corporation's publically offered bonds.

In developing the Commercial Paper Program, the Corporation has attempted to anticipate and address the concerns that you and other of the Corporation's investors may have. The Corporation has limited the size
of the Program and its duration. The proposed $250 million of outstanding Commercial Paper represents only 18 percent of the principal amount of the Corporation's remaining financings and only 3 percent of the projected maximum outstanding debt of the Corporation. In addition, no Commercial Paper may be sold unless the then current revenues meet or exceed the maximum debt service on Second Resolution Bonds by a factor of 2.2, a higher coverage test than that currently applicable to the issuance of Second Resolution Bonds.

The Corporation expects to refund the Commercial Paper through the future issuance of bonds at a time when the Corporation's financing program in the public markets is less ambitious than it is currently and when market conditions may have improved. However, in order to provide assurance that the Commercial Paper can be refunded upon acceptable terms under the worst of circumstances, the Waiver provides that one or more banks make available a "take-out" which would permit the Corporation to amortize the borrowing over no less than a five-year period, and potentially longer when Second Resolution Bonds are issued.

-3-
To facilitate your review of the Commercial Paper Program and the Waiver, the Corporation, together with Mr. Richard B. Smith of Messrs. Davis, Polk and Wardwell, special counsel to the Financial Institutions, will conduct an information meeting, at which the Corporation will describe the Program and answer any questions you may have. The meeting will be held at 10:00 o'clock on April 21, 1982 at the Corporation's offices. For convenience in planning this meeting, please contact Ms. Vicki Standifer at the Corporation (775-0010) if you plan to attend.

Also enclosed is a form which indicates the principal amount of bonds still held by you of those originally purchased under the Agreement. This information is required to determine whether sufficient consents have been received for the Waiver to become effective. The form should be completed and returned even if you do not consent to the Waiver.

The Waivers and the other form should be returned by the Financial Institutions to Mr. Richard B. Smith at Messrs. Davis, Polk & Wardwell, Esq., One Chase Manhattan Plaza, New York, New York 10005, and by the City Pension Funds to the Corporation addressed to Mr. Stephen J.
Weinstein, Deputy Executive Director, Suite 8901, One World Trade Center, New York, New York 10048. The Corporation requests that these materials be delivered by April 30.

Sincerely,

Heather L. Ruth
Executive Director

Enclosures
April 6, 1982

To: Purchasers under the Bond Purchase Agreement dated as of November 15, 1978.

Re: The Corporation's Proposed Tax Exempt Commercial Paper Program and Request for a Waiver of the Bond Purchase Agreement

The Municipal Assistance Corporation For The City of New York (the "Corporation") proposes to issue short-term tax-exempt notes (the "Commercial Paper") under one or more programs (the "Commercial Paper Program") which conform to the terms described below. However, Section 4.3 of the Bond Purchase Agreement (the "Agreement"), dated as of November 15, 1978, among the Corporation, various Financial Institutions, and the City Pension Funds, contains restrictions upon the Corporation's ability to issue obligations which preclude the issuance of Commercial Paper. Accordingly, the Corporation is requesting your consent, as a party to the Agreement, to a waiver of those restrictions.
The Tax Exempt Commercial Paper Program

Under the Commercial Paper Program the Corporation will issue either interest bearing or discounted Commercial Paper to finance a portion of the City's capital program. The Commercial Paper will mature within twelve months of issue. During the term of the Program the Commercial Paper is intended to be paid out of the proceeds of the sale of additional Commercial Paper. The principal or face amount of Commercial Paper outstanding at any time will not exceed $250 million. After December 31, 1984, the Corporation will sell no Commercial Paper, except to refund outstanding Commercial Paper or to repay amounts advanced pursuant to the Bank Commitment described below. The Program will terminate entirely by July 1, 1987, after which no Commercial Paper is to be outstanding.

A coverage test is to be applied to the issuance of the Commercial Paper. Under this test no Commercial Paper may be issued unless at the time of issuance the revenues available and pledged for the payment of Second Resolution Bonds is at least 2.2 times the maximum debt service on such bonds. For the purposes of this test, the Corporation is assumed to be indebted to the Banks providing the Commitment described below to the full
extent of the Commitment and the repayment obligation is to be treated as additional debt service on Second Resolution Bonds.

As a condition to the issuance of any Commercial Paper, the Corporation must obtain from one or more banks (the "Banks") an irrevocable commitment (the "Commitment") to pay or make advances to pay the face amount of, and interest, if any, to accrue to maturity on the Commercial Paper. The Commitment may take a number of forms, e.g. letter of credit, line of credit. In each, however, the Banks must be obligated to pay or make advances to pay outstanding Commercial Paper even though the Corporation's financial condition may have deteriorated, rendering it unable to pay the Commercial Paper from other sources.

While the Corporation intends to end the Program by refunding the Commercial Paper through the issuance of bonds in the public market, the Commitment must also provide that the Corporation's obligation to the Banks is to be repaid over a period of not less than five years. This assures that the Corporation's debt to the Banks at termination of the Commercial Paper Program can be amortized in a manner that will not disrupt the operation
of either the Corporation or the City. The Corporation's repayment obligation to the Banks may be evidenced by bonds issued under its Second General Bond Resolution or by other obligations, provided that the Banks' right to payment out of the Corporation's revenues pledged to the holders of Second Resolution Bonds is not prior to the rights of such bondholders.

The Corporation may secure its repayment obligation to the Banks by the pledge of other assets of the Corporation. The Corporation's portfolio of bonds of the City of New York is not subject to any pledge or lien for the benefit of the Corporation's bondholders and, therefore, is available as security for its repayment obligation to the Banks. However, if the repayment obligation is to be secured by a pledge of City bonds, the pledged bonds, after September 15, 1982, may not at any time mature within the succeeding twelve months.

* * *

The Corporation has concluded negotiations with Citibank, N.A. for an irrevocable line of credit which would allow the Corporation to begin the Commercial Paper Program by providing for the first $100 million of the proposed $250
million. This Program conforms to the terms described above and contained in the Waiver. The Corporation's Board of Directors authorized the Program in December 1981. Standard & Poor's has informed us that they will rate the Commercial Paper A1+. Fitch Investors Service rated it F-1, its highest rating. The Corporation has requested Moody's Investors Service to rate the Commercial Paper but its rating has not yet been announced.

During the term of this Program, advances made for the payment of maturing Commercial Paper are to be repaid out of the proceeds of subsequently issued Commercial Paper. Advances outstanding upon termination of Citibank's commitment may be amortized over a period of at least five-years. The Corporation's repayment obligations to Citibank will be evidenced by a note payable out of the revenues available to the Corporation after payment of debt service on bonds issued under the Corporation's First or Second General Bond Resolutions. The note is to be secured by a pledge of bonds of the City of New York held by the Corporation. Under certain circumstances, the Corporation's obligation under the note may be exchanged for Second Resolution Bonds to be issued to Citibank.
Consents to the Waiver

The Waiver is expressly limited to Commercial Paper Programs which conform to the terms described above and would not permit the Corporation to issue any other obligations proscribed by Section 4.3 of the Agreement.

Beginning in December 1981, the Corporation met with representatives of The Chase Manhattan Bank, N.A., Morgan Guaranty Trust Company of New York, the Savings Bank Association of New York State, Metropolitan Life Insurance Company, New York Life Insurance Company and Messrs. Davis, Polk, & Wardwell, special counsel to the Financial Institutions, as well as with the City Pension Funds. The discussions were useful to the Corporation in developing a Waiver that would adequately address the concerns you may have about the Corporation's Commercial Paper Program. The proposed Waiver reflects many of the suggestions made by the Financial Institutions. None of the Financial Institutions which participated in the discussion have informed the Corporation of their intentions with respect to the Waiver. Their consent and the consent of the City Pension Funds is being requested at this time as well.
The Agreement provides that so long as at least 50\% of the bonds originally purchased by the Financial Institutions and the City Pension Funds are held by them, no waiver will be effective unless the consent of the holders of at least 50\% of the bonds still held is obtained. The percentage of the holders required to approve increases to 75\% if 75\% or more of the bonds purchased are still held by Financial Institutions and City Pension Funds. In order to determine which percentage is applicable and whether the required consents have been obtained, it is necessary for you to indicate the principal amount of the bonds originally purchased under the Agreement that are now held by you. A form is attached for your convenience.

Other Approvals Required

In addition to your consent to the Waiver, the consent of the Mayor and Comptroller of the City, the United States Secretary of the Treasury, and the State Comptroller will also be required. The Corporation has periodically briefed their representatives about the Program.
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING REPORT OF BONDS CURRENTLY HELD.

