ANNUAL MEETING

BOARD OF DIRECTORS
Thursday, September 30, 1982
9:30 A.M.
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue/Room 2811-12
New York, New York

AGENDA

1. Adoption of the Minutes of the Meeting of the Board of Directors held August 31, 1982.

2. Appointment of Officers and Committees.*

3. Adoption of revised fees.*


5. Discussion of Second Quarter financing plans.*


7. Other Business.

*See memorandum from the Executive Director.
30 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 30, 1982, $216.56 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $142.26 of this amount was used to pay interest on commercial paper coming due, $72.30 was used to pay principal and $2.00 was used to correct a previous underfunding.

Sincerely,

[Signature]
Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
    Bill Jennings
    Administrative Files
CERTIFICATE DATED SEPTEMBER 30, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of September, 1982.

[Signature]

(Title)
CERTIFICATE DATED SEPTEMBER 30, 1982, OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Office of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
30 September 1982

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

Gentlemen:

You are hereby requested, authorized and ordered on the date hereof to deliver to the Commissioner of Finance, City of New York, a check payable in Federal funds in the amount of $100 million. This amount should be withdrawn from the Corporation's Proceeds Account, No. 016753, and represents $100 million of proceeds from the Corporation's Series 25 and Series 26 Bonds, issued October 2, 1980, which are payable to The City of New York in exchange for its bonds issued to finance capital improvements.

The Municipal Assistance Corporation
For The City of New York

By: [Signature]

cc: Lawrence Remmel, Esq.
30 September 1982

Robert R. Grew, Esq.
Carter Ledyard & Milburn
Two Wall Street
New York, New York 10005

Re: Bills dated September 28, 1982

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 to the United States Trust Company of New York, acting as Trustee for the Bondholders of the Corporation.

Your five bills dated September 28, 1982, total $6,427.14, including charges of $5,908.75 for personal services and $518.39 for reimbursable expenses, for services rendered during the month of August 1982.

We are proposing settlement of these bills by reducing the charge for personal services by $177.26, or 3 percent, to $5,731.49. This would reduce the total due your firm to $6,249.88.

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

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director and Counsel

SJW/1g
Enclosure

ACCEPTED:

CARTER LEDYARD & MILBURN

By: ____________________________

Date: __________________________
CERTIFICATE DATED SEPTEMBER 29, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Office of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
29 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 29, 1982, $55,732.31 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $53,902.26 of this amount was used to pay interest on commercial paper coming due and $1,830.05 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
    Bill Jennings
    Administrative Files
29 September 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 Special Account.

You were instructed on Sept. 21, 1982, for settlement on Sep. 28, 1982, to sell to Merrill Lynch, Inc. $1,000 par value of Municipal Assistance Corporation Series 1 Bonds due July 1, 1986, with a coupon of 8%, at a price of 98.875% of par, plus accrued interest.

You were also instructed on Sept. 21, 1982, for settlement on Sep. 28, 1982, to sell to Merrill Lynch, Inc. $3,000 par value of Municipal Assistance Corporation Series 3 Bonds due July 1, 1986, with a coupon of 8%, at a price of 98.875% 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 Special Account 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 Special Account will be required. 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: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
CERTIFICATE DATED SEPTEMBER 29, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale of the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of September, 1982.

[Signature]

[Title]
29 September 1982

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

Attention: Pat Santivasci
Vice President

Gentlemen:

The Municipal Assistance Corporation For The City of New York plans to purchase $100 million of New York City obligations for settlement on September 30, 1982. The Corporation is required to maintain on deposit in a collateral account of the United States Trust Company of New York, securities having the shortest maturities allowable under the Security Agreement.

In accordance with the Agreement referenced above, you are instructed to transfer the following securities from the Commercial Paper Collateral Account (098882) to the New York City Bond Account (095114).

<table>
<thead>
<tr>
<th>TYPE</th>
<th>PRINCIPAL AMOUNT</th>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>BOND NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYC</td>
<td>12,080,000</td>
<td>11.375</td>
<td>9/15/87</td>
<td>MB 112</td>
</tr>
<tr>
<td>NYC</td>
<td>3,465,000</td>
<td>10.75</td>
<td>9/15/87</td>
<td>MB 040</td>
</tr>
<tr>
<td>NYC</td>
<td>6,200,000</td>
<td>8.00</td>
<td>9/15/87</td>
<td>MB 013</td>
</tr>
<tr>
<td>NYC</td>
<td>783,000</td>
<td>8.00</td>
<td>9/15/87</td>
<td>RB 009</td>
</tr>
</tbody>
</table>

Total principal $22,528,000

you are also instructed to transfer the following securities from the New York City Bond Account (095114) to the Commercial Paper Collateral Account (098882) as replacements for the bonds listed above.

<table>
<thead>
<tr>
<th>TYPE</th>
<th>PRINCIPAL AMOUNT</th>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>BOND NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYC</td>
<td>11,195,111</td>
<td>10.75</td>
<td>9/15/84</td>
<td>MB 126</td>
</tr>
<tr>
<td>NYC</td>
<td>12,015,000</td>
<td>10.75</td>
<td>9/15/85</td>
<td>MB 127</td>
</tr>
</tbody>
</table>
Page Two
United States Trust Company
28 September 1982

The total principal amount in the collateral Account after
the above transfers is $130,930,000. It is my opinion
(subject to verification by MSES) that the market value of
the securities on deposit is at least that of the securities
on deposit at September 15, 1982.

I have attached assignment letters for the transfers into
the collateral account.

Sincerely,

Larry Flood
Finance Officer

LF/1g
29 September 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 Special Account.

You were instructed on Sept. 21, 1982, for settlement on Sep. 28, 1982, to purchase from Bear Stearns & Co. $235,000 par value of Municipal Assistance Corporation Series 4 Bonds due July 1, 1986, with a coupon of 8%, at a price of 99.875% of par, plus accrued interest.

You were instructed on Sept. 21, 1982, for settlement on Sep. 28, 1982, to purchase from Bear Stearns & Co. $140,000 par value of Municipal Assistance Corporation Series 7 Bonds due July 1, 1992, with a coupon of 9.75%, at a price of 99% of par, plus accrued interest.

You were instructed on Sept. 21, 1982, for settlement on Sep. 28, 1982, to purchase from William E. Pollock, Inc. $500,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 83.75% 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 Special Account 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 Special Account will be required. 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: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
29 September 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 and disposition of securities available in the Capital Reserve Fund established under the First General Bond Resolution.

You were instructed on September 29, 1982, for settlement on September 30, 1982, to purchase from A. G. Becker $4,000,000 par value of United States Treasury Bills due March 31, 1983, at a discount of 8.83%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Capital Reserve Fund established under the First 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 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:bba

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasc
    Rochelle Siegel
29 September 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 Sept. 29, 1982, for settlement on Sept. 30, 1982, to purchase from Goldman Sachs $3,000,000 par value of Federal Home Loan Discount Notes due April 11, 1983, at a discount of 9.20%.

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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
29 September 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 Sept. 21, 1982, for settlement on Sept. 22, 1982, to purchase from Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due April 13, 1983, at a discount of 9.65%.

You were instructed on Sept. 21, 1982, for settlement on Sept. 22, 1982, to purchase from Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due April 14, 1983, at a discount of 9.65%.

You were instructed on Sept. 21, 1982, for settlement on Sept. 22, 1982, to sell to Goldman Sachs & Co. $10,000,000 par value of Federal Home Loan Discount Notes due April 15, 1983, at a discount of 9.65%.

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
29 September 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 Sept. 21, 1982, for settlement on Sept. 22, 1982, to sell to Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due January 5, 1983, at a discount of 8.90%.

You were instructed on Sept. 21, 1982, for settlement on Sept. 22, 1982, to sell to Goldman Sachs & Co. $10,000,000 par value of Federal Home Loan Discount Notes due January 4, 1983, at a discount of 8.90%.

You were instructed on Sept. 21, 1982, for settlement on Sept. 22, 1982, to sell to Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due January 13, 1983, at a discount of 8.90%.

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: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
29 September 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 Sept. 23, 1982, for settlement on Sept. 24, 1982, to purchase from A. G. Becker Inc. $3,000,000 par value of United States Treasury Bills due March 24, 1983, at a discount of 9.02%.

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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
29 September 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 Second Capital Reserves Fund established under the Second General Bond Resolution.

You were instructed on September 23, 1982, for settlement on September 24, 1982, to purchase from William E. Pollock & Co. $3,000,000 par value of United States Treasury Bills due March 24, 1983, at a discount of 9.015%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Second Capital Reserves 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 monies in the Second Capital Reserves 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/bjw

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
29 September 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 Warrant Proceeds Account established under the Second General Bond Resolution.

