PORTFOLIO EVALUATION

AT

NOVEMBER 30, 1983
Capital Reserve Accounts

Although we continue to anticipate higher interest rates at the end of the calendar year, we modified our position slightly and reinvested some monies in the Capital Reserve Accounts in longer maturities.

$13 million came due in the First Capital Reserve Account during November. $4.6 million was invested in the year bill maturing 11/29/84. The remainder was invested in Federal Farm Credit Bank Discount Notes maturing in December.

Due to Congress' failure to raise the debt ceiling, we were not able to settle the $50 million SLUG purchase in the First Capital Reserve Restricted Account on November 15th as planned. The money was invested in Treasury Bills maturing December 1 at a yield of 8.24%. On December 1, the SLUGS were purchased. When these SLUGS mature in mid-January, the money will be reinvested in the Unrestricted First Capital Reserve Account to fund for 1986 debt service.

$48 million came due in the Second Capital Reserve Account this month. We purchased $15 million of the United States Treasury Notes with a 10.5% coupon maturing 11/30/85. The rest was invested in Farm Credit Discount Notes maturing in either December or January.

In the First Capital Reserve Account, $22 million worth of securities mature in December. In the Second Capital Reserve Account $34.5 million will come due.

The First Capital Reserve Account shows a profit of $3.6 million. The Second Capital Reserve Account continues to show a loss of $12 million.
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<thead>
<tr>
<th>Ticker</th>
<th>Market Price</th>
<th>Settle Market</th>
<th>Exchange</th>
<th>Name</th>
<th>Description</th>
<th>Quantity</th>
<th>Date</th>
<th>Time</th>
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**Portfolio Management System**

**For the City of New York**

**Municipal Assistance Corporation**

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Date: 12/06/83
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<th>Market Value</th>
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**Notes:**
- Market Value listing by Portfolio Management System for the City of New York Municipal Assistance Corporation.
| Issue | Date | Closing Rate | Market Value | Face Amount | Date | Settlement Date | Interest Rate | Par Value | Principal Amortization | Type | Investor | Securities | Date | Capital Reserve | Date | Bank Account # |
|-------|------|--------------|--------------|-------------|------|----------------|--------------|-----------|------------------------|------|-----------|------------|------|---------------|------|----------------|------|---------------|
|       |      |              |              |             |      |                |              |           |                        |      |           |            |      |               |      |                |      |               |

*Market Value:able as of 12/02/83*

Amortized Cost as of 12/02/83
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Note: This table shows the details of a bond or similar financial instrument, including dates, par value, market price, face value, rate, market value, principal paid, amortized cost, and maturity date.
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**Table:**

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**Portfolio Management System**

For the City of New York

Municipal Assistance Corporation

**Market Value Listing**

Market Value as of 12/02/83

Amortized Cost as of 12/02/83

**Capital Reserves 1**

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*Bank Account*

**Date:** 12/05/83
Debt Service

$2 million matured in the Debt Service account during November. An additional $2.3 million of interest earned in Account #016758 (First Capital Reserve Restricted) was transferred into this account. All monies have been invested in securities maturing on January 31, 1984 for the interest payment on February 1.

$78 million came due in the Bond Service Account. All monies were invested in Farm Credit Discount Notes maturing on December 30 in preparation for the January 1, 1984 interest payment date.

$28 million comes due in the Bond Service Account in early December. We plan to place that money in December 30th discount notes. On the 30th, the money will be transferred to the payment account. There are no securities maturing in December in the Debt Service Account.

Both accounts are held at a slight profit.
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Market value listing

Portfolilo Management System
For The City of New York
Municipal Assistance Corporation

Debt Service

Date: 12/05/83

Bank Account #: 016690

Amortized cost as of 12/02/83

Market value as of 12/02/83
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**Bond Service**

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**Market Value Listing**

**Municipal Assistance Corporation**

**Portfolio Management System**

**For The City Of New York**

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**Page: 1**
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**BOND SERVICES**

Market Value Listing

Portfolio Management System

For the City of New York Municipal Assistance Corporation
Commercial Paper and Bond Proceeds Account

During the month of November, Series Three Commercial Paper replaced Series One Commercial Paper. Because Series Three Commercial Paper can have maturities out to 270 days, the maturity restriction on the corresponding Proceeds Account (016754) was eliminated. During the month, we purchased $25 million worth of three month bills (4/26/84) and $9.3 million Treasury Bills maturing mid-February. The remaining $9 million was placed on short-term securities.

$9 million of the $50 million coming due in the Series Two Proceeds Account was invested in the three month bill. $13 million was placed in mid-February and the remaining monies were invested in Farm Credit Discount Notes maturing in December and January.

All monies coming due in the Bond Proceeds Account were placed in February Bills and Discount Notes in anticipation of a City draw down during that month.

There are no securities maturing in December in the Bond Proceeds Account. $11.6 million comes due in the Series Three Commercial Paper Proceeds Account and $64 million matures in the Series Two Commercial Paper Account.

In Series Three Proceeds Account market value exceeds the amortized cost by $38,000; Series Two by $6,000. The Bond Proceeds Account shows a profit of $1.3 million.
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Market Value Listing

Portfolio Management System
For the City of New York
Municipal Assistance Corporation

Date: 1/27/83
<table>
<thead>
<tr>
<th>Bank Account #</th>
<th>Bank Account Name</th>
<th>Maturity Date</th>
<th>Market Price as of 12/02/83</th>
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**Notes:**
- The above table lists various financial entries for a municipal assistance corporation.
- The entries include bank account numbers, dates, maturity dates, market prices, and other financial details.
- The data is formatted in a tabular structure with columns for Date, Maturity, Market Price, etc.
- The table is intended for use in financial analysis or accounting records.
Date: 28 November 1983

To: Dennis Sullivan

From: Steve Weinstein

Re: State Fiscal Monitors

Financial Control Board

Under State law (Section 5401-5420 of the Unconsolidated Laws), the Financial Control Board will continue to exist until July 1, 2008, or until a sooner date when there are not outstanding any Federal Guarantees of City or MAC obligations or any City or MAC debt carrying the State Covenant.*

During its existence, however, the powers of the Board are reduced significantly to exclude periodic review and approval of City financial plans, contracts and borrowings at such time as: (1) there are no longer outstanding any Federal guarantees of City or MAC obligations; and (2) the Board determines that the City has adopted and adhered to a GAAP-balanced budget for the three preceding fiscal years; and (3) the City and State Comptrollers jointly certify that all of the City's capital and seasonal financing needs have been met through the past fiscal year and will be substantially met through the next fiscal year by the City and MAC in the "general public market" (i.e., excluding sales to Pension Funds or Financial Institutions, as specified in the statute). When all three conditions are met, the Control Period is terminated, and with it the specific review and approval powers of the Board.