<table>
<thead>
<tr>
<th>Series</th>
<th>Principal Amount of Bonds Currently Owned</th>
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<tr>
<td>Series 11 (8-3/8% of 1998)</td>
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<tr>
<td>Series 13 (7.85-8.5% of 1985-1998)</td>
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<tr>
<td>Series 17 (7-7/8% of 1999)</td>
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<td>Series 21 (8-3/4% of 1999)</td>
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<tr>
<td>Series 25 (10-3/4% of 2000)</td>
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<tr>
<td>Series 29 (11-3/8% of 2000)</td>
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<tr>
<td>Series 32 (13-3/8% of 2001)</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
</tr>
</tbody>
</table>

Financial Institution:

Signature of Authorized Officer

Title

Dated:

TO BE COMPLETED AND RETURNED EVEN IF YOU DO NOT CONSENT TO THE WAIVER
THE PROCEDURES FOR THE CONSENT TO WAIVERS OF PROVISIONS UNDER THE BOND PURCHASE AGREEMENT DATED NOVEMBER 15, 1978, REQUIRE THE CORPORATION TO REQUEST THE FOLLOWING REPORT OF BONDS CURRENTLY HELD.

<table>
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<th>Series</th>
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<tr>
<td>Series 12 (8-3/8% of 1998)</td>
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<tr>
<td>Series 18 (7-7/8.85-8.5% of 1998)</td>
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<tr>
<td>Series 22 (8-3/4% of 1999)</td>
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<tr>
<td>Series 26 (10-3/4% of 2000)</td>
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<tr>
<td>Series 30 (11-3/8% of 2000)</td>
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<tr>
<td>Series 32 (13-3/8% of 2001)</td>
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<tr>
<td>TOTAL</td>
<td>$</td>
</tr>
</tbody>
</table>

Pension Fund:

Signature of Authorized Officer

Title

Dated:

TO BE COMPLETED AND RETURNED EVEN IF YOU DO NOT CONSENT TO THE WAIVER
WAIVER UPON CONSENT

dated as of April, 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;

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 herein;

WHEREAS, the Corporation has by letter dated April, 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 principal or face amount outstanding at any time.

2. 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 of matured 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.


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 termination of the Banks' commitment referred to in paragraph 4(a) hereof.

6. Net proceeds from the Corporation's sale of Commercial Paper to be advanced to the City shall be advanced to the City for capital purposes only. 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. If the Banks may require the Corporation, at the Corporation's election, either to substitute cash or United States government securities for City bonds so pledged or to issue Second Resolution Bonds in exchange for the Corporation's repayment obligation, the Corporation shall not elect to substitute cash or United States Government Securities unless either: (a) it can make such substitution, but not in excess of $50 million, from assets (other than such City bonds) held by it prior to the Banks requiring the Corporation to make such election, or (b) 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 warrant to purchase bonds.

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. For the purpose of establishing compliance with this requirement, a principal amount equal to the Banks' commitment referred to in paragraph 4(a) hereof shall be considered as outstanding and repayable to the Banks in the manner provided under the Commercial Paper Program for repayment of such amount upon termination of the Banks' commitment. 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.

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.

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.

All. 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.

(Name of purchaser)

By
Title:

Date: _______________, 1982
15 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on April 16, 1982, $57,600.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

SJK:dnd

cc: William J. Lithgow
Pat Santivasci
Administrative Files
12 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on April 13, 1982, $24,400.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

[Signature]
Steven J. Kantor
Treasurer

SJK: dnd

cc: William J. Lithgow
Pat Santivasci
Administrative Files
April 15, 1981

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Capital Reserve Aid Fund (Restricted) established under the Second General Bond Resolution.

You were instructed on March 30, 1982, for settlement on March 31, 1982, to purchase from Chemical Bank $10,000 par value of United States Treasury Bills, due January 27, 1983, at a discount of 12.85%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Aid Fund (Restricted), established under the Second General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Capital Reserve Aid Fund (Restricted) will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
April 15, 1982

UNITED STATES TRUST COMPANY  
OF NEW YORK  
45 Wall Street  
New York, New York 10005

Attention: Malcolm J. Hood  
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding investment of moneys available in the Capital Reserve Aid Fund established under the Second General Bond Resolution.

You were instructed on April 2, 1982, for settlement on April 6, 1982, to sell to Wm. E. Pollock Government Securities, Inc. $2,500,000 par value of United States Treasury Notes due March 31, 1984, with a coupon of 14.25%, at a price of 99.875% of par, plus accrued interest.

You were also instructed on April 2, 1982, for settlement on April 6, 1982, to purchase from Wm. E. Pollock Government Securities, Inc. $2,500,000 par value of United States Treasury Notes due March 31, 1984, with a coupon of 14.125%, at a price 99.53125% of par, plus accrued interest.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Aid Fund, established under the Second General Bond Resolution, will be required so that the maturity or redemption date at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys in the Capital Reserve Aid Fund will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor  
Treasurer

SJK:bba

cc: William J. Lithgow  
Lawrence Remmel, Esq.  
Pat Santivasci  
Rochelle Siegel
April 15, 1982

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
30 West Broadway
New York, New York  10005

Attention: Mr. Edwin F. McMichael
Vice President

Dear Sir:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Municipal Assistance Corporation For The City of New York Guaranty Fund (Account No. M95 78).

You were instructed on March 30, 1982, for settlement on March 31, 1982, to purchase from Chemical Bank $2,275,000 par value United States Treasury Notes due May 31, 1982, with a coupon of 9.375%, at a price of 99.171875% of par, plus accrued interest.

Sincerely yours,

[Signature]
Steven J. Kantor
Treasurer

SJK:bba

cc: Donald T. Regan, Secretary of the Treasury
    William J. Lithgow
    Rochelle Siegel, Bank of New York
    Peter J. Wallison, General Counsel to the Treasurer
April 15, 1982

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
30 West Broadway
New York, New York 10005

Attention: Mr. Edwin F. McMichael
Vice President

Dear Sir:

This is to confirm oral instructions issued to you regarding the investment of moneys available in the Municipal Assistance Corporation For The City of New York Guaranty Fund (Account No. M95 78).

You were instructed on March 31, 1982, for settlement on April 1, 1982, to purchase from Chemical Bank $1,000 par value United States Treasury Notes due June 17, 1982, with a coupon of 7%, at a price of 99.15625% of par, plus accrued interest.

Sincerely yours,

Steven J. Kantor
Treasurer

SJK: bba

cc: Donald T. Regan, Secretary of the Treasury
    William J. Lithgow
    Rochelle Siegel, Bank of New York
    Peter J. Wallison, General Counsel to the Treasurer
April 14, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on April 7, 1982, for settlement on April 8, 1982, to purchase $3,000,000 par value of Federal Home Loan Bank Discount Notes due October 18, 1982, from Goldman Sachs and Co., at a discount of 13.35%.

You were also instructed on April 7, 1982, for settlement on April 8, 1982, to purchase $2,000,000 par value of Federal Home Loan Bank Discount Notes due October 18, 1982, from Wm. E. Pollock Gov't Securities, Inc., at a discount of 13.35%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]
Steven J. Kantor
Treasurer

SJK/bjw

cc: William J. Lithgow
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
April 14, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on April 2, 1982, for settlement on April 5, 1982, to purchase $5,000,000 par value of Federal Farm Credit Bank Notes due September 1, 1982, from Merrill Lynch Government Securities, Inc., with a coupon of 13.90% at a price of 99.171875 of par.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Bond Proceeds Account, established under the Second General Bond Resolution, will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which monies in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bjw

cc: William J. Lithgow
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel, Bank of New York
April 14, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
Bond
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed to purchase United States Treasury Bills due October 14, 1982, in the par value amount at prices and on the transaction and settlement dates from the firms listed on the appended schedule.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys and securities in the Bond Proceeds Account established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys and securities in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
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<th>Date</th>
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<th>Discount Rate</th>
<th>Purchase Interest</th>
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<td>4/7/73</td>
<td>Lehman Brothers Govt. Securities, Inc.</td>
<td>0.00</td>
<td>5,000,000</td>
<td>0.00</td>
<td>13.07</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All for bond proceeds account (016753)
Due October 14, 1982

Purchases of United States Treasury Notes

MUNICIPAL ASSISTANCE CORPORATION
April 14, 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
Bond
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the investment of moneys and sale of securities available in the Bond Proceeds Account established under the Second General Bond Resolution, as listed in the appended schedule.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys and securities in the Bond Proceeds Account established under the Second General Bond Resolution will be required so that the maturity or redemption at the option of the holder of each such investment shall coincide as nearly as practicable with but in no event later than such times at which moneys and securities in the Bond Proceeds Account will be required for Second General Bond Resolution purposes. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

cc: William J. Lithgow
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Par Value</th>
<th>Discount</th>
<th>Accrued Interest</th>
<th>Cost</th>
<th>Purchased From</th>
<th>WM &amp; P. Post Office, Securities, Inc.</th>
<th>3/11/82</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/11/82</td>
<td>Chemical Bank</td>
<td>5,000,000</td>
<td>12.7%</td>
<td>46,78,972.22</td>
<td>5,000,000</td>
<td>12.7%</td>
<td>46,78,972.22</td>
<td>3/11/82</td>
</tr>
<tr>
<td>3/11/82</td>
<td>Lehman Government Securities, Inc.</td>
<td>5,000,000</td>
<td>12.63%</td>
<td>46,80,741.67</td>
<td>5,000,000</td>
<td>12.63%</td>
<td>46,80,741.67</td>
<td>3/11/82</td>
</tr>
<tr>
<td>3/11/82</td>
<td>Goldman Sachs and Co.</td>
<td>5,000,000</td>
<td>12.52%</td>
<td>46,83,522.22</td>
<td>5,000,000</td>
<td>12.52%</td>
<td>46,83,522.22</td>
<td>3/11/82</td>
</tr>
</tbody>
</table>

**Due September 16, 1982**

Purchase of United States Treasury Bills

MUNICIPAL ASSISTANCE CORPORATION
12 April 1982

Mr. Richard D. Nicewonger
Coordinator of Public Authority Programs
Office of the State Comptroller
Albany, New York 12236

Re: Public Authority Data Request

Dear Mr. Nicewonger:

In response to your letter of March 17, 1982, I am enclosing a completed Annual Public Authority Data Request for the Municipal Assistance Corporation For The City of New York.