You were instructed on Sept. 23, 1982, for settlement on Sept. 24, 1982, to purchase from Goldman Sachs & Co. $10,000,000 par value of Federal Home Loan Discount Notes due April 22, 1983, at a discount of 9.50%.

You were instructed on Sept. 23, 1982, for settlement on Sept. 24, 1982, to purchase from William E. Pollock & Co. $1,700,000 par value of United States Treasury Bills due March 24, 1983, at a discount of 9.015%.

You were instructed on Sept. 23, 1982, for settlement on Sept. 24, 1982, to purchase from William E. Pollock & Co. $3,000,000 par value of United States Treasury Bills due March 24, 1983, at a discount of 9.02%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Warrant 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 Warrant 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
September 29, 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 September 29, 1982, for settlement on September 30, 1982, to purchase from Chemical Bank $2,000,000 par value United States Treasury Bills due March 31, 1983, at a discount of 8.81%.

You were also instructed on September 29, 1982, for settlement on September 30, 1982, to purchase from William E. Pollock $5,000,000 par value United States Treasury Bills due March 31, 1983, at a discount of 8.81%.

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
September 29, 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 September 9, 1982, for settlement on September 9, 1982, to purchase from Citibank $6,535,000 par value United States Treasury Bills due December 30, 1982, at a discount of 8.44%.

You were also instructed on September 16, 1982, for settlement on September 16, 1982, to purchase from Lehman Brothers Inc. $4,455,000 par value United States Treasury Bills due December 30, 1982, at a discount of 8.20%.

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
FOR RELEASE: September 28, 1982
CONTACT: Denise N. Dean

PUBLIC NOTICE


# # # #
28 September 1982

Members of the Board of Directors, Representatives

Heather L. Ruth, Executive Director

Certain matters to be considered by the Board at the September 30 Annual Meeting.

Leading up to the Corporation's Annual Meeting, committees of the Board have considered several matters and recommend their adoption or consideration by the Board of Directors, as follows:

A. Reappointment of Officers and Committees.

B. Adjusted fees for Price Waterhouse

C. Adjusted fees for General Counsel and Bond Counsel

D. FY 1983 financing plans.

A brief discussion of each of these items follows. In addition, because it has been historically considered at the Annual Meeting, I attach a summary of the Corporation's 1983 fiscal year budget which the Board approved this year in June, in advance of the beginning of the fiscal year. (See Exhibit E).

Also, for your information, OSDC's brief analysis (dated September 15) of the budget impact of the recently announced collective bargaining results is attached as Exhibit F.

A. REAPPOINTMENT OF OFFICERS AND COMMITTEES.

Exhibit A lists the current officers of the Corporation, Committees of the Board and Committee Chairmen. The By-Laws provide that appointments be made at the Annual Meeting.

B. ADJUSTED FEES FOR PRICE WATERHOUSE

The Audit Committee of the Board recommends adoption of revised fees requested by Price Waterhouse for their services as the Corporation's independent auditors. If approved, the new fees would be effective for services during the 1983 fiscal year. The proposed new fees and expenditure history are shown in Exhibit B. The estimated net impact of this fee adjustment in the annual cost of services rendered by the Corporation's auditors would be approximately 4 percent over the 1982 fiscal year.
C. ADJUSTED FEES FOR GENERAL COUNSEL AND BOND COUNSEL

As part of a process begun in the Corporation's 1980 fiscal year, the Corporation has made adjustments in both the structure and level of fees for General Counsel for the Corporation (Paul, Weiss, Rifkind, Wharton & Garrison) and the Corporation's Bond Counsel (Hawkins, Delafield & Wood). The objective of these adjustments, in addition to recognizing cost increases since the establishment of the Corporation in 1975, has been to establish a comparable structure of fees between the two firms, which would have no impact on the respective firms' staffing decisions. The proposed new fees are consistent with these objectives and, for the first time, provide identical structures for the two law firms. (See Exhibit C).

The Administration Committee recommends that the Board adopt the proposed fees, which would become effective on January 1, 1983. The estimated net impact of this fee adjustment in the annual cost of legal services from the two firms would be approximately 8 percent.

D. 1983 FINANCING PLANS

The Debt Issuance Plan, jointly developed by the Corporation and the City, provides that the Corporation sell $600 million of debt during the current 1983 fiscal year. (See Exhibit D.)

The Corporation's successful attainment of $100 million outstanding of tax exempt commercial paper in August and the exercise of $34 million in warrants through September 27 (principally, the Series 36, with coupon of 12 3/4 per cent) leave a balance of $466 million to be raised during the remainder of the fiscal year. According to the Plan, $250 million of the $466 would be for the purpose of refunding outstanding debt of the Corporation.

At the last meeting, the Board endorsed a plan to expand commercial paper, if possible, to the maximum of $250 million, for a net increase of $150 million against the remaining $466 million to be sold. Up to an additional $125 million might be issued to warrant holders by January 18, 1983. On the needs side, pending further discussion with the U.S. Treasury, the City may find it is required to begin refunding its guaranteed bonds during this fiscal year (a factor not yet reflected in the Debt Issuance Plan).

In view of the range of contingencies, some of which are highly sensitive to market conditions, the Finance Committee (and the staff) will continue to monitor developments closely. We continue routinely to schedule a quarterly bond issuance with the Comptroller's Securities Coordinating Committee and evaluate the need as each date approaches. The next scheduled bond issuance of the Corporation on the State's calendar is for the week of October 18. It is
possible that the Finance Committee will recommend authorization of an issuance at the Annual Meeting. In addition, we will brief you on the status of the commercial paper program.

Exhibits A through F.
ANNUAL BOARD MEETING
September 30, 1982

APPOINTMENT OF OFFICERS
Vice-Chairman
Executive Director
Deputy Executive Director & Counsel
Deputy Executive Director & Treasurer
Associate Counsel & Secretary
Edward M. Kresky
Heather L. Ruth
Stephen J. Weinstein
Steven J. Kantor
Maxine H. Gillman

ADMINISTRATION COMMITTEE
Robert C. Weaver, Chairman
Francis J. Barry
Dick Netzer

AUDIT COMMITTEE
Andrew P. Steffan, Chairman
Kenneth J. Bialkin
George M. Brooker

CITY BUDGET COMMITTEE
Dick Netzer, Chairman
Edward M. Kresky
Andrew P. Steffan

FINANCE COMMITTEE
Eugene J. Keilin, Chairman
Edward M. Kresky
Felix G. Rohatyn

INVESTMENT COMMITTEE
Vice Chairman of the Board (Edward M. Kresky)
Chairman of the Finance Committee (Eugene J. Keilin)
Chairman of the Audit Committee (Andrew P. Steffan)
**Table B-1**

**FY 1982 AND PROPOSED
HOURLY FEES FOR PRICE WATERHOUSE**

<table>
<thead>
<tr>
<th>Role</th>
<th>Current: Fiscal Year 1982</th>
<th>Proposed: Fiscal Year 1983</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>$135</td>
<td>$145</td>
</tr>
<tr>
<td>Manager</td>
<td>$105</td>
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</tr>
<tr>
<td>Senior Accountant</td>
<td>$50-63</td>
<td>$55-67</td>
</tr>
<tr>
<td>Staff Accountant</td>
<td>$30-42</td>
<td>$35-46</td>
</tr>
</tbody>
</table>

**Table B-2**

**TOTAL BILLINGS BY PRICE WATERHOUSE SINCE 1977**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Billings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>$170,258</td>
</tr>
<tr>
<td>1978</td>
<td>87,863</td>
</tr>
<tr>
<td>1979</td>
<td>63,802</td>
</tr>
<tr>
<td>1980</td>
<td>70,940</td>
</tr>
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</tr>
<tr>
<td>1982</td>
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</tr>
</tbody>
</table>
### Table C-1

**CALENDAR 1982 AND PROPOSED HOURLY FEES FOR GENERAL COUNSEL* AND BOND COUNSEL**

<table>
<thead>
<tr>
<th></th>
<th>Current: Calendar 1982</th>
<th>Proposed: Calendar 1983</th>
<th>Both Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Counsel</td>
<td>Bond Counsel</td>
<td></td>
</tr>
<tr>
<td>Senior Partners (1983)</td>
<td>N/A</td>
<td>N/A</td>
<td>$175</td>
</tr>
<tr>
<td>Other Partners (1983)</td>
<td>N/A</td>
<td>N/A</td>
<td>$140</td>
</tr>
<tr>
<td>All Partners (1982)</td>
<td>$140</td>
<td>$140</td>
<td>N/A</td>
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**TOTAL BILLINGS BY THE TWO LAW FIRMS SINCE 1976**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Counsel</th>
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<tbody>
<tr>
<td>1976</td>
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---

* The Corporation’s General Counsel is Paul, Weiss, Rifkind, Wharton & Garrison.