Subsequently, until its expiration, the Board can reimpose a Control Period upon the happening of certain events adverse to the City's financial condition, subject to annual determination by the Board, which may be any one of the following: (1) City failure to pay debt service; (2) City deficit of more than $100 million in any fiscal year;

* A covenant that the State will not terminate or alter the Board or substantially impair its powers, required to be included in all bonds issued by MAC after September 28, 1978 and authorized to be included in bonds or notes issued by the City from that date to July 1, 1986.
(3) City issuance of notes in violation of statutory limits;  
(4) City violation of Control Board statute; or  
(5) City and State Comptroller joint certification of inability to then  
make a certification as to market access (as set forth above). Once the Board reimposes a Control Period, all of  
itself review and approval powers over City actions return to  
their full levels.

Special Deputy Comptroller

Under a separate statute (Section 41-a of the Executive  
Law), the authorization for a Special Deputy Comptroller for  
the City of New York to assist the Control Board terminates  
six months after the termination of a Control Period under  
the Control Board statute. There is no provision for the  
reactivation of such authorization in the event that a  
Control Period is reimposed by the Control Board under its  
statute.
November 28, 1983

The Honorable Edward P. Henderson  
Deputy Comptroller  
Office of the State Comptroller  
Alfred E. Smith Office Building  
Albany, NY 12236

Dear Comptroller Henderson:

This will acknowledge receipt of your October 25, 1983 letter to Comptroller Goldin in which you advised him of the expenditures of the Office of the Special Deputy Comptroller for the City of New York incurred during the April 1-September 30, 1983 period.

Under separate cover you will receive our check in the amount of $261,496.24 representing the total billing, reduced by $1,025,472.00 (the amount confirmed by MAC in a telephone conversation with Mr. Edward Kontos of the office) as its payment for the period.

Sincerely,

Alvin N. Puryear  
FIRST DEPUTY COMPTROLLER

EK/yb

cc: Hon. Alair Townsend, OMB  
Hon. Dennis Sullivan, MAC
Honorable Harrison J. Goldin
City Comptroller
Office of the City Comptroller
Municipal Building
New York, NY 10007

Dear Comptroller Goldin:

As in the past, the repayment agreement between the New York State Emergency Financial Control Board and the City of New York for the repayment of expenses of the Office of the Special Deputy Comptroller for the City of New York requires the State Comptroller to advise the City of the amount of repayment due for all expenditures incurred during the period April 1 - September 30, 1983.

As detailed on the attached schedule, such amount is $1,286,968.24.

Sincerely,

Edward P. Henderson

EDWARD P. HENDERSON

EPH/blh
Attachment

OCT 31 1983
BUREAU OF FINANCIAL ANALYSIS
Bureau of Management & Agency
Adm, Bureau of Management & Agency
H. D. Kourtor 11/3/83 P.M.
### OSDC EXPENDITURES

**APRIL 1 - SEPTEMBER 30, 1983**

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<tr>
<td>Nonpersonal Service</td>
<td>$193,052.32</td>
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<tr>
<td>Employee Fringe Benefits</td>
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<td><strong>Total</strong></td>
<td>$1,286,968.24</td>
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### Nonpersonal Service

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<td>Equipment</td>
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<td>$193,052.32</td>
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28 November 1983

Susan A. Weil, Esq.
293 Garfield Place
Brooklyn, N.Y. 11215

Dear Susan:

This letter is to confirm our offer and your acceptance of a legal position with the Municipal Assistance Corporation in accordance with our understanding earlier this month.

We have agreed that you will be employed by us as Assistant Counsel and Secretary to the Corporation, the latter position subject to appointment by our Board of Directors. Your salary will be $50,000 annually, and you will begin work on December 19, 1983.

I look forward to your joining us, and to working with you.

Sincerely,

Stephen J. Weinstein

Deputy Executive Director and Counsel
22 November 1983

Mr. Stephen J. McCarthy
Manager
Citibank, N.A.
55 Water Street
New York, New York 10043

Dear Mr. McCarthy:

Section 1.08(d) of the Credit Agreement dated June 3, 1982 between the Municipal Assistance Corporation For The City of New York and Citibank, N.A. requires the Corporation to include, for the purposes of computing coverage tests prior to the issuance of obligations of the Corporation, a current estimate of the structure and interest rates of the bonds to be issued to the Bank under Section 1.08(a) of the Credit Agreement.

Section 1.08(d) also requires that the Corporation and the Bank agree on the structure and interest rates of the proposed issue.

The Corporation intends to include the bonds shown in Exhibit 1 to fulfill the requirement of Section 1.08(d). This structure would satisfy the pricing and structure requirements stated in Sections 1.08(b) and 1.08(c) of the Credit Agreement.

Please indicate your approval of this interest rate and structure by signing this letter in the appropriate location.

Sincerely,

Frances Higgins
Investment Officer

Approved: _______________________

Date: _______________________

FH:dnd
EXHIBIT I

PROPOSED BONDS TO BE ISSUED TO CITIBANK
UNDER SECTION 1.08(a) OF THE CREDIT AGREEMENT
DATED JUNE 3, 1982

Issue Size: $100 million
Dated Date: December 1, 1983
Issue Date: December 1, 1983
First Coupon: January 1, 1984

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</tr>
</tbody>
</table>
22 November 1983

Mr. Stephen J. McCarthy
Manager
Citibank, N.A.
55 Water Street
New York, New York 10043

Dear Mr. McCarthy:

Section 1.08(d) of the Credit Agreement dated January 6, 1983 between the Municipal Assistance Corporation For The City of New York and Citibank, N.A. requires the Corporation to include, for the purposes of computing coverage tests prior to the issuance of obligations of the Corporation, a current estimate of the structure and interest rates of the bonds to be issued to the Bank under Section 1.08(a) of the Credit Agreement.