Also enclosed for your information are copies of: (1) the Corporation's 1981 Annual Report, including audited financial statements; (2) the Corporation's quarterly (unaudited) financial statements for the first and second quarters ending September 30, 1981 and December 31, 1981, respectively; and (3) the Corporation's most recent Official Statement, dated January 21, 1982.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

SJW/bjw

Enclosures (5)
STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
ANNUAL PUBLIC AUTHORITY DATA REQUEST

(Statutory Authority: "Accounting and Reporting for Public Authorities" 2 NYCRR Part 201, As Adopted on January 25, 1982)

AUTHORITY NAME AND ADDRESS: Municipal Assistance Corporation
For The City of New York
One World Trade Center / Suite 8901
New York, New York 10048

FISCAL YEAR ENDED: June 30, 1981

PREPARED BY: Stephen J. Weinstein
TITLE: Deputy Executive Director
PHONE NO: 212-775-0010

12 April 1982
(DATE)
INSTRUCTIONS

1. The information submitted in response to this initial request should be for the Authority's fiscal year ending in calendar year 1981.

2. Please submit the following:
   - Copy of current organization chart
   - Items specified in Section 201.2 of the Official Compilation of Codes, Rules and Regulations
   - The most recent Official Statement issued in regard to a debt issuance. (We request that our office be placed on the permanent mailing list to receive future statements.)

3. In cases where the requested information is incorporated in the Annual Report or Financial Statements, it is not necessary to duplicate it, but merely cite the pertinent table or page in the original source.

4. If a question is not applicable, enter "NA".

5. Please answer each item including narrative comments where appropriate and return the completed request by April 30, 1982.

6. Since this request will be prepared on an annual basis, we request that you designate an individual to serve as liaison with the State Comptroller's Office on these matters. Steven J. Kantor, Treasurer

7. If there are any questions regarding the data request, you may contact Richard D. Nicewonger, Coordinator of Public Authority Programs, at (518) 474-0066.
1. Staff
Name of Executive Director or Chief Administrative Officer

Heather L. Ruth

Number of professional employees __10__
Number of clerical employees __5__
Is fidelity insurance maintained on all personnel in positions of trust? ____ YES  x  NO (Explain)

2. Are internal auditors employed by the Authority?

x  YES  ____ NO

If yes, number of staff __Two__ accounting positions on staff.

3. Who appoints the governing board of the Authority?

Governor appoints 9 members of Board of Directors and designates one as Chairman; 4 of the members are appointed on the written recommendation of the Mayor of the City of New York. Who appoints the administrative management of the Authority?

Board of Directors

4. Who is ultimately responsible for the selection of programs and/or activities administered by the Authority?

Board of Directors

5. Who is ultimately responsible for the disposition of Authority funds?

Board of Directors

6. In the event the Authority is terminated, what entity retains title to its assets? Enabling legislation provides that:

"The Corporation shall continue for a term of one year after all its liabilities have been fully paid and discharged. Upon termination of the existence of the Corporation, all of its rights and property shall pass to and be vested in the State."

The latest maturity of bonds issued by the Corporation and authorized by statute is July 1, 2008.
7. Has the Authority created any subsidiaries?  ____ YES  X  NO

If yes, present title, date established and the purpose of each one.

8. Do the Annual Report and Financial Statements of the Authority include such subsidiaries?  ____ YES  ____ NO  N/A

If not, provide statements for each subsidiary.

9. Were any major programs or activities instituted or eliminated during the past fiscal year?  ____ YES  ____ NO

If yes, list and briefly describe, including financial impact.

N/A

10. What is the Authority's policy on competitive bidding for the purchase of major goods and services, including placement of long-term debt?

   See Attachment.

11. How many professional service contracts (e.g., legal, accounting, consulting, architectural, engineering) involved fees exceeding $50,000?

   How much was spent on such contracts in the past fiscal year?
   $823,920, as follows:  Legal (2): $373,630
   Accounting (1): $ 79,739
   Trustee (1): $313,171
   Consulting (1): $ 57,380
12. Was an examination of your financial statements conducted by a firm of independent certified public accountants?  

   X  YES   ___ NO

   If yes, give name and address of independent accountants.

   PRICE WATERHOUSE
   153 East 53rd Street
   New York, New York 10022

   (Audited Annual Financial Statements as of June 30)

13. Was the auditors' opinion unqualified?  

   X  YES   ___ NO

14. Are interim financial statements prepared?  

   X  YES   ___ NO

   If yes, how frequently?  Quarterly (unaudited) as of September 30, December 31 and March 31.

15. Complete the Schedule of Debt presented in Exhibit A. See Exhibit A.

16. In the last five years, has the Authority ever been in arrears on debt service payments?  

   ___ YES  X  NO

   If yes, provide the date and amount of each default.

17. In the last five years, has the Authority ever been required to make a call on the State's moral obligation?  

   ___ YES  X  NO

   If yes, provide the date and amount of each call.
18. Identify and discuss significant legislative proposals affecting the operations of the Authority that are pending or which will be introduced during the current session.

None

19. Does the Authority anticipate the establishment or elimination of any major programs or activities in the next year?

_____ YES     X NO

If yes, briefly discuss including the impact on financing.

20. Will any new funds be established in the next year?

_____ YES     X NO

If yes, briefly discuss.

21. Does the Authority plan to issue any long-term debt in the next year?

X YES     _____ NO

If yes, provide:

In fiscal 1982 (year ending June 30, 1982) - $500 million public sales + $324.7 million private placements.

a. Estimated amount
b. Purpose

New York City Capital Expenditures and Refunding of Outstanding Corporation Debt
22. Does the Authority plan to change any fees or user charges for its services or facilities in the next year?  

_____ YES  ____ NO  

If yes, provide:  

N/A  

a. Facilities or services affected  
b. Fees or charges prior to change  
c. Fees or charges after the change  
d. Anticipated effective date  
e. Justification for change  

23. Who has the ultimate approval of such charge or fee changes?  

N/A  

PRESENT THE REMAINING INFORMATION FOR THE PAST FIVE YEARS:  

Regular State Appropriations  

24. List the annual appropriations received.  See Attachment.  

25. Are there repayment agreements in effect with regard to the above appropriations?  

_____ YES  __X__ NO  

If yes, is the Authority in compliance with the terms of the agreement?  

_____ YES  ____ NO  

If not, please explain.
26. Does the Authority anticipate any appropriations in the next year?  
   X  YES    NO

   If yes, provide: See Attachment.

   a. Estimated amount
   b. Purpose

First Instance Advances

27. List advances received each year.

   None

28. List repayments made each year.

   N/A

29. Is the Authority in compliance with the terms of all the existing repayment agreements?  YES  NO

   N/A

   If not, identify the agreement and explain the circumstances of non-compliance.
30. Identify any repayments which are due in the next year. Will the Authority be able to make these scheduled payments?  _____ YES  _____ NO

N/A

If not, please explain.

31. Does the Authority anticipate any request for advances in the next year?  _____ YES  _x_ NO

If yes, provide:

a. Estimated amount

b. Purpose

Other Financial Assistance

32. Has the State been called upon to finance any operating deficits of the Authority?  _____ YES  _x_ NO

If yes, provide the date and amount of each occurrence.