** The Corporation’s Bond Counsel is Hawkins, Delafield & Wood.
28 September 1982

Files

Larry Flood

Repo Overinvestment

On September 27, 1982, the Corporation received interest on $5,000,000 Federal Home Loan Bank notes having a coupon of 13.95% due September 26, 1983. Both the Trust Company representative and the Corporation's Short Term Investments Officer calculated the interest receivable as if it were a full six month coupon. Since the securities were issued on May 25, 1982, the coupon period was only 120 days rather than the full 180 days.

As a result, the Corporation invested $114,312.50 of interest income we did not own for two consecutive days (9/27-9/28/82). Since the interest figure was verified with the Trust Company before the money was invested, it was agreed (albeit after the fact) that the Trust Company would lend the Corporation $113,401.23 on 9/27/82 and $114,253.70 on 9/28/82 to cover the repos purchased on those days. The Corporation was charged the going repo rate (8.75%) on both days for the loans.
28 September 1982

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<th>Sources</th>
<th>FY 1983</th>
<th>FY 1984</th>
<th>FY 1985</th>
<th>FY 1986</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sales of the Corporation's Bonds</td>
<td>600(a)</td>
<td>350</td>
<td>300</td>
<td>-</td>
<td>1,250</td>
</tr>
<tr>
<td>Public Sales of the City's G.O. Bonds</td>
<td>300</td>
<td>400</td>
<td>700</td>
<td>1,100</td>
<td>2,500</td>
</tr>
<tr>
<td>Proposed Water &amp; Sewer Financing (b)</td>
<td>-</td>
<td>150</td>
<td>315</td>
<td>330</td>
<td>795</td>
</tr>
<tr>
<td>Cash Adjustment (c)</td>
<td>60</td>
<td>99</td>
<td>15</td>
<td>-</td>
<td>174</td>
</tr>
<tr>
<td>Subtotal</td>
<td>960</td>
<td>999</td>
<td>1,330</td>
<td>1,430</td>
<td>4,719</td>
</tr>
<tr>
<td>Withdrawals from the Corporation's Reserves</td>
<td>515</td>
<td>300</td>
<td>-</td>
<td>-</td>
<td>815</td>
</tr>
<tr>
<td>for Future Capital Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Sources</td>
<td>1,475</td>
<td>1,299</td>
<td>1,330</td>
<td>1,430</td>
<td>5,334</td>
</tr>
</tbody>
</table>

| Uses                                         |         |         |         |         |       |
| City Capital Improvements                    | 1,125   | 1,249   | 1,330   | 1,430   | 5,134 |
| The Corporation's Capital Reserves           | 100     | 50      | -       | -       | 150   |
| Refunding                                    | 250     | -       | -       | -       | 250   |
| Total Uses                                   | 1,475   | 1,299   | 1,330   | 1,430   | 5,334 |

(a) A total of $134 million of this amount has been satisfied through the issuance of commercial paper ($100 million) and issuance of bonds to warranholders ($34 million through September 27, 1982).

(b) Contingent upon the City developing a program for financing of water and sewer projects through the issuance of revenue bonds.

(c) City changes in General Fund advances and restricted cash.
## Municipal Assistance Corporation
### Operating Fund

<table>
<thead>
<tr>
<th></th>
<th>FY 1982 Expenditures</th>
<th>FY 1983 Budget (Approved 6/3/82)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt Issuance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td>$ 830</td>
<td>$ 745</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>732</td>
<td>1,892*</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 1,562</td>
<td>$ 2,637</td>
</tr>
<tr>
<td><strong>Debt Administration</strong></td>
<td>1,054</td>
<td>1,280</td>
</tr>
<tr>
<td><strong>Oversight:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSDC</td>
<td>1,771</td>
<td>2,356</td>
</tr>
<tr>
<td>FCB</td>
<td>1,622</td>
<td>1,532</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 3,394</td>
<td>$ 3,888</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>125</td>
<td>145</td>
</tr>
<tr>
<td><strong>Financial Reporting</strong></td>
<td>385</td>
<td>594</td>
</tr>
<tr>
<td><strong>General Administrative</strong></td>
<td>904</td>
<td>1,042</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 7,423</td>
<td>$ 9,586</td>
</tr>
</tbody>
</table>

*Assumes $100 million in commercial paper outstanding; expansion of the program to $250 million will require a corresponding modification of the budget.*
September 15, 1982
Letter Report 35-83
Impact of the Tentative Labor Settlement on the City's Financial Plan

Financial Control Board
270 Broadway
New York, New York 10007

Municipal Assistance Corporation
One World Trade Center, Suite 8901
New York, New York 10047

Dear Members & Directors:

On September 10, 1982 the City entered into a tentative labor agreement with a coalition of unions representing non-uniformed employees. The agreement provides for an eight percent wage increase in fiscal 1983 followed by a seven percent increase in fiscal 1984. The fiscal 1983 wage increase is scheduled to begin two months after the beginning of the contract period.¹ In addition, the agreement provides for increases, beginning in fiscal 1984, in health insurance and other benefits and provides for the eventual repayment, beginning in fiscal 1985, of deferred wage increases.²

This memorandum provides a preliminary outline of the cost implications of the labor settlement and its impact on the Financial Plan. It focuses on the cost impact on fiscal years 1983 and 1984 and does not estimate the cost of recouping the deferred wages.

¹ This results in an effective wage increase of 6.7 percent in fiscal 1983.
² We have not yet received sufficient data regarding the part of the settlement relating to deferred wages.
Based on our preliminary calculations, if the terms of this labor agreement were to apply to all City employees, the cost to the City would be $378 million in fiscal 1983 and $1,074 million in fiscal 1984. By contrast, the City's financial plan, which was predicated on the assumption of three percent annual wage increases, provides only $202 million in fiscal 1983 and $386 million in fiscal 1984 for labor settlement costs.

In fiscal 1983, the cost of the labor settlement above the amount provided for in the Plan, $176 million, can largely be absorbed through the use of existing reserves and through other budgetary actions the City has reportedly undertaken. Barring major adverse developments, any remaining gap is of manageable proportions. However, for fiscal 1984 the incremental cost of the settlement above the amount provided for in the Plan is $688 million. When combined with a baseline deficit of $406 million, the City faces a fiscal 1984 gap of approximately $1.1 billion. (Schedule I).

To a significant degree, this large increase in the gap results from the cost of the settlement being weighted heavily towards fiscal 1984 as compared to fiscal 1983. The fiscal 1984 cost of the settlement is nearly three times the cost of the settlement in fiscal 1983.

The City, in the past, has successfully closed gaps of the magnitude currently being projected for fiscal 1984. Schedule II shows how the City was able to eliminate a projected fiscal 1983 gap of over one billion dollars. The gap was eliminated through the use of the prior year's surplus (which had been generated by increases in economically sensitive revenues), increases in State aid, tax increases and budgetary reductions.

1 Based on the January 15, 1982 financial plan estimates.
However, many of the methods used to close the 1983 gap may not be available in fiscal 1984. The State's ability to render ever increasing assistance is limited by the State's own budget difficulties. The Governor is projecting a State budget gap of over $300 million in State fiscal 1983 and over $1 billion in State fiscal 1984.

Perhaps more significantly, inflation helped keep tax revenues high through fiscal 1981, while the City was able to contain expenditure growth below the inflation rate. Currently, however, the City is forecasting that local inflation will grow by only 5.3 percent annually in fiscal years 1983 and 1984. Personal service costs on the other hand, which constitute the largest component of the City's budget, will grow more rapidly as a result of the current proposed settlement which provides for labor cost increases of 8 percent in fiscal 1983 and 7 percent in fiscal 1984.

There is also evidence that the City's economy, which successfully weathered the national economic downturns of the last few years, may be slowing down. During the past six months there has been a significant reduction in the rate of growth of City tax collections. Sales tax collections grew by four percent in the second half of fiscal 1982 compared to growth of thirteen percent in the first half of fiscal 1982. In addition, estimated tax payments by individuals and businesses, a key indicator of expected revenue performance, have also declined significantly (Schedule III). Such payments declined by 6 percent in the most recent 6 month period as compared to growth of 28 percent and 9 percent in the comparable periods in 1980 and 1981, respectively. Interest income is also likely to be $25 million
to $50 million below planned levels as a result of the recent decline in interest rates.  

The City will soon be submitting a plan to fund its proposed labor settlements. Obviously, when the Financial Control Board takes action on that plan it must consider data to be provided by the City on how it will fund the proposed settlements not only in the current fiscal year but also on a recurring basis.