Section 1.08(d) also requires that the Corporation and the Bank agree on the structure and interest rates of the proposed issue.

The Corporation intends to include the bonds shown in Exhibit 1 to fulfill the requirement of Section 1.08(d). This structure would satisfy the pricing and structure requirements stated in Sections 1.08(b) and 1.08(c) of the Credit Agreement.

Please indicate your approval of this interest rate and structure by signing this letter in the appropriate location.

Sincerely,

Frances Higgins
Investment Officer

Approved: ____________________________

Date: ________________________________

FH:dnd
EXHIBIT I

PROPOSED BONDS TO BE ISSUED TO CITIBANK
UNDER SECTION 1.08(a) OF THE CREDIT AGREEMENT
DATED JANUARY 6, 1983

Issue Size: $150 million
Dated Date: December 1, 1983
Issue Date: December 1, 1983
First Coupon: January 1, 1984

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By Messenger

21 November 1983

ALLEN W. WASMUND & SON, INC.
21 Harrison Avenue
Waldwick, New Jersey 07463

Re: Binding of Series 3 Commercial Paper Documents

We are shipping to you with this letter 36 copies each of 37 documents (the Index and Numbers 1 through 36) in connection with the closing of the Corporation's Series 3 Commercial Paper Program on October 24, 1983.

Please bind these documents in 36 letter-size volumes imprinted with the individual names indicated in Exhibit A. The lettering for the spines of the volumes, in addition to the individual names, is shown in Exhibit B. The color of the binding will be No. 968 (Library Buckram Group F) and the color of the lettering will be gold.

Duplicate documents are packaged together, and each such set has a cover sheet showing its correct placement in the volume according to tab number. All necessary collating within each set has already been done by us. Therefore, in preparation for binding, please arrange the documents according to the tab number shown, separate them with reinforced tabs at the appropriate places (for the Index and Numbers 1 through 36), and remove all staples and paper clips from the documents.

In accordance with our telephone request today for expedited handling of this order, it is understood that you will deliver the completed volumes to our office no later than Tuesday, December 6, 1983.

If you have any questions about these instructions, please call either me or Ms. Betty Alpern of our office.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba
Attachments (2)
Series 3 Commercial Paper Program
October 24, 1983

NAMES FOR INDIVIDUAL BOUND VOLUMES
(One volume for each name unless otherwise indicated.)

Municipal Assistance Corporation For The City of New York (2 volumes)

Maxine H. Gillman
Steven J. Kantor
T. Dennis Sullivan
Stephen J. Weinstein

Paul, Weiss, Rifkind, Wharton & Garrison

James M. Dubin
Robert L. Laufer
Douglas T. Nelson
Ronald M. Soliefer

Hawkins, Delafield & Wood

Gerard F. Fernandez, Jr.
John J. Keohane
Donald J. Robinson
Jack M. Schrager

Citibank, N.A.

Richard F. Kezer
John W. Wetzler

Shearman & Sterling

Jonathan P. Cramer
Michele F. Moss
John J. Roche

United States Trust Company of New York

Pat Santivasci

Carter, Ledyard & Milburn

Yvette Barksdale

The First Boston Corporation

Jonathan Plutzik
PLEASE ARRANGE LETTERING EXACTLY AS SHOWN HERE.

COLORS:
LETTERING - GOLD
BINDING - 968

EXHIBIT B
$100,000,000
SERIES 3
OCTOBER 24, 1983
INDIVIDUAL NAMES AS SHOWN ON EXHIBIT A
November 18, 1983

Ms. Denise Dean
Executive Assistant
Municipal Asst. Corp. for NYC
One World Trade Center
Suite 8901
New York, New York 10048

RE: Average Fuel Economy Standard—Annual Reports Due

Dear Ms. Dean:

Chapter 23 of the Laws of 1980 amended Section 5-108 of the Energy Law to require that passenger automobiles purchased by or for State agencies and public authorities achieve a minimum Average Fuel Economy Standard. For the 1982-83 fiscal year, passenger automobiles acquired must meet an average fuel economy of 26 miles per gallon. Passenger automobiles are deemed to be "acquired" on the date that the master or other underlying contract was awarded to the vendor or on the date that the purchase order was submitted to the vendor, whichever is earlier. (Thus, passenger automobiles purchased pursuant to a contract which was awarded prior to April 1, 1982, would not be included in the calculation of the average fuel economy for the 1982-83 fiscal year.)

The regulations require the submission of a report to the State Energy Office by September 30th of each year, from each affected public authority and state agency, containing the number of passenger automobiles acquired by model type during the prior fiscal year and the calculated average fuel economy of all purchased automobiles. As of this writing, we have not received a report from your organization. For your convenience, a reporting form for submitting the required information is enclosed. This report should be completed and submitted as soon as possible to the New York State Energy Office, Bureau of Industry, Commerce and Transportation, Agency Building Two, Empire State Plaza, Albany, New York 12223.

Reports received from affected agencies and authorities for the 1981-82 fiscal year indicated that 1,088 passenger automobiles were acquired. The average fuel economy was 27.01 miles per gallon with 84% of the organizations that were effected by the regulations in compliance with the fuel economy standards.

If you or your staff have any questions concerning the regulations or the reporting requirements, please have them contact me or Peter Spaulding at 518-474-7616.