33. Identify any other State funds received, including reimbursable advances, along with the amount.

N/A
EXHIBIT A - SCHEDULE OF AUTHORITY DEBT

The schedule should present a breakdown of debt into the following categories:

- State Guaranteed
- Lease Purchase Agreement
- Moral Obligation
- Revenue Bonds
- Other - Specify and Indicate Any State Obligation

<table>
<thead>
<tr>
<th>Category (Identify)</th>
<th>Statutory Authorization</th>
<th>Amount Outstanding *</th>
<th>Bonds Issued</th>
<th>Bonds Redeemed</th>
<th>Amount Outstanding **</th>
<th>End of Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral Obligation</td>
<td>$10 Billion</td>
<td>$6.12</td>
<td>0</td>
<td>$6.12</td>
<td>$737</td>
<td>$167.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6.77</td>
</tr>
</tbody>
</table>

Billion  | Million  | Million  | Million  | Billion  |

See Exhibit 1 to Annual Financial Statements on P. 24 of 1981 Annual Report

and Exhibit 1 to Quarterly Financial Statements for Second Quarter Ending December 31, 1981

* Excludes Refunded Bonds.
** Includes Refunded Bonds.
ATTACHMENT TO ANNUAL PUBLIC AUTHORITY DATA REQUEST

Section 10 re: Purchasing Policy

Fees for principal outside professional services required on a regular basis -- counsel, trustee, accountants, and financial advisor -- are approved annually by the Board on a non-competitive basis. Services for financial printing are engaged in accordance with a competitive price quotation procedure. For other substantial operating expenses, the Corporation obtains alternative price estimates or quotations when possible. The Corporation from time to time evaluates competitive bidding on public sales of its bonds, although all of its sales to date have been underwritten on a negotiated basis as approved by the State Comptroller.

Sections 24 and 25 re: Regular State Appropriations

Pursuant to the Corporation's enabling legislation, the State Legislature appropriates annually for the benefit of the Corporation (1) the State Stock Transfer Tax, (2) the Special State Sales Tax collected within New York City, and (3) the State Per Capita Aid otherwise payable to the City of New York. Those revenues are deposited into special State funds, from which the Corporation has the right to withdraw as much as necessary to meet its debt service and operating costs. The respective amounts so appropriated in the 1981 fiscal year were:

Sales Tax - $1,294,074;
Stock Transfer Tax - $630,850,000; and
Per Capita Aid - $484,037,000

A fuller presentation of the appropriation process is contained in the Corporation's offering documents; a copy of the latest Official Statement, dated January 21, 1982, is enclosed, with the relevant information appearing in "Part 5 -- Payment of the Bonds", on Pages 7-14.
March 17, 1982

Ms. Heather L. Ruth
Executive Director
Municipal Assistance Corporation for the
City of New York
Suite 8901
One World Trade Center
New York, NY 10048

Dear Ms. Ruth:

Pursuant to Article X, Section 5 of the State Constitution, Subdivision 14, Section 8 of the State Finance Law and Sections 2500-2503 of the Public Authorities Law, the Comptroller has adopted the enclosed regulation relating to accounting and reporting by public authorities. This regulation applies to all authorities included on the enclosed list.

The new regulation simplifies previous reporting requirements. Each authority is required to submit its Annual Report, including financial statements (preferably independently audited), and to complete a copy of the enclosed Public Authority Data Request.

If you are unable to provide general purpose financial statements prepared in accordance with generally accepted accounting principles (GAAP) or if you have not planned to arrange for an independent audit of your financial statements, you may satisfy the regulation by returning the questionnaire and the documentation solicited in the questionnaire. However, pursuant to the above referenced authority and pursuant to Section 8(9)(a)&(b) of the State Finance Law, in such circumstances, the Comptroller's Office will arrange to contact and assist you in preparing GAAP financial statements and/or development of a request for proposal for an independent audit.

Sincerely,

Richard D. Nicewonger
Coordinator of Public Authority Programs

RDN/blh
Enclosures
RULEMAKING ACTIVITIES

AGRICULTURE AND MARKETS, DEPARTMENT OF
- Inspection fees for weighing and measuring devices ........................................... 1
- Item pricing regulations ......................................................................................... 2

AUDIT AND CONTROL, DEPARTMENT OF
- Accounting and reporting for public authorities ............................................... 3

CIVIL SERVICE, DEPARTMENT OF
- Jurisdictional classifications ............................................................................... 3

COMMERCE, DEPARTMENT OF
- New York State Job Incentive Board .................................................................. 6

EDUCATION DEPARTMENT
- Licensure of veterinarians
  (Regulatory Impact Statement) ........................................................................... 8

ENVIRONMENTAL CONSERVATION, DEPARTMENT OF
- Special hunting seasons for deer in Suffolk County ........................................... 9
- Order establishing a special season for deer of either sex at the Seneca Army Depot ................................................................. 9
- Deletion of hiker registration in the High Peaks, Pharaoh Lake or West Canada Lake Wilderness Areas .................................... 10
- Revision of regulations ......................................................................................... 10
- Statewide sportfishing regulations ..................................................................... 10
- Hunting seasons and regulations in relationship to taking certain migratory game birds .............................................................. 10

EQUALIZATION AND ASSESSMENT, STATE BOARD OF
- Assessment information and standards for a system of real property tax administration ......................................................... 11

INSURANCE DEPARTMENT
- Ratemakings ....................................................................................................... 12

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES, OFFICE OF
- Operating standards for the developmentally disabled .................................. 13

POWER AUTHORITY OF THE STATE OF NEW YORK
- Rates for the sale of power and energy ................................................................. 16

PUBLIC SERVICE COMMISSION
- Adjustment of rates by Rochester Gas and Electric Corporation ...................... 16
- Water rates by Orchard Hill Water Co. ............................................................... 17
- Water rates by Sunhill Water Corporation .......................................................... 17
- Water service rates by Little Switzerland Water Corp ...................................... 17
- Issuance of securities by Spring Valley Water Co., Incorporated ................ 18
- Issuance of securities by New York Telephone Company ................................ 18
- Issuance of securities by New York State Electric & Gas Corporation .......... 18
- Water rates by Robert D. Farquhar .................................................................... 18
- Water rates and restoration of service charge by Swan Lake Water Corporation .......................................................... 18
have expired at the end of 1981, but was recently renewed for an additional four years by legislative enactment (Ch. 262 of the Laws of 1981). The proposed regulations conform the present regulations to the new legislation.

b. **Identification of Need**

The new legislation requires that the Commissioner define the term "consumer commodity" by regulation. These regulations do that by adopting the definition set forth in Agriculture and Markets Law §214-b, as required by §214-i. The proposed regulations also continue to provide alternative means of notifying consumers of the item price of consumer commodities exempted from item pricing by management option pursuant to the new legislation.

c. **Identification of Benefits**

The proposed regulations will, in conjunction with the new legislation, continue the requirement for item pricing and its benefits to consumers by helping them make informed purchase choices.

2. **Statutory Authority:**

Agriculture and Markets Law Sections 18 (6), 214-i, subdivisions 3 (Par. 1) and 5.

3. **Relationship with State and Federal Requirements:**

There are no federal requirements governing item pricing.

4. **Reporting Requirements:**

No new forms or reports will be required.

5. **Economic Analysis:**

The proposed regulation will not result in increased costs to the State or to the State's economy, inasmuch as the statute merely extends for an additional 4-year period the previous statutory requirements for item pricing.

6. **Viable Alternatives:**

None

7. **Contact Person:**

L. R. Crowell, Director of Food Inspection Services, Department of Agriculture and Markets, Bldg. 8, State Campus, Albany, NY 12235, (518) 457-5368

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**DEPARTMENT OF AUDIT AND CONTROL**

**PROPOSED AGENCY ACTION**

**NO HEARING SCHEDULED**

Re: Accounting and Reporting for Public Authorities

I.D. No. AAC-51-81-00029-P

Pursuant to the provisions of the State Administrative Procedure Act, NOTICE is hereby given of the following proposed action:

**Proposed action:** Repeal of Parts 201 through 220 and Appendices 12 and 13 of Chap. V; and adoption of new Part 201 and Chap. V of Title 2 NYCRR.

**Statutory authority: State Constitution, Art. X, section 5; State Finance Law, section 8, subds. 14; and Public Authorities Law, sections 2500, 2501, 2502, 2503 and related statutes.**

**Subject:** Accounting and reporting for public authorities.

**Purpose:** To revise regulations concerning accounting and reporting for public authorities.

**Express terms of proposed action:** Section 1, Chapter V entitled "Accounting and Reporting for Public Authorities" (consisting of Parts 201 through and including Part 220 and Appendices 12 and 13) is REPEALED and a new Chapter V is adopted as follows:

**CHAPTER V PUBLIC AUTHORITIES**

Part 201

ACCOUNTING AND REPORTING FOR PUBLIC AUTHORITIES

(Statutory Authority: State Constitution, Article X, §§; State Finance Law, §§ 8, subds. 9 and 14; Public Authorities Law, §§ 2500, 2501, 2502, 2503 and related statutes)

201.1 Purpose of part

201.2 Content of report

201.3 Submission of report

Section 201.1 Purpose of part.

Public Authorities Law, §2500, and related statutes, require that every authority, commission or public benefit corporation file an annual report ("report") with the Comptroller of the State of New York ("Comptroller"). This part shall apply, however, only to any such entity ("authori-ty").

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**DEPARTMENT OF CIVIL SERVICE**

**PROPOSED AGENCY ACTION**

**NO HEARING SCHEDULED**

Re: Jurisdictional Classification

I.D. No. CVS-51-81-00001-P

Pursuant to the provisions of the State Administrative Procedure Act, NOTICE is hereby given of the following proposed action:

**Proposed action:** Amendment of Appendix 1 of Title 4 NYCRR.

**Statutory authority:** Civil Service Law, section 6(1)

**Subject:** Jurisdictional classification.

**Purpose:** To classify a position in the exempt class in the Executive Department.

**Express terms of proposed action:** Amend Appendix 1 of the Rules for the Classified Service, listing positions in the exempt class, in the Executive Department under the Office of General Services, by increasing the number of positions of Building Superintendent from 12 to 13.