The data in this report relating to the proposed settlement were based on information provided by City officials. We were advised that the settlement has not yet been reduced to writing. To the extent that data change or that sufficient data become available on the settlement of the wage deferrals, we will issue a subsequent report on the costs of the settlement.

Very truly yours,

[Signature]

Sidney Schwartz

---

The Plan assumes interest rates of 12 percent on temporary investments. Currently, such rates are below 10 percent.
<table>
<thead>
<tr>
<th>Schedule I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of Tentative Labor Settlement on the City's Financial Plan (1) (millions)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 1983</th>
<th>Fiscal 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Settlement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8% increase effective in fiscal 1983</td>
<td>$(378)</td>
<td>$(455)</td>
</tr>
<tr>
<td>7% increase effective in fiscal 1984</td>
<td>-</td>
<td>$(431)</td>
</tr>
<tr>
<td>Health Insurance and Welfare Fund Increases</td>
<td>-</td>
<td>$(63)</td>
</tr>
<tr>
<td>Increase in Pension Costs</td>
<td>-</td>
<td>$(125)</td>
</tr>
<tr>
<td>Total Cost of Contract</td>
<td>$(378)</td>
<td>$(1,074)</td>
</tr>
<tr>
<td>Less: Amounts Included in Financial Plan</td>
<td>202</td>
<td>386</td>
</tr>
<tr>
<td>Incremental Cost of Settlement</td>
<td>$(176)</td>
<td>$(688)</td>
</tr>
<tr>
<td>Baseline Surplus/(Deficit)</td>
<td>176(2)</td>
<td>(406)</td>
</tr>
<tr>
<td>Gap Including Labor Settlement</td>
<td>$0</td>
<td>$(1,094)</td>
</tr>
</tbody>
</table>

---

(1) Assumes settlement applies to all City employees including custodial employees in the Board of Education.

(2) Assumes that any gap can be largely absorbed by existing reserves and announced budgetary actions. These reserves include $81 million in the general reserve in excess of the $100 million statutory reserve. In addition, the City has announced a budgetary reduction program designed to save $57 million in fiscal 1983. There are also pension savings not yet reflected in the plan of $50 million.
**Schedule II**

*How the Fiscal 1983 Projected Budget Gap Was Eliminated*  
(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Better/Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Budget Gap-Per City Proposed Plan 1/15/82</td>
<td>$(854)</td>
</tr>
<tr>
<td>Additional Labor Settlement Costs</td>
<td>$(206)</td>
</tr>
<tr>
<td>Restated Estimate of Projected Gap</td>
<td>$(1,060)</td>
</tr>
</tbody>
</table>

**Gap Closing Measures**

| Measure                                                        | Value  |
|                                                               |        |
| Rollover of 1982 Surplus                                      | $281   |
| Increased State Aid (1)                                       | 210    |
| City Budget Cuts (2)                                          | 242    |
| City Tax Increases (3)                                        | 171    |
| Miscellaneous Revenue Increases (4)                          | 79     |
| Net Baseline Changes (5)                                     | 77     |
| **Total Adjustments**                                        | **1,060** |

**Surplus/(Deficit)**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(Deficit)</td>
<td>$0</td>
</tr>
</tbody>
</table>

---

(1) $122 million in Medicaid and $88 million in Education aid.

(2) Assumes the successful implementation of planned reductions in the following areas: $74 million in the Board of Education, $52 million in Mayoral Agencies, $34 million in the Health and Hospitals Corporation and $25 million in MAC Debt Service as part of the adopted plan, and $57 million in additional reductions which were subsequently imposed.

(3) Primarily from the personal income tax and the general corporation tax.

(4) Primarily $45 million in Water & Sewer rate adjustments and $31 million from accelerated real estate tax payments.

(5) Assumes utilization of available reserves and other actions necessary to insure a fiscal 1983 balanced budget.
Schedule III

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income Tax</td>
<td>22%</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>13.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Corporation Tax</td>
<td>15</td>
<td>20</td>
<td>(2)</td>
</tr>
<tr>
<td>6.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Corporation Tax</td>
<td>90</td>
<td>(23)</td>
<td>(46)</td>
</tr>
<tr>
<td>2.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unincorporated Business Tax</td>
<td>12</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>1.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Growth (Weighted)</td>
<td>28%</td>
<td>9%</td>
<td>(6)</td>
</tr>
<tr>
<td>23.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The latest six month period for which 1982 data is available. This period also coincides with the first payments of estimated tax on 1982 tax liabilities.
BY MESSENGER

27 September 1982

Mr. Louis A. Friedrich
Deputy Director
Office of Management and Budget
The City of New York
1209 Municipal Building
One Centre Street
New York, New York 10007

Dear Lou:

I am enclosing, for your records, one copy each of the Corporation's Official Statement dated September 27, 1982, and the Certificate of the Director of Management and Budget of the City of New York dated September 27, 1982, as delivered today at the closing for the sale of $13,650,000 of the Corporation's Series 36 Bonds.

Each of these documents was revised to reflect the changes which we agreed to in your office last Friday.

Thank you for your cooperation.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director and Counsel

SJW/lg
Enclosures (2)

cc: Mark Page, Esq.
27 September 1982

Mr. Daniel Heimowitz
Vice President
Municipal Bond Department
Moody's Investor's Service, Inc.
99 Church Street
New York, New York 10007

Dear Mr. Heimowitz:


After this issuance, there will be $25.905 million of warrants unexercised.

If you have any questions, please feel free to contact me.

Sincerely,

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK/1g
27 September 1982

Mr. Thomas Nolan
Rating Specialist
Standard Poors Corporation
25 Broadway
New York, New York 10004

Dear Mr. Nolan:


After this issuance, there will be $25.905 million of warrants unexercised.

If you have any questions, please feel free to contact me.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK/lg
27 September 1982

Mr. William McCarthy  
Vice President  
Fitch Investor's Service  
5 Hanover Square  
New York, New York 10004

Dear Mr. McCarthy:


After this issuance, there will be $25.905 million of warrants unexercised.

If you have any questions, please feel free to contact me.

Sincerely,

[Signature]

Steven J. Kantor  
Deputy Executive Director  
and Treasurer

SJK/19
27 September 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 September 28, 1982, $98,800.00 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
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
    Pat Santivasi
    Administrative Files
27 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 27, 1982, $40,770.22 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $37,902.22 of this amount was used to pay interest on commercial paper coming due and $2,868.00 was used to pay principal.

Sincerely,

Heather L. Ruth
Executive Director

cc: Fran Higgins
    Bill Jennings
    Administrative Files
27 September 1982

Ms. Millicent Schuker
108-16 66 Avenue
Forest Hills, New York 11375

Dear Ms. Schuker:

This is in response to your letter of September 9, 1982 concerning the early redemption on February 1, 1982 of your $5,000 coupon bond number BV83-3159, having a final maturity of February 1, 1983.

The Series B Bonds were issued in 1975 and consisted of bonds maturing, respectively, in 1980, 1981 and 1983. The bond provisions specified that of the aggregate principal amount of maturing in 1983, a total of $66,350,000 would be redeemed on February 1, 1982 by operation of a mandatory sinking fund installment, with the balance to be paid on February 1, 1983. None of the Series B Bonds are callable at the option of the Corporation.

These sinking fund provisions were included in the Corporation's General Bond Resolution and Series B Resolution authorizing the issuance, and were contained in the Official Statement for the Series B Bonds, both of which documents were made available to prospective purchasers. These sinking fund provisions were also printed on each of the Series B Bonds, including the one which you purchased. In addition, schedules of all outstanding bond maturities and redemption provisions, including optional calls and mandatory sinking fund installments, have been published in the Corporation's quarterly financial statements issued for each quarter since December 1977.

The applicable resolution provisions authorize the Corporation to satisfy sinking fund requirements by market purchases until 45 days prior to the sinking fund installment date at prices not to exceed par. To the extent that sinking fund installments are not satisfied by such market purchases, the Trustee is required to select bonds by lot to be redeemed at par to fulfill such balances, and to provide notice by publication in a daily newspaper of general circulation in Manhattan not less than 30 or more
than 60 days prior to the redemption date. Such notice in connection with the February 1, 1982 Series B sinking fund installment was published on December 28, 1981 and January 4, 1982 in the New York Times and the Wall Street Journal.

Please note further that the Corporation makes its bonds available in registered as well as coupon form, and permits the holder to transfer from one form to the other, at the expense of the Corporation, as the holder may desire. Importantly, in addition to other advantages of registration, the Trustee provides written notice of any early redemption by mail to all holders of bonds which are held in registered form.

However, you held your bond in coupon form. The Corporation has no record of such bondholders. Therefore, the only manner in which we are required to and practically are able to notify coupon bondholders of early redemption is by publication.