Sincerely,

Brian M. Henderson
Director, Bureau of Industry, Commerce and Transportation
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**Rating Fuel Economy**
- Divided by Model
- Acquired By Model
- Fuel Economy
- No. of Vehicles
- Cylinders
- Veh. Acquired
- Make/Model
- Model Year

**Period**
- April 1, 1983 to March 31, 1983

**Contact Person**
- Denise N. Dean

**Address**
- Municipal Assistance Corporation
  - One World Trade Center
  - Suite 8901
  - New York, New York

**Phone**
- (212) 775-0010

**Date**
- November 30, 1983
16 November 1983

Ms. Irene R. Scocca
Vice President
UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street
New York, New York 10005

Re: Series 3 Commercial Paper Program

Dear Irene:

This letter is to approve the fee proposal contained in your letter of November 3, 1983 (copy attached), for services rendered in connection with the Series 3 Commercial Paper Program, under the Agency Agreement dated October 24, 1983, as follows: (1) initial fee of $1,500; (2) annual fee of $1,000; and (3) $50 for each drawing made by you under the Letter of Credit.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director and Counsel

Attachment
SJW:bba
November 3, 1983

Stephen J. Weinstein, Esq.
Deputy Executive Director & Counsel
Municipal Assistance Corporation
for the City of New York
One World Trade Center
Suite 8901
New York, NY 10048

Re: Series 3 Commercial Paper Notes

Dear Steve:

In accordance with our usual practice, I would like to confirm our fees for acting as Trustee under the Note Program.

Attached is a schedule of the initial and annual fees for your consideration.

I would like to point out that these fees cover costs and disbursements only, and do not reflect our normal profit margin. I mention this to indicate our appreciation for expanding our relationship, and trust there may be other services either my division or other areas of the bank may provide for the Corporation.

Best regards.

Sincerely,

Irene R. Scocca

/jrf
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

Series 3 Commercial Paper Notes

UNITED STATES TRUST COMPANY
OF NEW YORK, Trustee

$1,500-Initial Fee

$1,000-Annual Fee, plus $50 per draw
down on the Letter of Credit
By Messenger

15 November 1983

Mr. Robert Harris
Executive Director
NEW YORK STATE MEDICAL CARE
   FACILITIES FINANCE AGENCY
3 Park Avenue
New York, New York 10016

Re: Commercial Paper Computer System

Dear Mr. Harris:

Beginning in April 1981 and continuing to the present date, the Municipal Assistance Corporation For The City of New York (the "Corporation"), a public benefit corporation of the State of New York, has been developing an in-house computer system, pursuant to authorization of its Board of Directors. This development consists of acquisition of certain computer hardware and software, as well as the Corporation's design of its own systems specific to its particular needs. This in-house computer system has been applied to date to various corporate purposes, including the data generation and record keeping requisite to each of its three series of commercial paper notes (the "Commercial Paper Computer System"), which has been operational for issuances and maturities on a daily basis since July 1982.

It is our understanding that the New York State Medical Care Facilities Finance Agency (the "Agency"), also a public benefit corporation of the State of New York, is planning to commence a commercial paper program with a duration of 18 months and maturities of up to 360 days. In that connection, you have requested that we consider an arrangement whereby the Agency could utilize the Corporation's Commercial Paper Computer System, in order to obviate the need to develop its own system entailing expenditures of considerable time and money, duplicative of expenditures and efforts already undertaken by the Corporation.
15 November 1983
Mr. Robert Harris
Page 2

In response to that request, the Corporation proposes to make available to the Agency the Commercial Paper Computer System, with such modifications necessary to make it functional for the Agency's proposed short-term financing program, in accordance with the terms and conditions set forth below.

Duration. The Corporation will make available for use by the Agency in connection with the Agency's commercial paper program the Commercial Paper Computer System for a period from the date of acceptance by the Agency of the terms and conditions contained in this letter until June 30, 1985, except that the agreement set forth in this letter may be terminated by either the Corporation or the Agency upon 30 days prior written notice to the other party.

Compensation. In order that the Corporation recoup the costs of implementing the Commercial Paper Computer System for the Agency, the Agency will pay to the Corporation: (1) $2,100 payable upon acceptance of these terms and conditions by the Agency; (2) $500 per month for each month that this agreement remains in effect, payable monthly in arrears; and (3) $35 per hour for modifications necessary to conform the Commercial Paper Computer System to the Agency's commercial paper program, payable monthly in arrears. The Corporation will advise the Agency of the total charges under items (2) and (3) in writing monthly.

System. The Corporation will provide the Agency with remote computer services consisting of unlimited connect time to the Commercial Paper Computer System, unlimited central processing unit usage within that system, and related data storage and related facilities. In addition, the Corporation will provide alternative facilities to the Agency at such time as the Corporation determines that the Commercial Paper Computer System facilities will not be available at any particular time. The Corporation will not provide equipment or devices for the transmission or receipt of the Commercial Paper Computer System data at the Agency's location. The Agency at its own expense and by its own arrangements will obtain any and all of such necessary equipment to access the Commercial Paper Computer System including but not limited to terminal equipment and dataset, as specified or approved by the Corporation. The Agency will, at its own expense, utilize an appropriate telephone
system to access the Commercial Paper Computer System. The Corporation will not provide operator assistance to the Agency for tape mounts or tape dismounts, except by prior arrangement.

Maintenance and Modification. The Corporation reserves in full the right to make any changes to the Commercial Paper Computer System, including but not limited to operating procedures, accessibility periods, Agency identification procedures, types of terminal equipment, and type and location of system, software and programming languages. In addition, the Commercial Paper Computer System will be unavailable for use on the third Thursday of each month between 1:30 P.M. and 4:30 P.M.

Security. The Corporation will provide reasonable security to insure that access to the Agency's computer stored data files and programs in connection with the use of the Commercial Paper Computer System for the Agency's commercial paper program are available only to the Agency and the Corporation. The Agency may request changes in operational procedures, subject to approval by the Corporation, to improve such protection. The Agency assumes full responsibility for selection and use of any protection codes or passwords as may be required or permitted by the system. The Corporation will not be required to reconstruct or furnish any information or details regarding any codes or passwords and will have no obligation or responsibility with respect to the reconstruction of any files, data or programs which may, for any reason, have to be reentered into the system.

Liability. The Corporation does not guarantee, represent or warrant the accuracy of any information or service in connection with the use of the Commercial Paper Computer System for the Agency's commercial paper program. The Corporation will not be liable for any damages whatsoever arising from the use of the Commercial Paper Computer System for the Agency's commercial paper program.