**Express terms of proposed action may be obtained from:** Joan Rostron, N.Y.S. Department of Civil Service, State Campus, Albany, NY 12239, (518) 457-6210

Data, views or arguments may be submitted to: Same as above.

**Regulatory Impact Statement**

The proposed agency action is subject to a consolidated regulatory impact statement printed in the issue of January 21, 1981 under notice of proposed agency action, I.D. No. CVS-03-81-00002-P.
PUBLIC AUTHORITIES *

Agriculture and New York State Horse Breeding Development Fund
Albany Port District Commission
Battery Park City
Buffalo and Fort Erie Public Bridge
Capital District Transportation
Central New York Regional Market
Central New York Regional Transportation
Community Facilities Project Guarantee Fund
Dormitory
Environmental Facilities Corporation
Facilities Development Corporation
Genesee Valley Regional Market
Housing Finance Agency
Hudson River-Black River Regulating District
Industrial Exhibit
Lake Champlain Bridge Commission
Medical Care Facilities Finance Agency
Metropolitan Transportation
- Long Island Railroad
- Metropolitan Airports
- Metropolitan Suburban Bus
- New York City Transit
  Manhattan & Bronx Surface Transit Operating
- Staten Island Rapid Transit Operating
- Triborough Bridge and Tunnel

1 Subsidiary of MTA or an agency under its jurisdiction
2 Subsidiary of New York City Transit

* For purposes of 2 NYCRR Part 201, these corporations are subject to "Accounting and Reporting for Public Authorities".
Municipal Assistance Corporation for the City of New York
Municipal Bond Bank
Natural Heritage Trust
Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation
New York Convention Center Operating Corporation
New York State Bridge
New York State Energy Research and Development
New York State Job Development
New York State Olympic Regional Development Authority
New York State Quarterhorse Breeding and Development Fund
New York State Science and Technology Foundation
New York State Thoroughbred Breeding and Development Fund Corporation
New York State Thruway
New York State Urban Development Corporation (and subsidiaries)
Niagara Frontier Transportation
Ogdensburg Bridge and Port
Port Authority of New York and New Jersey
Port of Oswego
Power Authority of the State of New York
Project Finance Agency
Rochester-Genesee Regional Transportation
State of New York Mortgage Agency
State University Construction Fund
Thousand Islands Bridge
United Nations Development Corporation
April 12, 1982
HLR, SJW, JGB
SJ

FY 1983

We have agreed to submit the FY 1983 budget to the Administration Committee for their consideration at the May meeting. (It will also be the first time they will see numbers associated with the proposed revised budget categories.)

Would it be possible to compile your detail estimates for your respective categories by April 19, 1982?

Thanks.
EXHIBIT 1

Proposed Budget Format

* Debt Issuance
  Long Term Debt
    Legal - 566
    Printing - 313
    Related Services
  Short Term Debt
    Credit Facilities
    Legal - 566
    Printing - 313
    Related Services

* Debt Administration
  Trustee
  Public Notices
  Related Services

* Oversight
  * OSDC
  * FCB

* Investment Management
  Investment Advisor
  Transaction Expenses

* General Administration
  * Personnel
  * Other Professional Services - 412
  * Accounting and Financial Reporting
  * General Office Expenses

* Categories to be shown in the Corporation's financial statements.
April 9, 1982

Mr. Mark B. Shernicoff
110 Riverside Drive
New York, New York 10024

Dear Mark:

Congratulations on your new position at HHC. We will miss your working "directly" for the City.

Best wishes,

Sincerely,

[Signature]
April 2, 1982

Mrs. Heather Ruth, Executive Director
Municipal Assistance Corporation
1 World Trade Center
New York, N.Y. 10048

Dear Mrs. Ruth,

My search for a new position has been successful. I have accepted the position of Director of Internal Audit at the New York City Health and Hospitals Corporation. I will assume my new duties on May 3, 1982.

I wish to take this opportunity to thank you for your help. Your assistance and support was extremely helpful. I am sure that without your assistance, my search would have been longer and more difficult.

Thanks again for your help.

Sincerely,

Mark B. Shernicoff

MBS:sp
8 April 1982

Mr. Richard Kezer
CITIBANK, N.A.
55 Water Street
New York, New York 10005

Dear Dick:

I am enclosing for your review a copy of the letter and memorandum we propose to send to each of the Purchasers under the Bond Purchase Agreement. We will await your comments before sending it to Dick Smith for his review. As you had suggested, we propose that the Revolving Credit and Term Loan Agreement not be included in the submission to the Purchasers.

Please let me have your comments as soon as possible.

Best regards,

Sincerely,

John G. Bove
Counsel

JGB/bjw

encl
April 8, 1982

Ms. Enid Feist  
Executive Assistant to the Comptroller  
Office of the State Comptroller  
270 Broadway, Room 2312  
New York, New York 10007

Dear Enid:

Enclosed is a resume of Bill Lithgow, the person we spoke about on the phone last week. We are pursuing the matter of classification and compensation with Civil Service, as you suggested.

In the meantime, I also enclose a copy of a letter recently received from Michael O'Connell. Madelon Tally suggested some time ago that I contact him, which I did. Quite frankly, one of the reasons I called you last week was concern that nothing was happening on that front. I'm not sure this letter means that anything is happening, but would like to insure that you are fully informed of what I know.

Anything you can do to help will be much appreciated.

Best wishes.

Sincerely,

Heather L. Ruth  
Executive Director

Enclosure
Ms. Heather L. Ruth  
Executive Director  
Municipal Assistance Corporation  
for the City of New York  
One World Trade Center, Suite 8901  
New York, New York 10048  

Dear Ms. Ruth:  

Thank you for your recent letter concerning William J. Lithgow who currently serves as Director of Cash Management of the Municipal Assistance Corporation for the City of New York.  

I will be discussing your request and Mr. Lithgow's resume with Mrs. Talley and will be in direct contact with Mr. Lithgow.  

Sincerely,  

J. Michael O'Connell  
Executive Director  
Division of Administration  

JMO'C:mvd
6 April 1982

Ms. Judith Hamill
Financial Representative
R. R. Donnelley & Sons Company
80 Pine Street
New York, New York 10005

Re: Series 39 Financial Printing

Dear Ms. Hamill:

This letter is to request that you furnish us with a quotation on the attached form for the cost of printing certain documents in connection with a proposed public sale of the Municipal Assistance Corporation's Series 39 Bonds, based upon the following specifications and schedule, which should be regarded as confidential information.

As we have discussed, we expect the documents required for this proposed financing to be substantially the same as those printed by you in connection with our most recent public sale of our Series 38 Bond sale in February 1982. Accordingly, we expect the prices which you submit to be substantially the same as those submitted for that previous work.

I. PRELIMINARY OFFICIAL STATEMENT

Typesetting copy as required for a Preliminary Official Statement consisting of 70 pages, including two proofs; composing 50 sets of each of the proofs, and distributing those proofs (exclusive of messenger charges); printing and binding with staples 15,000 copies of the Preliminary Official Statement on 40-pound white opaque offset paper 8-1/2" by 11" in black ink with one additional color on the front (cover) page; and distributing the Preliminary Official Statements (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and separately indicate the Additions to Price for each two pages of additional text, and for each 1,000 additional copies of the final printed document.
II. FINAL OFFICIAL STATEMENT

Typesetting revisions to the Preliminary Official Statement as required for one proof of a Final Official Statement consisting of 70 pages, composing 50 sets of one proof, and distributing those proofs (exclusive of messenger charges); printing and binding with staples 10,000 copies of the Final Official Statement on 40-pound white opaque offset paper 8-1/2" by 11" in black ink; and distributing the Final Official Statements (exclusive of shipping and delivery charges) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and separately indicate the Additions to Price for each two pages of additional text, and for each 1,000 additional copies of the final printed document.

III. BOND PURCHASE AGREEMENT

Production of a Bond Purchase Agreement consisting of 30 pages, including one proof; composing and distributing 500 copies of the proof (exclusive of messenger charges); printing 500 copies of the Bond Purchase Agreement on 50-pound white opaque offset paper in black ink; revising the Bond Purchase Agreement to incorporate signatures of the parties and printing and binding with staples 150 copies of the conformed document on 50-pound white opaque offset paper in black ink; and distributing the Bond Purchase Agreement (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and indicate the Additions to Price for each two pages of additional text, and for each 100 additional copies of the final printed document.