The terms of your bond, set forth in the resolutions and on the bond itself, further provide that in the event of early redemption by either optional call or mandatory sinking fund installment for a particular bond, interest ceases to accrue as of the date of the call or redemption, but is payable up to that date. Accordingly, because your Series B Bond was selected by lot for redemption on February 1, 1982, you are entitled only to payment of the $5,000 principal amount plus any unpaid coupons dated through February 1, 1982 (Coupon November 14).

We appreciate your concern, and hope that this information is helpful in providing an explanation.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director and Counsel

SJW/1g
Attention: Mr. Felix Mohayton, Chairman
Municipal Assistance Corp.
1 World Trade Center
Suite 3901
New York 10048

Sept. 9, 1982

Dear Sir:

I wish to call your attention to an instance of unfairness against the "little man" and to seek redress from MAC.

In August, 1975, I purchased a MAC bond, BV 83-3159, of $5,000, to mature 2/1/83, at 11 3/4. As usual, the coupon of $275 was deposited at my bank savings account August 1. Today, September 5, the coupon was returned (with a $1.25 penalty) because, as I learned, the bond HAD BEEN CALLED FOR REDEEMPTION on February 1, 1982, by lot. I have therefore lost interest on my investment for 7 months now, at the very least. Although I read the financial pages of the TIMES quite regularly, I certainly would not be expected to look for callability in a bond scheduled for maturity within a year when interest rates were still as high as the rate on my bond.

I feel that in view of the circumstances, MAC shows an unbecoming greed in failing to offer a premium for the called bond; and furthermore, in failing to offer the equivalent of passbook interest at prevailing bank levels on the $5000 principal the Municipal Assistance Corporation treats its investors worse than did landlords before the law compelled them to pay back security with interest at prevailing levels, to tenants who were required to leave security payments with them.

I have requested my bank (DryDock Savings Bank) to redeem the above bond for me. I am hereby requesting that MAC reimburse me for making use of my $5000 for 7 months 10 days, at the common passbook rate of interest.

Thank you for giving the necessary instructions to see that this is done and for informing me what proof is necessary on my part. (I have placed the bond in the possession of DryDock as of today.)

Respectfully yours,

[Signature]

Milllicent Schuker
CERTIFICATE DATED SEPTEMBER 27, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of September, 1982.

[Signature]

(Executive Director)

(Title)
CERTIFICATE DATED SEPTEMBER 27, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Office of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
BY MESSENGER

27 September 1982

Mr. Louis A. Friedrich
Deputy Director
Office of Management
and Budget
The City of New York
1209 Municipal Building
One Centre Street
New York, New York  10007

Dear Lou:

I am enclosing, for your records, one copy each of the Corporation's Official Statement dated September 27, 1982, and the Certificate of the Director of Management and Budget of the City of New York dated September 27, 1982, as delivered today at the closing for the sale of $13,650,000 of the Corporation's Series 36 Bonds.

Each of these documents was revised to reflect the changes which we agreed to in your office last Friday.

Thank you for your cooperation.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg
Enclosures (2)

cc:  Mark Page, Esq.
24 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 24, 1982, $5,067.47 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $4,118.67 of this amount was used to pay interest on commercial paper coming due and $948.80 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
    Bill Jennings
    Administrative Files
23 September 1982

Mr. Jac Friedgut
Vice President
Citibank, N.A.
55 Water Street
New York, New York 10043

Dear Mr. Friedgut:

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,

Steven J. Kantor
Deputy Executive Director
and Treasurer

Approved:_____________________

Date: _______________________

SJK: dnd
EXHIBIT I

PROPOSED BONDS TO BE ISSUED TO CITIBANK UNDER SECTION 1.08(a) OF THE CREDIT AGREEMENT

Issue Size: $100 million
Dated Date: July 1, 1982
Issue Date: September 18, 1982
First Coupon: January 1, 1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal (in $000)</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>10,000</td>
<td>7.50</td>
</tr>
<tr>
<td>1984</td>
<td>10,000</td>
<td>8.00</td>
</tr>
<tr>
<td>1985</td>
<td>10,000</td>
<td>8.50</td>
</tr>
<tr>
<td>1986</td>
<td>10,000</td>
<td>9.00</td>
</tr>
<tr>
<td>1987</td>
<td>10,000</td>
<td>9.50</td>
</tr>
<tr>
<td>1988</td>
<td>10,000</td>
<td>10.00</td>
</tr>
<tr>
<td>1989</td>
<td>10,000</td>
<td>10.25</td>
</tr>
<tr>
<td>1990</td>
<td>10,000</td>
<td>10.50</td>
</tr>
<tr>
<td>1991</td>
<td>10,000</td>
<td>10.75</td>
</tr>
<tr>
<td>1992</td>
<td>10,000</td>
<td>11.00</td>
</tr>
</tbody>
</table>
23 September 1982

BY MESSENGER

Leslie N. Buch, Esq.
Law Department
The City of New York
100 Church Street
New York, New York 10007

Dear Leslie:

Thank you for sending over your draft of a proposed certificate to be delivered by the Municipal Assistance Corporation at the closing scheduled for September 30, 1982.

We have reviewed the proposed certificate and are prepared to provide it at the closing with the deletions as indicated on the enclosed copy.

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/dnd
Enclomoure
CERTIFICATE

Reference is made to the Bond Purchase Agreement dated as of October 1, 1980, as amended (the "Agreement") by and between The City of New York (the "City") and the Municipal Assistance Corporation For The City of New York (the "Corporation") relating to, among other things, the Series 25 and 26 Bonds of the Corporation.

Pursuant to said Agreement, the City intends to sell, and the Corporation has agreed to buy in a private placement on the date hereof, $100 million aggregate principal amount of the City's general obligation serial bonds (the "Bonds").

Section 2 and Paragraph 3.1(h) of the Agreement contain a requirement that an official statement with respect to the Bonds be furnished by the City to the Corporation, as follows:

SECTION 2. Official Statement

Not less than five (5) days prior to a Closing Date, or such later date as the Corporation and the City may agree, the City shall deliver to the Corporation an official statement with respect to such issuance (the "Official Statement"), which official statement may be the most recent official statement issued by the City in connection with the issuance of its securities, together with a supplement to such official statement describing the Bonds and containing any information necessary for such official statement to be in compliance with paragraph 3.1.(h) hereof.

Paragraph 3.1(h):

[The City hereby represents and warrants to the Corporation that] . . . [t]he Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, including without limitation, the fact that the Corporation is the sole recipient thereof and the sole purchaser of Bonds pursuant thereto, not misleading.
In connection with the foregoing, the Corporation hereby agrees to accept the following documents from the City in satisfaction of said requirement:

1. Official Statement of the City dated August 20, 1982, which the City has advised the Corporation is the latest official statement in connection with the sale by the City of its obligations (the "Official Statement").

2. Updated cover page to said Official Statement, describing the Bonds.

3. Supplement to said Official Statement, describing the labor settlement between the City and certain municipal labor unions for fiscal years 1983 and 1984, and related matters.

4. A revised paragraph 5 to Exhibit C of the Agreement in the form attached hereto and made a part hereof, which contains the City's certification with respect to its official statement for the Bonds.

The Corporation has agreed to accept an official statement and accompanying certification from the City for the Bonds as described above, which MAC understands does not contain material developments concerning the City since the date of such Official Statement (except for the material contained in the revised cover page and supplement), due to the fact that the Corporation is the sole recipient of said official statement and the sole purchaser of the Bonds pursuant thereto, as well as the fact that the Corporation has access to, and has heretofore been furnished with, all of the relevant information which would be included in an official statement as of the date hereof.

The Corporation waives any contrary requirement for an official statement contained in the Agreement, and agrees with the City that the Agreement and accompanying certification (including without limitation Section 2 and paragraph 3.1(h) of the Agreement and paragraph 5 of Exhibit C thereto) are hereby deemed amended without further action to comply with the provisions of this certificate.