Capacity. In making available the Commercial Paper Computer System for use by the Agency, the Corporation will be acting solely for the Agency, and the Corporation will not assume any obligation or relationship of agency or trust for or with any of the holders of any commercial paper obligations issued by the Agency.
Indemnification. The Agency agrees to indemnify the Corporation and save it harmless from any person against any liability or expense incurred which arises out of or in connection with the use of the Commercial Paper Computer System for the Agency's commercial paper program, as well as the costs and expenses of defending against any claim of liability in that connection.

Priority. The Corporation expects that the Commercial Paper Computer System will be at all times sufficient to serve both all of its own requirements and those related to the Agency's commercial paper program. However, in any instance where the Commercial Paper Computer System is unable to serve both the needs of the Corporation and of the Agency simultaneously, which instance will be determined by the Corporation alone, the system will be available at all times first to satisfy fully all operational needs of the Corporation, and only thereafter for use in connection with the Agency's commercial paper program.

Use. The Agency will use the Commercial Paper Computer System only for its own commercial paper program, and only in accordance with such conditions, rules and procedures as may be established or specified by the Corporation and as may be set forth in any instructions, manuals, documents or materials furnished by the Corporation to the Agency.

Ownership. All Commercial Paper Computer System programs and software, including any improvements, adaptations, modifications or developments made thereto, will remain the exclusive property of the Corporation at all times. The Agency will have no ownership rights to any such programs or software, including documentation, made available to the Agency by the Corporation in connection with the Commercial Paper Computer System.

Termination. Upon termination of the agreement set forth in this letter and prior to the date of such termination, the Agency will furnish the Corporation written instructions as to the disposition of the Agency's information, programs, files, documents and other data that the Agency may have stored on the Corporation's Commercial Paper Computer System, premises or facilities. If no such notice is given, the Corporation may after 30 days from the date of such termination dispose of such items in any manner it deems
appropriate. The Agency will pay all expenses incurred by the Corporation in connection with such disposition.

If you are in agreement with the terms and conditions set forth in this letter, please sign in the space provided below and return one copy to me at the above address.

Sincerely,

[Signature]

T. Dennis Sullivan II
Executive Director

ACCEPTED:

NEW YORK STATE MEDICAL CARE
FACILITIES FINANCE AGENCY

By: ______________________________

Name

Title

Date
15 November 1983

Robert R. Grew, Esq.
CARTER, LEDYARD & MILBURN
2 Wall Street
New York, New York 10005

Re: Fees

Dear Bob:

As you know, the Board of Directors of the Municipal Assistance Corporation, at its Annual Meeting on September 29, 1983, approved the following fee schedule for services provided by your firm as counsel to the United States Trust Company of New York in connection with the Corporation's financing activities:

- First and Second Year Associates: $85/hour
- Third and Fourth Year Associates: $105/hour
- Fifth Year and Over Associates: $115/hour
- Partners Less Than Ten Years: $140/hour
- Partners Ten or More Years: $175/hour

This fee schedule should be utilized for your billings to the Corporation for such services, beginning with those provided during the month of October 1983.

Please prepare your bills to show the nature of the services rendered, including the relationship to particular short-term or long-term financings, along with an itemization of the time charges for each attorney according to the billing categories set forth above. You may either continue to provide us with separate bills for services in different subject areas or combine all services on a single statement, so long as it includes the subject area breakdown as required.

If you have any questions with regard to the preparation of your billings in accordance with this new fee schedule, please give me a call.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director and Counsel

SJW:bba
15 November 1983

Mr. Harry A. Jacobs, Jr.
Chairman
Prudential-Bache Securities Inc.
100 Gold Street
New York, NY 10292

Dear Mr. Jacobs:

I have received recently a copy of your October 3rd letter to Governor Cuomo concerning the relationship between Prudential-Bache Securities and the Municipal Assistance Corporation For The City of New York. As Chairman of the Corporation's Finance Committee, I am writing to respond to your concerns and to clarify several misconceptions reflected in your letter. Let me emphasize from the outset that we recognize and appreciate greatly Prudential-Bache's contributions to the Corporation, particularly in the difficult, early years. Nevertheless, as I will attempt to outline, the decision to realign the Corporation's management group for negotiated sales was taken following a careful review of the various managers' performance.

For the past several years, the Corporation has followed a policy of evaluating periodically the performance of our managers and other underwriters. In the context of these reviews and the evolving needs of the Corporation, we have adjusted on several occasions the composition of our management group. The decision to move Prudential-Bache to the first bracket was made by the Finance Committee in
October 1982 following one of these periodic reviews. Our fundamental concern at that time was that the sales performance of Prudential-Bache had consistently fallen short of reasonable expectations for a firm of your size and potential.

While one might disagree with the conclusion which the Finance Committee reached, I must correct the assertion in your letter to the Governor that no reasons were conveyed to Prudential-Bache for the Corporation's decision. This is simply not the case. Members of the staff of the Corporation met at length with representatives of Prudential-Bache on October 21, 1982 and discussed this entire matter. Following this meeting and at the invitation of your firm, the Treasurer of the Corporation visited your offices and reviewed the firm's performance with members of your staff. Subsequently, I met personally with several of the same Prudential-Bache representatives and again reviewed at length the Corporation's position. I would be pleased to meet again with you or others from Prudential-Bache if you believe that such a meeting would be helpful.

As we have conveyed to members of your firm on several occasions, the Corporation will continue to evaluate underwriters' performance and to review periodically the
composition of the management group. If we believe that the
evidence warrants a further adjustment, we are certainly
prepared to make such a decision. I trust that you will
contact me directly or Dennis Sullivan, the Corporation's
new Executive Director, if you wish to pursue this matter.

With best wishes,

Sincerely,

Eugene J. Keilin
Chairman, Finance Committee

cc: Governor Cuomo
10 November 1983

Felix Rohatyn and Gene Keilin

Dennis Sullivan

December 2nd Speech

While the trials and tribulations of moving the Sullivan family to Brooklyn have interfered with my intention of producing a first draft of the December 2nd speech by now, I thought that it might be useful to outline the general propositions of the line of argument which I would propose. Fundamentally, I would conceive this speech to be an opportunity to reargue the proposition that a healthy City economy is an essential prerequisite for a viable City government. Obviously, that is not a new theme for the Corporation; indeed, much of the Corporation's 1980 Annual Report is devoted to this topic. However, given that the speech will be delivered in the context of Moody's upgrade of both the City's and the Corporation's credit, I see it as an occasion to make the point that past achievements do not necessarily guarantee future successes and that there are a number of worrying economic developments that lie below the surface of the generally positive news concerning City finances.