IV. BLUE SKY MEMORANDUM

Production of a Blue Sky Memorandum consisting of 10 pages, including one proof; composing 10 sets of that proof for distribution (exclusive of messenger charges); printing and binding with staples 500 copies of the Blue Sky Memorandum on 50-pound white opaque offset paper in black ink; distributing the Blue Sky Memorandum in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and indicate the Additions to Price for each two pages of additional text, and for each 100 additional copies of the final printed document.
V. LEGAL OPINIONS

Printing and stapling additional copies of the following legal opinions, each as contained in the Bond Purchase Agreement: (1) 100 copies of a 1-page opinion of bond counsel to the Corporation; (2) 100 copies of a 2-page opinion of bond counsel to the Corporation; (3) 10,000 copies of a 5-page opinion of bond counsel to the Corporation; (4) 100 copies of the opinion of general counsel to the Corporation consisting of 3 pages; and (5) 100 copies of the opinion of counsel to the Underwriters consisting of 2 pages; distributing each of the above documents (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a separate Base Price for each of the above-numbered items.

VI. ADDITIONAL DOCUMENTS

No additional documents shall be included as a part of the work to be performed for the Corporation, unless the Corporation shall duly authorize the printing of additional documents. However, it is anticipated that certain additional documents will be required by the Underwriters in connection with the proposed financing; any and all such additional documents shall be paid for by the Underwriters and not by the Corporation. Accordingly, no price is required to be included in your quotation for any such additional documents.

VII. DISBURSEMENTS

In addition to the work specified in Sections I through V of this letter, you shall furnish and the Corporation shall pay: (1) actual and reasonable disbursements for transportation, refreshments and meals (exclusive of any charges for markup, overhead or profit) for personnel of the parties to the proposed financing and their counsel, during the period in which the printing work is in progress and pertaining to such work; and (2) actual and reasonable freight, postage and other shipping and delivery expenses incurred in distributing the printed documents. While no price quotation is required for such disbursements, you will be required to itemize such expenditures on its invoice to the Corporation, and will be further required to retain all records and receipts related to such expenditures for examination by the Corporation upon request.
VIII. OVERTIME AND ADDITIONAL WORK

1. Overtime. For purposes of calculating the price quotation, it shall be assumed that all of the work called for by these specifications will be completed during weekday daytime shift working hours, on a 24-hour turnaround basis. Any work performed at other times must be duly authorized by the Corporation in advance of the commencement of the work. However, please indicate on the form the working hours of your weekday daytime shift and the approximate percentage additions to your charges for work performed during other shift periods, as well as the basis for any other additional charges for expedited or priority work.

2. Additional Work. Any work performed in addition to the work specified in Sections I through V of this letter, and duly authorized and documented overtime as specified in this Section VIII, shall require the advance authorization of the Corporation, and shall be billed on a pro-rata basis in accordance with the price quotations contained in your proposal; except that author's alterations, local messenger deliveries and copying services shall be undertaken as necessary, and billed in accordance with the rates which you include on the price quotation form.

IX. SCHEDULE

The projected schedule for delivering each of the documents in final form is as follows: Preliminary Official Statement -- April 15, 1982; Final Official Statement -- April 28, 1982; Bond Purchase Agreement -- April 28, 1982; Blue Sky Memorandum -- April 28, 1982; Legal Opinions -- April 28, 1982. It is anticipated that printing work on the first proof of the Official Statement will commence April 6, 1982, for distribution on April 7, 1982. This production schedule is tentative and subject to change at the direction of the Corporation, in accordance with the requirements of the proposed financing.

X. PAYMENT

After completion of the work, you shall submit to the Corporation a detailed invoice covering all services rendered to the Corporation in connection with the proposed financing, which invoice shall itemize all additions to and subtractions from the Base Price, as well as all disbursements. Inasmuch as the Corporation is a corporate governmental agency and instrumentality of the State of New
York, no sales tax should be charged to the Corporation. The Corporation shall review such invoice and expeditiously process it for payment by the Corporation.

Such invoice shall be subject to auditing by the New York State Department of Audit and Control subsequent to payment. You will be required to maintain and retain written records of sufficient detail to substantiate all charges billed to the Corporation, and to produce such records for examination by the Corporation or the State Comptroller upon request, for a period of three years after final payment for this work.

In addition, you will be required to store and maintain all of the type or tapes for each of the documents printed in this transaction for a period of six months after completion of the work without charge to the Corporation.

Please complete and return the attached quotation form by the close of business today.

We look forward to working again with you and your firm.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

SJW/ba

Attachment: Quotation Form
<table>
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<tr>
<th>DOCUMENT</th>
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<th>ADDITIONS TO PRICE</th>
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**OVERTIME**

- Weekday Day (___a.m. to ___p.m.)
- Weekday Night
- (___p.m. to ___a.m.) = + ___%
- Saturday Day
- (___a.m. to ___p.m.) = + ___%
- Saturday Night
- (___p.m. to ___a.m.) = + ___%
- Sunday Day
- (___a.m. to ___p.m.) = + ___%
- Sunday Night
- (___p.m. to ___a.m.) = + ___%

**SUBMITTING FIRM**

Firm Name: __________________________
Address: ____________________________
Phone: ____________________________

(Attach separate sheet for
any other charges.)

**AUTHOR'S ALTERATIONS:**

$___ per hour

**MESSENGERS:** $___ per local
delivery

**COPYING:** ___¢ per page

By: ____________________________
Authorized Signature

Name and Title: __________________________

Date: ____________________________
6 April 1982

Lawrence Remmel, Esq.
CARTER, LEDYARD & MILBURN
2 Wall Street
New York, New York 10005

Dear Larry:

I am enclosing for your review a copy of the proposed agreement between the Corporation and the United States Trust Company of New York regarding the Corporation's Solicitation of Tenders dated April 6, 1982.

I have signed the agreement for the Corporation and this morning sent it to Malcolm J. Hood to execute on behalf of the Trust Company.

All of the language in the proposed agreement is the same as that which was included in the agreement concerning last year's tender offer in May 1981, except for the series and amounts of bonds, the referenced dates and the fees to be paid to the Trust Company.

If you have any questions, please give me a call.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director

SJK:bba

Enclosure
BY MESSENGER

6 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Attention: Malcolm J. Hood
Senior Vice President

Re: Solicitation of Tenders and Purchase
of 1975 Series 1 through 4 Bonds and
1976 Series 5 and 6 Bonds

Dear Sirs:

On April 6, 1982, the Municipal Assistance Corporation For
The City of New York (the "Corporation") published a Notice
of Solicitation of Tenders (together with the accompanying
Letter of Transmittal, the "Notice") to purchase bonds to
satisfy the Sinking Fund Requirements due on July 1, 1982 of
its 1975 Series 1 through 4 Bonds and 1976 Series 5 and 6
Bonds (the "Bonds"); a copy of that Notice is attached to
this letter.

The Corporation, pursuant to its Second General Bond
Resolution and its Series 1 through 4 and Series 5 and 6
Resolutions, hereby authorizes and directs you to take the
following actions in connection therewith:

1. You shall deliver the Notice to any persons requesting
copies.

2. You shall receive Letters of Transmittal accompanied by
Bonds or guarantees of delivery tendered in accordance
with the methods of delivery described in the Notice
until the Expiration Date set forth therein.

3. You shall count and keep a continuous tally of all
tenders as received. That tally or appropriate
supporting documents must describe the method of tender
and identify the tenders that are in proper form and
those that are not in proper form. You shall deem
tender(s) received by you to be executed in proper form
if the Bond(s) or guarantees of delivery and
accompanying Letters of Transmittal are completed and
received by you in accordance with the terms and
methods specified in the Notice prior to the Expiration
Date set forth therein and, in the case of Letters of Transmittal accompanied by guarantees of delivery, the Bonds are received by you by noon on April 20, 1982. All Letters of Transmittal shall be time-stamped, which shall be deemed to be the time they were received by you.

4. You shall furnish to the Treasurer of the Corporation, Mr. Steven J. Kantor, daily telephone reports of the principal amount of Bonds tendered of each Series and the prices at which such tenders are made and the amounts thereof which are in proper form (as determined pursuant to the provisions of Section 3 above) received by you, and shall summarize such daily reports in written form and deliver such summary to the Corporation to the attention of Mr. Kantor on April 6, 1982.

5. Tenders not in proper form shall not be accepted. Any questions as to whether a tender is in proper form should be directed to the Corporation's Counsel, John G. Bove, or its Deputy Executive Director, Stephen J. Weinstein. You shall not accept any Bonds delivered after noon on April 20, 1982, pursuant to a Letter of Transmittal and guarantee of delivery, unless authorized to do so by the Corporation prior to such acceptance. Written confirmation of any oral authorization by the Corporation shall be given to you upon request.

6. You shall draw and deliver checks in New York clearing house funds drawn on the Bond Service Fund, established pursuant to the Second General Bond Resolution, in payment for accepted Bonds and shall return unaccepted Bonds all as provided in the Notice. Checks and Bonds shall be mailed or available for pickup on April 22, 1982, and accrued interest on accepted Bonds shall be paid to April 22, 1982. You shall deliver a letter in the form annexed hereto as Exhibit A to the holder of each unaccepted Bond together with such Bond.