The Corporation further confirms that in making its determination to purchase the Bonds without requiring the City to update its Official Statement to the date hereof,
Paragraph 5 of Exhibit C
to the Bond Purchase Agreement

5. Subject to the qualifications contained herein and therein, the Official Statement of the City dated August 20, 1982, as amended by a cover page and supplement dated September 30, 1982, issued in connection with the sale to the Corporation of $100,000,000 aggregate principal amount of general obligation serial bonds of the City pursuant to the Agreement does not contain any untrue statement of a material fact with respect to the City or omit any statement of such material fact necessary to make the statements therein, in light of the circumstances under which they were made, including, without limitation, the fact that the Corporation is the sole recipient thereof and the sole purchaser of bonds pursuant thereto, not misleading. Notwithstanding the foregoing, the City represents and warrants that the Official Statement has not been updated since August 20, 1982 and therefore does not contain material developments since that date (except for the matters described on the cover page and supplement thereto dated September 30, 1982, which are complete and accurate as of the date hereof).
CERTIFICATE DATED SEPTEMBER 22, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance
Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES
as follows:

(a) that there has been no material adverse change in or affecting the
genral affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the
information provided under the caption "The Bank Agreement" with respect to
Citibank, N.A., the commercial paper memorandum distributed on the date
hereof does not contain any untrue statement of a material fact or omit to state
any material fact necessary in order to make the statements contained therein,
in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources
include, but are not limited to the Director of Budget of the State, the
Commissioner of Taxation and Finance of the State, the Mayor of the City, and
the Comptroller of the City), of any material adverse change in the financial
condition of the State or City of New York, which is material to the offerees of
tax-exempt commercial paper (the "TECP") subsequent to the date of the most
recent commercial paper memorandum or prior thereto if not set forth in a
commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the
matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond
Counsel to the Corporation (the "Bond Counsel") since the date of issuance of
such opinion, (ii) the Corporation has complied with the covenants, conditions
and agreements contained in the Commercial Paper Note Resolution adopted
June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel
that the Corporation may no longer rely upon the opinion of Bond Counsel
delivered in connection with the first issuance and sale by the Corporation of any
TECP; and

(e) that the Corporation is not issuing TECP in violation of any
agreement, including the Revolving Credit and Term Loan Agreement dated as
of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank
Agreement"), that no event of default or event which, with notice or with the
passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of September, 1982.

[Signature]

[Title]
CERTIFICATE DATED SEPTEMBER 22, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Office of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
22 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 22, 1982, $132,459.59 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $128,514.59 of this amount was used to pay interest on commercial paper coming due and $3,945.00 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK:dnd

cc: Fran Higgins
    Bill Jennings
    Administrative Files
21 September 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 September 22, 1982, $1,100.00 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
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
21 September 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 Bond Resolution.

You were instructed on Sept. 14, 1982, for settlement on
Sept. 16, 1982, to purchase from William E. Pollock & Co.
$8,000,000 par value of United States Treasury Notes due
September 30, 1982, with a coupon of 8.375%, at a price of
100% of par, plus accrued interest.

You were also instructed on Sept. 15, 1982, for settlement
on Sept. 16, 1982, to purchase from Salomon Brothers Inc.
$5,000,000 par value of United States Treasury Notes due
September 30, 1982, with a coupon of 8.375%, at a price of
100.031% of par, plus accrued interest.

You were further instructed on Sept. 15, 1982, for
settlement on Sept. 16, 1982, to purchase from Harris Bank
$10,000,000 par value of United States Treasury Notes due
September 30, 1982, with a coupon of 8.375%, at a price of
100.031% of par, plus accrued interest.

You were further instructed on Sept. 15, 1982, for
settlement on Sept. 16, 1982, to purchase from Kidder,
Peabody, Inc. $10,000,000 par value of United States
Treasury Notes due September 30, 1982, with a coupon of
8.375%, at a price of 100.031% 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:bba

CC: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
21 September 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 Bond Resolution.

You were instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Notes due September 30, 1982, with a coupon of 8.375%, at a price of 100.031% of par, plus accrued interest.

You were also instructed on Sept. 20, 1982, for settlement on Sept. 23, 1982, to sell to Chemical Bank $5,000,000 par value of United States Treasury Bills due September 23, 1982 at a discount of 5.25%.

You were further instructed on Sept. 20, 1982, for settlement on Sept. 23, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Bills due September 30, 1982, at a discount of 5.45%.

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:bba

CC: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 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 City Bond Account.

You were instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Bear Stearns & Co. $5,000,000 par value of United States Treasury Bills due November 18, 1982, at a discount of 7.65%.

You were also instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Chemical Bank $15,000,000 par value of United States Treasury Bills due December 9, 1982, at a discount of 7.88%.

You were further instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Bills due November 26, 1982, at a discount of 7.65%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the City Bond Account 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 City Bond Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 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 City Bond Account.

You were instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Notes due September 30, 1982, with a coupon of 8.375%, at a price of 100.031% of par, plus accrued interest.

You were also instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Harris Bank $10,000,000 par value of United States Treasury Bills due October 7, 1982, at a discount of 5.95%.

You were further instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Harris Bank $10,000,000 par value of United States Treasury Bills due October 28, 1982, at a discount of 6.40%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the City Bond Account 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 City Bond Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 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 City Bond Account.

You were instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Citibank $5,000,000 par value of United States Treasury Bills due November 12, 1982, at a discount of 7.16%.

You were also instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Citibank $5,000,000 par value of United States Treasury Bills due November 4, 1982, at a discount of 7.05%.

You were further instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from William E. Pollock & Co. $5,000,000 par value of United States Treasury Bills due November 12, 1982, at a discount of 7.00%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the City Bond Account 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 City Bond Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 1982

UNIVERSAL 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 City Bond Account.

You were instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from William E. Pollock & Co. $10,000,000 par value of United States Treasury Bills due December 16, 1982, at a discount of 7.83%.

You were also instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Harris Bank $15,000,000 par value of United States Treasury Bills due December 16, 1982, at a discount of 7.82%.

You were further instructed on Sept. 15, 1982, for settlement on Sept. 16, 1982, to purchase from Citibank $15,000,000 par value of United States Treasury Bills due December 30, 1982, at a discount of 8.15%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the City Bond Account 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 City Bond Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 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 Special Account.

You were instructed on September 1, 1982, for settlement on September 9, 1982, to purchase from William E. Pollock & Co. $200,000 par value of Municipal Assistance Corp. Series Eight Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 83% of par, plus accrued interest.

You were also instructed on Sept. 1, 1982, for settlement on Sept. 9, 1982, to purchase from Emanuel & Co. $115,000 par value of Municipal Assistance Corp. Series Nine Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 82.42% 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 Special Account 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 Special Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
21 September 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 Special Account.

You were instructed on August 24, 1982, for settlement on August 25, 1982, to sell to Citibank $5,000,000 par value of United States Treasury Bills due September 9, 1982, at a discount of 6.45%.

You were also instructed on Sept. 7, 1982, for settlement on Sept. 8, 1982, to sell to Chemical Bank $1,000,000 par value of United States Treasury Bills due September 9, 1982, at a discount of 9.24%.

You were further instructed on Sept. 9, 1982, for settlement on Sept. 9, 1982, to purchase from Chemical Bank $10,000,000 par value of United States Treasury Bills due Sept. 16, 1982, at a discount of 8.70%.

You were also instructed on Sept. 9, 1982, for settlement on Sept. 10, 1982, to sell to Chemical Bank $3,250,000 par value of United States Treasury Bills due Sept. 16, 1982, at a discount of 8.95%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when monies in the Special Account 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
Special Account will be required. 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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
20 September 1982

To: The MAC Staff

From: Heather L. Ruth, Executive Director

Re: "Monday Schedule"

One outcome of last Friday's meeting with Betty, Denise, Vickie and Lynn is a plan to put out a rough schedule of upcoming events by no later than noon each Monday. Denise will be responsible for gathering the relevant data from everyone on Friday. Attached is my version of this week's (late). Get suggestions for improved format and any corrections or updates to Denise.
MONDAY SCHEDULE
20 September 1982

Known absences:

Betty -- all week (maybe 2 weeks) for jury duty
SK -- Monday, 27th
SK & HR -- most of Tuesday, 28th (unless it rains)

Anyone else?

The Week of September 10

General or to be Scheduled:

- Meeting of us, Paul Weiss and Shearman and Sterling re bankruptcy, probably Thursday or later (see SW or Max).

- OS and closing on warrant bonds.

- Internal staff meetings re "Accounting" and "Systems".

- Determination of strategy for next $150 million of commercial paper.

-- HR is looking for a day or half day to take off before Friday.

Monday, 20th --

Tuesday, 21st -- "Systems" meeting; tentatively for lunch.

Wednesday, 22nd --

Thursday, 23rd -- Primary election day. "Accounting" meeting

Friday, 24th -- Last day before warrant bond closing.

Week of September 27

Monday, 27th -- Warrant Bond closing and Yom Kippur (SK out); Denise should confirm Board meeting.
Tuesday, 28th -- Chase Outing (SK & HR out) and the
day Board materials should go out,
possibly including materials to
authorize a competitive sale in
October.

Wednesday, 29th --

Thursday, 30th -- Board meeting -- 9:30 A.M. at Paul
Weiss. Annual meeting and possible
authorization of competitive sale.
Also, closing on our purchase of
$100 million City mirror bonds.

Friday, Oct. 1st --

Week of October 4th

---

Week of October 11th

--- H.R. out Monday through Wednesday for PSA (Public
Securities Association) in Arizona.