Perhaps the place to start is to remind your audience where the City was a year ago. As the attached clippings suggest,
following the settlement of the labor contracts, the City appeared to be in serious financial difficulty and the Mayor was proposing "dramatic" cuts in spending, substantial layoffs and tax increases on everything from real estate and securities to movie and concert tickets. Of course, the situation turned around by June. The City balanced its budget with an unprecedented surplus, Moody's extended an investment grade rating to the City's bonds, and even the Chairman of MAC had a nice word or two to say about the City's performance. Everything seemed fine. However, a closer look suggests some difficulties:

(1) In balancing the FY 1983 budget, the City relied heavily on such external factors as MAC refundings and increased State aid. Moreover, the revenue pick-up from the faster-than-anticipated economic recovery centered importantly in the financial services sector of the City's economy. This suggests that the City will have to continue to exercise fiscal discipline if recurring budget balance is to be sustained.

(2) The City's economic performance during the recovery has not been particularly outstanding. This is in line
with the theory that an economy which performed better-than-expected in the recession does not necessarily continue to outperform the nation and/or the region during the recovery. (This point will need to be documented.)

(3) There are gathering storm clouds on the City's economic horizon. The economic consequences of past and future public sector wage negotiations, the prospects of $1.00 subway fare, and the hemorrhaging of financial center jobs to other jurisdictions must be recognized as ominous signs for the future.

After having established the point that City's economic prospects demand continued vigilance and effort, I believe that you would be in a position to introduce the topic of how the Corporation might contribute to a City/State program designed to enhance the City's longer-term economic prospects. I would suggest that you stress the unprecedented nature of this opportunity for the City. This is not simply a matter of bureaucratic squabbling among politicians over how to spend a $1 billion. Rather, this represents an opportunity to bring together representatives
of business, labor and government to work together constructively to promote the City's economic future in a meaningful fashion. The challenge is not only in developing intelligent uses of the resources which MAC and others might generate, but also in fashioning processes of interaction which can be relied upon over the long haul. The history of MAC has demonstrated that cooperative efforts were possible in responding to the exigencies of the City's financial crisis. The question now is can those same efforts be directed to securing and promoting the City's economic future.
8 November 1983

Robert R. Grew, Esq.
CARTER LEDYARD & MILBURN
Two Wall Street
New York, New York 10005

Re: Bills dated October 27, 1983

Dear Bob:

I am writing to you in accordance with the procedures which have been established for negotiating settlement of outstanding bills which your firm has pending for payment by the Corporation. These bills cover services which your firm has provided for the United States Trust Company of New York, acting as Trustee for the bondholders of the Corporation.

Your four bills dated October 27, 1983, total $17,366.73, including charges of $16,625.00 for personal services, and $741.73 for reimbursable expenses, for services rendered during the month of September 1983.

We are proposing settlement of these bills by reducing the charge for personal services by $2,493.75, or 15 percent, to $14,131.25. This would reduce the total due your firm for these bills to $14,872.98.

If you are in agreement with this proposal, please so indicate by signing and returning the enclosed copy of this letter.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director and Counsel

ACCEPTED
CARTER LEDYARD & MILBURN

By: _______________________

Date: ____________________

Enclosure
### MAC Bond Proceeds Held for City Capital Purposes

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SJW/11-7-83
2 November 1983

Mr. Stanley Fink
Johnson and Higgins
95 Wall Street
New York, NY 10005

Dear Mr. Fink:

Enclosed please find copies of certain documents relating to the Municipal Assistance Corporation For The City of New York: a General Bond Resolution, which describes the investment powers of the Corporation and its relationship with the Trustee; a section of the New York State Municipal Assistance Corporation Act which describes the protection afforded to directors and staff by the State; a copy of the investment guidelines; and a copy of the Corporation's most recent offering circular.

I believe that we are looking for a banker's blanket bond type coverage to cover employee dishonesty, but I would welcome your recommendations.

I look forward to hearing from you shortly.

Sincerely,

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK:dnd
Enclosures
§ 3020. Actions against a municipal assistance corporation; indemnification

1. An action against a municipal assistance corporation for death, personal injury or property damage or founded on tort shall not be commenced more than one year and ninety days after the cause of action shall have accrued nor unless a notice of claim shall have been served on a director of such corporation or an officer or employee thereof designated by the corporation for such purpose, within the time limited by, and in compliance with the requirements of section fifty-e of the general municipal law.

2. The venue of every action, suit or special proceeding brought against a corporation shall be laid in the county in which the principal office of such corporation is located.

3. a. The state shall save harmless and indemnify directors, officers and employees of and representatives to a corporation, all of whom shall be deemed officers and employees of the state for purposes of section seventeen of the public officers law, against any claim, demand, suit, or judgment arising by reason of any act or omission to act by such director, officer, employee or representative occurring in the discharge of his duties and within the scope of his service on behalf of such corporation, including any claim, demand, suit or judgment based on allegations that financial loss was sustained by any person in connection with the acquisition, disposition or holding of securities or other obligations of a corporation (or those of any other public corporation if such loss allegedly resulted from its dealing with a municipal assistance corporation). In the event of any such claim, demand, suit or judgment, a director, officer or employee of or representative to a municipal assistance corporation shall be saved harmless and indemnified, notwithstanding the limitations of section seventeen of the public officers law, unless such individual is found by a final judicial determination not to have acted, in good faith, for a purpose which he reasonably believed to be in the best interest of such corporation or not to have had reasonable cause to believe that his conduct was lawful.

b. In connection with any such claim, demand, suit, or judgment, any director, officer or employee of or representative to the corporation shall be entitled to representation by private counsel of his choice in any civil judicial proceeding whenever the attorney general determines based upon his investigation and review of the facts and circumstances of the case that repre-
sentation by the attorney general would be inappropriate. The attorney general shall notify the individual in writing of such determination that the individual is entitled to be represented by private counsel. The attorney general may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such individuals be represented by the same counsel. If the individual or group of individuals is entitled to representation by private counsel under the provisions of this section, the attorney general shall so certify to the comptroller. Reasonable attorney's fees and litigation expenses shall be paid by the state to such private counsel from time to time during the pendency of the civil action or proceeding subject to certification that the individual is entitled to representation under the terms and conditions of this section by the chairman of the board of directors of the corporation upon the audit and warrant of the comptroller. The provisions of this subdivision shall be in addition to and shall not supplant any indemnification or other benefits heretofore or hereafter conferred upon directors, officers or employees or and representatives to the corporation by section seventeen of the public officers law, by action of the corporation, or otherwise. The provisions of this subdivision shall inure only to directors, officers and employees of and representatives to the corporation, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance.