7. Your responsibilities and duties in connection with the Notice are as set forth in such Notice and herein. You are authorized to rely upon and follow the instructions, directions and advice rendered in regard to the Notice by any officer of the Corporation or by its counsel if rendered at the direction of the
Corporation. You shall not be responsible or liable to the Corporation or to anyone else for the sufficiency, accuracy, or validity of any document delivered to you in connection with the Notice provided that you have no reason to believe the same to be insufficient, inaccurate or invalid. You shall not be liable to the Corporation or to anyone else for any act taken, suffered, or omitted hereunder if taken, suffered or omitted in good faith by you or in the exercise of your own best judgment, and the undersigned shall indemnify you and hold you harmless from, any loss or expense suffered or incurred by you in respect of any act done, omitted or suffered in good faith on the advice of or pursuant to the instructions of the Corporation or the instructions of its counsel given at the direction of the Corporation.

8. Your duties and responsibilities shall be limited to those expressly set forth in the Second General Bond Resolution, the 1975 Series 1 through 4 and 1976 Series 5 and 6 Resolutions and herein, and to those upon which you and the Corporation shall otherwise agree in writing.

9. The Corporation shall pay you for all services rendered by you in connection with, as follows: $3.00 per Letter of Transmittal submitted and $3.00 per $5,000 bond tendered and accepted, plus additional fees only for any changes in registration required for registered bonds tendered and accepted in part, which registration fees shall be in accordance with your fee schedule effective January 11, 1982. The Corporation shall also reimburse you for all reasonable disbursements made by you in the administration of your duties hereunder, and shall pay all reasonable counsel fees incurred in rendering legal services to you in connection with the Notice.

10. Nothing herein contained shall limit any of the rights or obligations of the United States Trust Company or the Corporation under the Second General Bond Resolution and the 1975 Series 1 through 4 and 1976 Series 5 and 6 Resolutions.

11. Unless otherwise specified herein, notice given pursuant to any of the provisions hereof shall be given (i) if to the Corporation, by notifying it at One World Trade Center (Suite 8901), New York, New York 10048, Attention: Mr. Stephen J. Weinstein, Deputy Executive
Director; or (ii) if to you, by notifying you at 45 Wall Street, New York, New York 10005, Attention: Mr. Malcolm J. Hood, Senior Vice President; and if any such notice is given by telephone, it shall be promptly confirmed in writing.

This document shall be effective as of April 6, 1982. This document shall not be admissible in evidence to construe the provisions of any prior agreement or instrument to which the undersigned are parties.

Please indicate your acceptance of these directions, terms and conditions by signing the enclosed copy of this letter in the space provided and returning it to the Corporation.

Sincerely,

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By
Stephen J. Weinstein
Deputy Executive Director

Accepted:

UNITED STATES TRUST COMPANY
OF NEW YORK

By
Malcolm J. Hood
Senior Vice President

Dated: __________________________

Attachments (2)
Enclosure (1)
Dear Sir or Madam:

The United States Trust Company of New York (the "Trust Company") is returning to you with this letter the bond(s) which you delivered in response to the Solicitation of Tenders of April 6, 1982, of the Municipal Assistance Corporation For The City of New York (the "Corporation"). The Corporation did not accept the bond(s) which you tendered.

For your information, the results of that Solicitation of Tenders, which was undertaken to satisfy mandatory sinking fund requirements for the Corporation's 8% 1975 Series 1 through 4 Bonds and 8% 1976 Series 5 and 6 Bonds, are summarized below.

Bonds of those Series in the aggregate principal amount of $33,635,000 were required to complete the mandatory sinking fund installments totalling $56,215,000 for July 1, 1982. In response to the Solicitation of Tenders of April 6, 1982, Bonds totalling $ principal amount were tendered to the Corporation, at prices ranging from $ per $100 to $ .

The Corporation accepted bonds tendered solely on the basis of the best price offered, unless the aggregate principal amount of the bonds tendered at the same price exceeded the amount of bonds to be acquired at that price in order to satisfy the sinking fund requirements, in which case bonds offered at the same price were accepted in the same order in which the Letters of Transmittal were received by the Trust Company. The Corporation accepted tenders of Series 1 Bonds at prices up to $ per $100, Series 2 Bonds at prices up to $ per $100, Series 3 bonds at prices up to $ per $100, Series 4 Bonds at prices up to $ per $100, Series 5 Bonds at prices up to $ per $100, and Series 6 Bonds at prices up to $ per $100.

Thank you very much for your response.
Notice of Solicitation of Tenders

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

A Public Benefit Corporation of the State of New York

To The Holders of Its
8% 1975 Series 1 Through 4 Bonds
8% 1976 Series 5 and 6 Bonds

This Notice of Solicitation of Tenders is not being made to, nor will the Corporation accept tenders from, holders of Bonds in any jurisdiction where such Notice of Solicitation of Tenders does not comply with the local securities or Blue Sky Laws.

The Municipal Assistance Corporation For The City of New York (the "Corporation") is offering to purchase upon the terms set forth in the annexed Letter of Transmittal up to $6,880,000 of its 8% 1975 Series 1 Bonds, up to $7,725,000 of its 8% 1975 Series 2 Bonds, up to $7,260,000 of its 8% 1975 Series 3 Bonds, up to $7,695,000 of its 8% 1975 Series 4 Bonds, up to $3,505,000 of its 8% 1976 Series 5 Bonds and up to $570,000 of its 8% 1976 Series 6 Bonds (hereinafter collectively referred to as the "Bonds"), all of which were issued pursuant to the Corporation's Second General Bond Resolution and the 1976 Series 1, 2, 3, or 4 or 1976 Series 5 or 6 Resolutions (the "Resolutions"). Pursuant to the provisions of the Resolutions, the purchase of the amounts of the Bonds stated above, together with Bonds previously purchased by the Corporation during its current fiscal year, would enable the Corporation to satisfy fully the sinking fund provisions of the Resolutions which require the Corporation to retire a portion of the Bonds each July 1 until the final maturity date of the Bonds.

Under the Resolutions, the Corporation on July 1, 1982 must retire through the operation of the mandatory sinking fund $9,120,000 aggregate principal amount of 8% 1975 Series 1 Bonds, $19,435,000 aggregate principal amount of 8% 1975 Series 2 Bonds, $7,980,000 aggregate principal amount of 8% 1975 Series 3 Bonds, $9,935,000 aggregate principal amount of 8% 1975 Series 4 Bonds, $9,505,000 aggregate principal amount of 8% 1976 Series 5 Bonds and $1,240,000 aggregate principal amount of 8% 1976 Series 6 Bonds (the "Requirements"). The Resolutions authorize the Corporation to satisfy the Requirements by purchasing Bonds of each Series and applying such Bonds to the Requirement for such Series. To the extent that the Requirements are not fulfilled by such purchases, the Resolutions provide for satisfaction of the Requirements by redemption on July 1, 1982 by random selection of Bonds of each Series at par (plus accrued interest). The Corporation may make purchases of the Bonds in the open market during the tender period. Such purchases may be at prices above or below par at which tenders are accepted. The amount of tenders which the Corporation will accept for any Series will be subject to the amount of Bonds of such Series previously purchased by the Corporation.

Excluding Bonds previously purchased by the Corporation to be applied against the Requirements, there are presently outstanding $53,840,000 of 8% 1975 Series 1 Bonds, $114,750,000 of 8% 1975 Series 2 Bonds, $47,105,000 of 8% 1975 Series 3 Bonds, $38,635,000 of 8% 1975 Series 4 Bonds, $139,860,000 of 8% 1976 Series 5 Bonds, and $18,215,000 of 8% 1976 Series 6 Bonds.

LETTER OF TRANSMITTAL to Accompany
8% 1975 Bonds Due July 1, 1986
Series 1 Through 4
and
8% 1976 Series 5 and 6 Bonds Due July 1, 1991
of the
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

A Public Benefit Corporation of the State of New York

Tendered pursuant to the Solicitation of Tenders Dated April 6, 1982

Solicitation of Tenders Will Expire At 3:30 P.M., Eastern Standard Time, on April 15, 1982 ("Expiration Date")

INSTRUCTIONS

Instruction A—DESCRIPTION OF TENDERED BONDS AND OFFERING PRICE
Bonds may be tendered either in their entirety or in portions constituting multiples of $5,000.

Specify the Bond Number, Principal Amount Enclosed, Principal Amount Tendered and Tendered Price for each Bond or portion of a Bond tendered. YOU DETERMINE THE TENDER PRICE. The Corporation may not, under the terms of the Resolutions, accept Bonds tendered at a price in excess of par (exclusive of accrued interest), and it is the Corporation's present intention not to accept any offers in excess of $99 per $100 of principal amounts tendered of 8% 1975 Series 1 Through 4 Bonds, or in excess of $89 per $100 of principal amounts tendered of 8% 1976 Series 5 and 6 Bonds. The Tender Price should be expressed both as a price per $100 of principal amount tendered and as an aggregate price for the principal amount (or portion thereof) of a Tendered Bond.