--- Last week before bond sale, if it goes forward.

Week of October 18th

--- Bond sale scheduled.
20 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street – 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 20, 1982, $102,309.50 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $98,437.50 of this amount was used to pay interest on commercial paper coming due and $3,872.00 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:nd

cc: Fran Higgins
    Bill Jennings
    Claire Curry
    Administrative Files
20 September 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 September 21, 1982, $101,100.00 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
Deputy Executive Director
and Treasurer

SJK:ndd

cc: Frances N. Higgins
    Pat Santivasci
    Administrative Files
20 September 1982

Mr. John Daniels
DOREMUS & CO.
120 Broadway
New York, New York 10271

Re: Annual Report Notice

Dear Mr. Daniels:

This letter is to authorize you to proceed to place an advertising notice (approved copy attached) regarding publication of the Corporation's 1982 Annual Report in the newspapers listed on your estimate dated September 16, 1982 (copy attached), on Tuesday, September 28, 1982.

We understand that your charges will consist of the media fees stated on your estimate plus production charges.

Sincerely,

Stephen J. Weinstein
Deputy Executive Director
And Counsel

SJW/ga
Attachments (2)
ANNUAL REPORT

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Public Benefit Corporation of the State of New York)

# Annual Report 1982

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$2,329.46

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.
CERTIFICATE DATED SEPTEMBER 17, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Office of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
CERTIFICATE DATED SEPTEMBER 17, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of September, 1982.

[Signature]

[Title]
17 September 1982

Ms. Martha R. Mulligan
3678 15th Street
Fort Lee, New Jersey

Dear Martha,

Thank you for taking the time to meet with me regarding a potential position at the Municipal Assistance Corporation For The City of New York. I was impressed by your credentials and enjoyed talking with you about your employment experiences.

Due to immediacy of our need, I have decided to attempt to finish the quarter ending September 30, 1982 with our present staff. Once we have published the statements, I will evaluate our staffing requirement. I will most certainly contact you if an appropriate position materializes.

Thank you again.

Sincerely,

[Signature]

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba
WORK EXPERIENCE:

1980 to Present

Assistant Controller
John B. Coleman & Company

Responsible for all the accounting requirements of the company, including preparation of financial statement and balance sheet. Assist in preparation of the annual budget. Prepare analysis of annual budget against actual revenue and expenditures. Responsible for preparation of trial balance, bank reconciliations, payroll and payroll taxes.

1974 to 1980

Assistant Credit Manager
Flagship International, Inc.

Monitor, supervise and assist in the credit and collection activity of seven major domestic and international hotels. Responsible for preparation of monthly reports. Reviewed and analyzed trial balances, revenues, problem accounts, international accounts receivable, credit card evaluations and general corporate journals.

1971 to 1974

Administrative Assistant
State Southern Management Company

Responsible for coordinating financial and operational activity of multiple offices of company. Responsible for development and implementation of accounting reporting procedures of various departments. Prepared and supervised general journals including accounts receivable, payroll, daily deposits, bank reconciliations and trial balances.

1968 to 1971

Travel Assistant
Foreign Tours, Inc.

Responsible for solicitation of commercial accounts and group tours for wholesale travel agency. Assisted sales department and aided in preparation of group itineraries.

1966 to 1968

Debit-Credit Control Clerk
First National City Bank

EDUCATION:

Hunter College

PERSONAL:

Married
17 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 17, 1982, $21,290.13 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $21,154.38 of this amount was used to pay interest on commercial paper coming due and $135.75 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
    Bill Jennings
    Claire Curry
    Administrative Files
16 September 1982

A. Gordon Wooton
Senior Vice President
Municipal Securities Evaluation Service, Inc.
55 Water Street
New York, New York 10005

Dear Gordon:

Enclosed please find two copies of a contract between the Municipal Assistance Corporation For The City of New York and Municipal Securities Evaluation Services, Inc. for the evaluation of certain obligations of the City of New York held by the Corporation which have been or may be pledged to Citibank, N.A. under a certain security agreement dated as of June 3, 1982, among the Corporation, Citibank, N.A. and the United States Trust Company of New York.

Please sign both copies and return one to the Corporation.

Thank you.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dn
Enclosures
AGREEMENT

This Agreement has been entered into this 16th day of September 1982 by and between the Municipal Assistance Corporation For The City of New York, New York (hereinafter "Corporation") and Municipal Securities Evaluation Service, Inc., 55 Broad Street, New York, New York, (hereinafter "Consultant").

1. **Services.** The Consultant agrees to evaluate certain obligations of the Corporation which have been or may be pledged to Citibank, N.A. under a certain security agreement dated as of June 3, 1982, among the Corporation, Citibank, N.A., and the United States Trust Company of New York. The Consultant will evaluate the obligations requested by the Corporation on the first day of each month and on such additional dates not to exceed 12 in any one year as requested by Citibank. At each evaluation, the Consultant will provide the Corporation with a letter stating:

- 1) market value of each bond on the attached list;
- 2) the date that the bonds were priced;
- 3) a statement of the total market value of the listed bonds.

2. **Duration.** The services defined herein shall commence July 22, 1982 and shall continue through May 1983, unless sooner terminated as provided herein.

3. **Compensation.** The Corporation shall pay $50.00 for each evaluation, upon receipt of a statement from the Consultant and after receipt of the letter described in paragraph 1 herein. The Corporation shall pay and additional $25.00 at the first billing to cover start-up costs.

4. **Use of Information.** The Consultant shall not at any time utilize any information relating to the Corporation and its activities whether in the course of other employment or otherwise, if such information is not available to the public generally and if such information has been gained in the course of the employment by the Corporation pursuant to this Agreement or otherwise. The Consultant shall not communicate any such information to any individuals or institutions for any purpose whatsoever without the express consent of the Executive Director or a Deputy Executive Director.
5. **Termination.** This Agreement may be terminated by either the Corporation or the Consultant by providing thirty (30) days' written notice to the other party. In addition, this Agreement may be terminated by the Corporation immediately upon written notice by the Corporation to the Consultant in the event that the Consultant has failed to comply with any of the provisions of this Agreement.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Steven J. Kantor, Deputy Executive Director
and Treasurer

MUNICIPAL SECURITIES EVALUATION SERVICE, INC.

By: 
A. Gordon Wooton, Senior Vice President
AGREEMENT

This Agreement has been entered into this 16th day of September 1982 by and between the Municipal Assistance Corporation For The City of New York, New York (hereinafter "Corporation") and Municipal Securities Evaluation Service, Inc., 55 Broad Street, New York, New York, (hereinafter "Consultant").

1. **Services.** The Consultant agrees to evaluate certain obligations of the City of New York held by the Corporation which have been or may be pledged to Citibank, N.A. under a certain securitization agreement dated as of June 3, 1982, among the Corporation, Citibank, N.A., and the United States Trust Company of New York. The Consultant will evaluate the obligations requested by the Corporation on the first day of each month and on such additional dates not to exceed 12 in any one year as requested by Citibank. At each evaluation, the Consultant will provide the Corporation with a letter stating:

1) market value of each bond on the attached list;
2) the date that the bonds were priced;
3) a statement of the total market value of the listed bonds.

2. **Duration.** The services defined herein shall commence July 22, 1982 and shall continue through May 1983, unless sooner terminated as provided herein.

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**MUNICIPAL ASSISTANCE CORPORATION**
**FOR THE CITY OF NEW YORK**

By: [Signature]
Steven J. Kantor, Deputy Executive Director
and Treasurer

**MUNICIPAL SECURITIES EVALUATION SERVICE, INC.**

By: [Signature]
A. Gordon Wooton, Senior Vice President
16 September 1982

Steve Weinstein, Steve Kantor, Max Gillman

Heather Ruth

Check list re "competitive bid" of $150 more commercial paper (Revised with SW comments -- look at it again please.)

A. Schedule:

Sept. 15  Finance Committee Chairman clears plan with Felix (I pray).

Sept. 16  H. Ruth tells all participants.

by 22nd  We choose financial institutions to solicit and contact them; and distribute "basic materials;" schedule meetings.

by 29th  Try to have preliminary expression of interest by Board meeting.

Sept. 30  Status Report and Schedule Presentation to Board.

by Oct. 30*  All preliminary meetings are complete.

by Nov. 15*  All bids due.

by Nov. 30*  MAC chooses best bids. (See #5.)

by Jan. 1983  In the market.

B. "Basic Materials":

For distribution to banks:

1. Form of proposed Credit and Security Agreements.

2. Form of proposed Commercial Paper and Bank Note Resolutions.

3. Letter explaining parameters, objectives and bidding rules, including summary of BPA constraints; request for comments on documents and feasibility of returning bids two weeks from final documents.