**Historical Note**

1978 Amendments. Subd. 3, par. a. L.1978, c. 466, § 19, without incorporating changes made by L.1978, c. 201, § 9, in sentence beginning “In the event” deleted “of subdivision one” following “notwithstanding the limitations”.

L.1978, c. 201, § 9, redesignated former opening par. as par. a and in sentence beginning “The State shall” substituted “all of whom shall be deemed officers and employees of the state for purposes of” for “pursuant to”, “, including” for “,”. In the event of” and in sentence beginning “In the event” substituted “,”. In the event of any such claim, demand, suit or judgment,” for “,”.

Subd. 3, par. b. L.1978, c. 201, § 9, added par. b.

**Effective Date of L.1978, c. 466; Savings Provision.** For effective date and savings provision of L.1978, c. 466, see note set out under section 17 of the Public Officers Law.

**Effective Date of L.1978, c. 201; Operative Date; Termination Date.** See section 64 of L.1978, c. 201, set out as a note under section 3402 of McKinney’s Unconsol. Laws.

**Effective Date.** Section effective June 10, 1975, pursuant to L.1975, c. 168, § 11.
§ 17

PUBLIC OFFICERS LAW

that the state shall indemnify and save harmless its employees in the amount of any costs, attorneys’ fees, damages, fines, or penalties which may be imposed by reason of an adjudication that an employee, acting within the scope of his public employment or duties, has, without willfulness or intent on his part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of this state or of the United States. The attorney general shall promulgate such rules and regulations as are necessary to effectuate the purposes of this subdivision.

(d) Upon entry of a final judgment against the employee, or upon the settlement of the claim, the employee shall cause to be served a copy of such judgment or settlement, personally or by certified or registered mail within thirty days of the date of entry or settlement, upon the head of the department, commission, division, office or agency in which he is employed; and if not inconsistent with the provisions of this section, such judgment or settlement shall be certified for payment by the head of the department, commission, division, office or agency. If the attorney general concurs in such certification, the judgment or settlement shall be paid upon the audit and warrant of the comptroller.

4. The duty to defend or indemnify and save harmless prescribed by this section shall be conditioned upon (i) delivery to the attorney general or an assistant attorney general at an office of the department of law in the state by the employee of the original or a copy of any summons, complaint, process, notice, demand or pleading within five days after he is served with such document, and (ii) the full cooperation of the employee in the defense of such action or proceeding and in defense of any action or proceeding against the state based upon the same act or omission, and in the prosecution of any appeal. Such delivery shall be deemed a request by the employee that the state provide for his defense pursuant to this section.

5. The benefits of this section shall inure only to employees as defined herein and shall not enlarge or diminish the rights of any other party nor shall any provision of this section be construed to affect, alter or repeal any provision of the workers’ compensation law.

6. This section shall not in any way affect the obligations of any claimant to give notice to the state under section ten of the court of claims act or any other provision of law.

7. The provisions of this section shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

8. The provisions of this section shall apply to all actions and proceedings pending upon the effective date thereof or thereafter instituted.

9. Except as otherwise specifically provided in this section, the provisions of this section shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity available to or conferred upon any unit, entity, officer or employee of the state or any other level of government, or any right to defense and/or indemnification provided for any governmental officer or employee by, in accordance with, or by reason of, any other provision of state or federal statute or common law.

10. If any provision of this section or the application thereof to any person or circumstance be held unconstitutional or invalid in whole or in part by any court of competent jurisdiction, such holding of unconstitutionality or invalidity shall in no way affect or impair any other provision of this section or the application of any such provision to any other person or circumstance.

MUNICIPAL ASSISTANCE CORPORATION
OF THE CITY OF NEW YORK
INVESTMENT GUIDELINES

The Corporation first promulgated written investment guidelines in May 1981. On September 23, 1981, the Board of Directors appointed an Investment Committee at the Annual Meeting. Since that time, changes in the guidelines have been made only with the approval of the Investment Committee. The following guidelines have been in effect at least since May 1981 except for more recent modifications as indicated.

Pursuant to Section 702(1) of the First and Second General Bond Resolutions, monies on deposit in accounts established pursuant to such resolutions may be invested in:

(a) direct obligations of the United States of America, direct obligations of the State or obligations the principal and interest of which are guaranteed by the United States of America or the State,

(b) any bond, debenture, note, participation or other similar obligation issued by any of the following Federal agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Farm Credit Banks, Tennessee Valley Authority, Farmers' Home Administration and Export-Import Bank,

(c) if permitted by law, any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association, and

(d) any other obligation of the United States of America or any Federal Agencies which may then be purchased with funds belonging to the State of New York or held in the State treasury.

Pursuant to Section 702 (5) of the Second Bond Resolution, the Corporation may also deposit its monies in interest bearing time deposits or make similar investment arrangements, including but not limited to repurchase agreements, provided that all such investments are continuously and fully secured by obligations of issuers enumerated above at a market value at all times at least equal to the amount of the investment. The Corporation has implemented various guidelines for investment of monies pursuant to Section 702.
The Corporation has invested and will continue to invest such funds pursuant to the following guidelines:

1. Investments (excluding assets held under restriction) are to be made in permitted obligations at yields equal to or greater than yields available on United States Treasury obligations of comparable maturity.