For example, if a Bondholder desires to tender a Bond with a $5,000 face amount at $95 per $100 of principal amount tendered, the Principal Amount Enclosed would be $5,000, the Principal Amount Tendered would be $5,000, the Offering Price per $100 of principal amount tendered would be $95 and the Aggregate Offering Price would be $4,750 ($5,000 x 95%).

Instruction B—METHOD OF DELIVERY
Any delivery must be accompanied by a copy of the signed Letter of Transmittal. You may deliver the Bonds to the Trustee at the address stated above so that the Trustee receives them on or before the Expiration Date, or you may effect delivery through a member in the United States of the National Association of Securities Dealers, Inc., a member firm of a national securities exchange in the United States; or a commercial bank or trust company in the United States. Delivery may be effected by the procedures set forth above by physical delivery to the Trustee, or on or before the Expiration Date, a completed Letter of Transmittal together with the guarantee of delivery of the Tendered Bonds by Noon on April 20, 1982, provided that the Tendered Bonds are so delivered at such time.

Instruction C—SIGNATURES
This Letter of Transmittal must be signed by the person(s) tendering the Bonds. If registered Bonds are tendered, the signature(s) must correspond exactly with the name(s) appearing on the face of such Bonds. If the Bonds tendered are registered Bonds and if physical delivery of the Bonds is required, physical delivery of the Bonds, together with the guarantee of delivery of the Tendered Bonds by Noon on April 20, 1982, must be delivered at such time.

5 April 1982

Mr. John Daniels
DOREMUS & COMPANY
120 Broadway
New York, New York 10005

Dear Mr. Daniels:

This letter is to authorize you to place the Corporation's Notice of Solicitation of Tenders dated April 6, 1982 (approved copy -- Proof 3 of 4/5/82) for publication on Tuesday, April 6, 1982, and Monday, April 12, 1982, in accordance with your estimate dated April 2, 1981 (copy attached).

It is understood that your production charges for this financial notice, as well as printing charges for a quantity of 5,000 notices delivered to the United States Trust Company of New York, will be added to the actual media charges.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director

SJW: bba

Attachment
Estimate prepared for MUNICIPAL ASSISTANCE CORPORATION

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Total Amount: $76,186.92

*1 Page = 200x6 = 11½ discount when running full page ad.

This estimate does not include the cost of mechanical preparation unless otherwise stated. The rates quoted in this estimate are subject to change without notice.
April 5, 1982

Mr. Avram Horowitz
THE STATE OF NEW YORK
Division of the Budget
Alfred E. Smith Office Building
Albany, New York

Dear Avram:

Enclosed please find a listing of the bonds issued by the Municipal Assistance Corporation For The City of New York since its inception in July of 1975.

I hope that the enclosed satisfies your needs. I have also enclosed a copy of our quarterly statement. If you have further questions, please do not hesitate to contact us.

Sincerely,

Steven J. Kantor
Treasurer

SJK:bba

Enclosures
5 April 1982

Mr. Richard Kezer
CITIBANK, N.A.
55 Water Street
New York, New York 10007

Dear Dick:

Enclosed is a copy of the "Revolving Credit and Term Loan Agreement", which I have marked to show the proposed changes required to conform the Agreement to the draft Waiver. I am also sending a copy to Shearman & Sterling.

Dick Smith has suggested that a copy of the agreement be sent to each of the purchasers under the 1978 Bond Purchase Agreement. It would be appreciated if Shearman & Sterling could get back to me on the changes as quickly as possible so that they may be incorporated into the Agreement and distributed with the Waiver.

Best regards,

Sincerely,

[Signature]

John G. Bove
Counsel

JGB/bjw
encl

cc: John J. Roche
    William Forrest
1 April 1982

Nicholas Kozay, Jr., Esq.
Jury Selection Commissioner
115 City Hall
Philadelphia, Pennsylvania 19107

Dear Commissioner:

The Municipal Assistance Corporation For The City of New York respectfully requests that Sarah B. Finney be excused from jury duty at the present time. She is presently employed at the Corporation and her presence is essential to its operation. Perhaps alternative arrangements could be made at year's end, when she plans to return to Philadelphia.

Thank you for your cooperation.

Sincerely,

[Signature]

Steven J. Kantor
Treasurer

SJK/bjw

encl: Summons to Report for Jury Service
FAILURE TO OBEY THIS SUMMONS IS PUNISHABLE BY FINE AND/OR IMPRISONMENT.

Show cause why you should not be punished for failing to appear for jury service at City Hall, Jury Assembly Room 63B, on the time and date shown below. You are summoned to appear for jury service on the date and time shown below. Failure to appear will result in being fined and imprisoned. You may contest this by appearing at the菲拉德菲亚市 Hall, 15 City Hall, Philadelphia, PA 19107.

Summons To Report For Jury Service

Nicholas Kozar, Jr., Esq.

Joseph A. Sullivan

Sheriff of Philadelphia

By Order of the Honorable Edward J. Bladell, President Judge, Court of Common Pleas.
1 April 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, NY 10005

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding transfer of money on deposit in the Corporation's Operating Fund Account.

You were instructed to transfer on April 2, 1982, $900.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,

Steven J. Kantor
Treasurer

cc: William J. Lithgow
    Pat Santivasci
    Administrative Files
January 6, 1982

Municipal Assistance Corp.
One World Trade Center (Rm. 8901)
New York, New York 10048

Attention:  Mr. Stephen Wernsteing, Deputy Executive Director

RE:  P.A. File Number: 136

Dear Mr. Wernsteing:

Although we have had an opportunity to conduct additional investigations of our staffing reports for the nights in which the incident occurred, we still find that there is insufficient evidence of our absolute responsibility.

In accordance with this, our insurance carrier (CNA) has denied our liability in this matter and, therefore, has no intention of reimbursing either your firm or ours for replacing the missing items.

The above, notwithstanding, it is our feeling that there is a possibility that our employees could have been inadvertently involved. This possibility, no matter how remote, has been considered and as a gesture of good will, I have been authorized to offer you $117.92 as settlement in full for the aforementioned claim.
We feel that this offer is in the best interest of Client/Contractor relations under these particular circumstances and consider it a general business courtesy.

In the event you concur, please place your signature below (where indicated) and we will process a check in the amount of $117.92 to be submitted to you within 10 working days. Upon the cashing of this check, these claims will be closed.

Sincerely,

PRUDENTIAL BUILDING MAINTENANCE SYSTEMS CORP.

[Signature]
Ronald W. Atkinson
General Manager

RWA: ap

[Signature]
Mr. Stephen Weinstein

1 April 1982

Date
April 1, 1982

Honorable Edward I. Koch, Mayor
ATT:    Alair A. Townsend, Director
        OFFICE OF MANAGEMENT AND BUDGET
        1210 Municipal Building
        One Centre Street
        New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT:    Gerald Shrager, Director
        Contracts and State Expenditures
        NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
        A. E. Smith Office Building
        Albany, New York 12236

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 43 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated April 1, 1982.

Certificate Number 43 relates to the cash needs of the Corporation for fiscal years 1982 and 1983 with respect to the Series A through Series JJ Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,

Steven J. Kantor
Treasurer

Enclosures

cc:    Attached
April 1, 1982
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc:  Alexandra Altman, Esq.
     John G. Bove, Esq.
     Mr. Rudy Runko
     Mr. Mike Gibbons
     Mr. Martin Ives
     Mr. Steve Levine
     Mr. William J. Lithgow
     Joseph Moss, Esq.
     Lawrence Remmel, Esq.
     Donald J. Robinson, Esq.
     Ms. Heather L. Ruth
     Mr. Pat Santivasci
     Allen L. Thomas, Esq.
     Stephen J. Weinstein, Esq.
CERTIFICATE NUMBER 43 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation.

The Certificate and Schedule A hereto which is incorporated herein expressly revise any and all certifications heretofore made pursuant to said Section 3036 in respect of bonds issued pursuant to the First General Bond Resolution to the aforesaid Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Corporation this 1st day of April, 1982.

[Signature]
Chairman
MUNICIPAL ASSISTANCE CORPORATION

SCHEDULE A

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975</td>
<td></td>
</tr>
<tr>
<td>22,000,000</td>
<td>04/09/82</td>
</tr>
<tr>
<td>62,800,000</td>
<td>06/30/82</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1982)</td>
<td>$84,800,000</td>
</tr>
<tr>
<td>$62,800,000</td>
<td>10/12/82</td>
</tr>
<tr>
<td>62,800,000</td>
<td>01/12/83</td>
</tr>
<tr>
<td>60,100,000</td>
<td>04/12/83</td>
</tr>
<tr>
<td>60,100,000</td>
<td>06/30/83</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1983)</td>
<td>$245,800,000</td>
</tr>
</tbody>
</table>

Operating Fund Under Section 3036 of the Public Authorities Law

$ 8,000,000 | 06/30/82

TOTAL (Fiscal Year 1982) | $ 8,000,000

TOTAL (Fiscal Year 1983) | $ 8,000,000

April 1, 1982

Certificate Number 43