2. The maturity structure of investments should reflect both current and anticipated market yields in an effort to maximize total returns over the investment horizon given the anticipated distribution of funds. No investment shall be made which has a maturity date subsequent to July 1, 2008.

3. A minimum of 40% of the long term investments in the Capital Reserve Funds shall be invested in United States Treasury obligations or obligations guaranteed by the United States of America. At least 50% of the total principal and interest due or becoming due during the following 12 month period should be invested in obligations which mature within five years in the Capital Reserve Funds.

4. No more than 60% of the total proceeds of sale of the Corporation's commercial paper notes shall be invested in securities with maturities longer than those of the notes and consistent with the investment of proceeds of the sales of the Corporation's bonds. At least 40% shall be invested in securities with maturities corresponding to the maturities of the notes.

5. A security may be sold, subject to all other restrictions contained herein:

   (a) if at a profit, at any time; or

   (b) if at a loss, if the incremental principal and income to be achieved through the reinvestment of the proceeds of such sale will be equal to or greater than the loss incurred in such sale during the remaining time to the maturity of the original investment; or

***Effective November 11, 1982, replacing guidelines applicable to IRS-restricted investment of proceeds.***
(c) if at a loss, offsetting profits are realized through the sale of other obligations; or

(d) if at a loss, the proceeds are invested in shorter or longer maturity investments in anticipation of significant changes in interest rates such that expected total rate of return on the purchased item will exceed that of the item sold over a one year investment time horizon.

(e) if at a loss, if the resulting proceeds are invested in shorter maturities as a result of (1) adjustments in the expected schedule of disbursements or b) in an effort to reduce the market impairment of the account.***

6. Notwithstanding the investment standards set forth in guideline 5 above, no obligation may be sold if as a result of such sale the aggregate amortized cost of the investments of any one of the Capital Reserve Fund would be reduced to an amount less than the respective Capital Reserve Fund requirement.

7. Notwithstanding any of the above, in the event of deposit in the Capital Reserve Fund required for purposes of the required obligations may be sold to the extent required in the following order:

(a) obligations in which the present market value exceeds the amortized cost carrying basis;

(b) obligations in which the present market value equals the amortized cost carrying basis;

(c) obligations in which the present market value is less than the amortized cost carrying basis.

8. Put Agreements may be entered into with dealers and dealer banks who are firms which report their activities regularly to the Federal Reserve Bank of New York, and have been approved by the Corporation and the Trustee. Puts on no more than $250.0 million of securities will be entered into with a single dealer.***

***Effective November 11, 1982, permitting investment in U.S. government obligations for the full period up to a date of interest and principal payments on the Corporation's bonds.
9. Investments may be made in U.S. Treasury Obligations - State and Local Government Series ("SLGs") to comply with the arbitrage regulations promulgated under Section 103 (c) of the Internal Revenue Code as required.

10. Whenever prudent, securities transactions should be completed on a competitive bid basis.

11. Repurchase Agreements

(a) The Corporation shall be limited to investing in repurchase agreements which mature on the next business day, except preceding a holiday, where the maturity may be the second business day. The Corporation shall not invest in reverse repurchase agreements. However, for the required 20 day period preceding the subscription by the Corporation for Obligations of U.S. Treasury - State and Local Government Series, the Corporation shall invest in 20 day repo with a permitted dealer, if no permitted obligations are available.*

(b) The Corporation shall not have, at any time, an amount greater than $250 million placed in repurchase agreements with any permitted dealer.**

(c) The present list of permitted dealers consists of the following commercial banks:**

Bank of America, N.T. & S.A.
Bankers Trust Company
Chase Manhattan Bank, N.A.
Chemical Bank
Citibank, N.A.
Manufacturers Hanover Trust Company
Mellon Bank, N.A.
Morgan Guaranty Trust Company of New York
United States Trust Company of New York
(Up to a maximum of $2 million)

**Effective July 2, 1982.
(d) Broker dealers obtaining a letter of credit from one of the permitted banks (except U.S. Trust), assuring the Corporation cash in exchange for collateral securities on demand, may be added to the Corporation's list of permitted dealers, upon approval of the Investment Committee.**

(e) The amount of investment in repurchase agreements in the Debt Service, Bond Service, Operating, Bond Proceeds, NYC Bond, and Municipal Trust (Sinking Fund) Accounts shall not exceed 25% of the par value of the total assets of these accounts.**

(f) The amount of investment in repurchase agreements in the Capital Reserve Account shall be limited to 1% of the total par value of the combined accounts.**

**Effective July 2, 1982.
2 November 1983

Mr. Dennis McFeely
The Bond Buyer
One State Street Plaza
New York, NY 10004

Dear Mr. McFeely:

Please forward two copies of the Bond Buyer's Directory of Municipal Bond Dealers of the U.S. 1983 Fall Edition to my attention at the above address.

Kindly establish a subscription account for the Corporation and bill us accordingly.

Thank you for your assistance in this matter.

Sincerely,

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK:dnd
Date: 1 November 1983

To: Beatrice Gilling

From: Stephen J. Weinstein

Re: Maxine H. Gillman

This is to direct you to adjust the payroll records to reflect the resignation of Maxine H. Gillman from the position of Associate Counsel and Secretary, effective at the close of business on November 18, 1983.

Please make the necessary arrangements to pay Ms. Gillman for unused annual leave on the first pay day following her resignation -- November 23, 1983.

On that date, Ms. Gillman will have accrued but unused annual leave totaling 133.75 hours. On November 23, 1983, Ms. Gillman will also be paid for the 52.5 hours which she will have worked during the pay period ending on that date.

Accordingly, Ms. Gillman should be paid for a total of 186.25 hours on November 23, 1983. That payment should be made by three separate checks, two checks covering 75 hours each, and one check covering the balance of 36.25 hours.

cc: Maxine H. Gillman
MUNICIPAL ASSISTANCE CORPORATION

Time Record

Name: Maxine Gillman  For the Period: 9/29-10/12/83

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TOTAL HOURS

Employee's Signature: Maxine H. Gillman

Date: 10/12/83

FOR ACCOUNTING USE ONLY

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<th>ANNUAL LEAVE</th>
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Remarks

Approved: [Signature]

Date: October 11, 1983