*15 days earlier if no October deal.
C. The Rules for Bids.

1. Schedule - expect 2 week period for "information" meetings; 2 week period to develop final bids.

2. No changes in the following:
   a. The documents as of Oct. 30 mailing date -- bidders should indicate any problems with current draft before that date.
   b. Same paying agent.
   c. Same dealers.

3. Amounts solicited:
   a. $50 million.
   b. $75 million.
   c. $150 million.

One bank or group of banks (a "bidding unit") may submit up to three different bids for the three amounts.

4. A bidding unit is one or more invited financial institutions ("banks") prepared to make joint and several commitment. Lead banks may also participate shares to other banks approved by the Corporation.

5. Award - to (1) a combination of bidding units or (2) only to one or (3) to more than one? Must be made clear in letter.
16 September 1982

Mr. Thomas C. Lincoln  
Vice President  
The Bank of New York  
48 Wall Street  
New York, NY 10015

Dear Tom:

Thanks so much for your invitation to the Bank of New York's Investment Seminar at the Kiawah Island Inn in Charleston. It sounds like a great opportunity for me. Unfortunately, it the same week as the Public Securities Association Meeting--something which I am not eligible for attending, by virtue of my position, but manage to slip into thanks to my "spousehood" to Jim Ruth.

Following up on your suggestion, I am forwarding the material to Steve Kantor who is considering whether he can afford to be away at the same time. I hope you will have one of us, namely him!

Thanks once more for the invitation.

Sincerely,

[Signature]

Heather L. Ruth  
Executive Director

HLR:dnd
15 September 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 September 16, 1982, $182,500.00 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
Deputy Executive Director and Treasurer

SJK: dnd

cc: Frances N. Higgins
Pat Santivasci
Administrative Files
15 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 15, 1982, $16,820.00 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $16,500.00 of this amount was used to pay interest on commercial paper coming due and $320.00 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
Bill Jennings
Claire Curry
Administrative Files
CERTIFICATE DATED SEPTEMBER 15, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offeree of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of September, 1982.

[Signature]

Executice Director

>Title>
CERTIFICATE DATED SEPTEMBER 15, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: _________________________________
    Authorized Officer
Financial Control Board
270 Broadway
New York, New York 10007

Municipal Assistance Corporation
One World Trade Center, Suite 8901
New York, New York 10047

Dear Members & Directors:

On September 10, 1982 the City entered into a tentative labor agreement with a coalition of unions representing non-uniformed employees. The agreement provides for an eight percent wage increase in fiscal 1983 followed by a seven percent increase in fiscal 1984. The fiscal 1983 wage increase is scheduled to begin two months after the beginning of the contract period.¹ In addition, the agreement provides for increases, beginning in fiscal 1984, in health insurance and other benefits and provides for the eventual repayment, beginning in fiscal 1985, of deferred wage increases.²

This memorandum provides a preliminary outline of the cost implications of the labor settlement and its impact on the Financial Plan. It focuses on the cost impact on fiscal years 1983 and 1984 and does not estimate the cost of repaying the deferred wages.

¹ This results in an effective wage increase of 6.7 percent in fiscal 1983.
² We have not yet received sufficient data regarding the part of the settlement relating to deferred wages.
Based on our preliminary calculations, if the terms of this labor agreement were to apply to all City employees, the cost to the City would be $378 million in fiscal 1983 and $1,074 million in fiscal 1984. By contrast, the City's financial plan, which was predicated on the assumption of three percent annual wage increases, provides only $202 million in fiscal 1983 and $386 million in fiscal 1984 for labor settlement costs.

In fiscal 1983, the cost of the labor settlement above the amount provided for in the Plan, $176 million, can largely be absorbed through the use of existing reserves and through other budgetary actions the City has reportedly undertaken. Barring major adverse developments, any remaining gap is of manageable proportions. However, for fiscal 1984 the incremental cost of the settlement above the amount provided for in the Plan is $688 million. When combined with a baseline deficit of $406 million, the City faces a fiscal 1984 gap of approximately $1.1 billion. (Schedule I).

To a significant degree, this large increase in the gap results from the cost of the settlement being weighted heavily towards fiscal 1984 as compared to fiscal 1983. The fiscal 1984 cost of the settlement is nearly three times the cost of the settlement in fiscal 1983.

The City, in the past, has successfully closed gaps of the magnitude currently being projected for fiscal 1984. Schedule II shows how the City was able to eliminate a projected fiscal 1983 gap of over one billion dollars.\(^1\) The gap was eliminated through the use of the prior year's surplus (which had been generated by increases in economically sensitive revenues), increases in State aid, tax increases and budgetary reductions.

\(^1\) Based on the January 15, 1982 financial plan estimates.
However, many of the methods used to close the 1983 gap may not be available in fiscal 1984. The State's ability to render ever increasing assistance is limited by the State's own budget difficulties. The Governor is projecting a State budget gap of over $300 million in State fiscal 1983 and over $1 billion in State fiscal 1984.

Perhaps more significantly, inflation helped keep tax revenues high through fiscal 1981, while the City was able to contain expenditure growth below the inflation rate. Currently, however, the City is forecasting that local inflation will grow by only 5.3 percent annually in fiscal years 1983 and 1984. Personal service costs on the other hand, which constitute the largest component of the City's budget, will grow more rapidly as a result of the current proposed settlement which provides for labor cost increases of 8 percent in fiscal 1983 and 7 percent in fiscal 1984.

There is also evidence that the City's economy, which successfully weathered the national economic downturns of the last few years, may be slowing down. During the past six months there has been a significant reduction in the rate of growth of City tax collections. Sales tax collections grew by four percent in the second half of fiscal 1982 compared to growth of thirteen percent in the first half of fiscal 1982. In addition, estimated tax payments by individuals and businesses, a key indicator of expected revenue performance, have also declined significantly (Schedule III). Such payments declined by 6 percent in the most recent 6 month period as compared to growth of 28 percent and 9 percent in the comparable periods in 1980 and 1981, respectively. Interest income is also likely to be $25 million
to $50 million below planned levels as a result of the recent decline in interest rates.¹

The City will soon be submitting a plan to fund its proposed labor settlements. Obviously, when the Financial Control Board takes action on that plan it must consider data to be provided by the City on how it will fund the proposed settlements not only in the current fiscal year but also on a recurring basis.

The data in this report relating to the proposed settlement were based on information provided by City officials. We were advised that the settlement has not yet been reduced to writing. To the extent that data change or that sufficient data become available on the settlement of the wage deferrals, we will issue a subsequent report on the costs of the settlement.

Very truly yours,

Sidney Schwartz

¹ The Plan assumes interest rates of 12 percent on temporary investments. Currently, such rates are below 10 percent.
## Schedule I

**Impact of Tentative Labor Settlement on the City's Financial Plan**

(millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Fiscal 1983</th>
<th>Fiscal 1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Settlement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8% increase effective in fiscal 1983</td>
<td>$(378)</td>
<td>$(455)</td>
</tr>
<tr>
<td>7% increase effective in fiscal 1984</td>
<td>-</td>
<td>$(431)</td>
</tr>
<tr>
<td>Health Insurance and Welfare Fund Increases</td>
<td>-</td>
<td>$(63)</td>
</tr>
<tr>
<td>Increase in Pension Costs</td>
<td>-</td>
<td>$(125)</td>
</tr>
<tr>
<td><strong>Total Cost of Contract</strong></td>
<td>$(378)</td>
<td>$(1,074)</td>
</tr>
<tr>
<td>Less: Amounts Included in Financial Plan</td>
<td>202</td>
<td>386</td>
</tr>
<tr>
<td>Incremental Cost of Settlement</td>
<td>$(176)</td>
<td>$(688)</td>
</tr>
<tr>
<td>Baseline Surplus/(Deficit)</td>
<td>176(2)</td>
<td>(406)</td>
</tr>
<tr>
<td>Gap Including Labor Settlement</td>
<td>0</td>
<td>$(1,094)</td>
</tr>
</tbody>
</table>

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(1) Assumes settlement applies to all City employees including custodial employees in the Board of Education.

(2) Assumes that any gap can be largely absorbed by existing reserves and announced budgetary actions. These reserves include $81 million in the general reserve in excess of the $100 million statutory reserve. In addition, the City has announced a budgetary reduction program designed to save $57 million in fiscal 1983. There are also pension savings not yet reflected in the plan of $50 million.
Schedule II

How the Fiscal 1983 Projected Budget Gap Was Eliminated
(in millions)

<table>
<thead>
<tr>
<th>Better/(Worse)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Budget Gap - Per City Proposed Plan 1/15/82</td>
<td>$ (854)</td>
</tr>
<tr>
<td>Additional Labor Settlement Costs</td>
<td>(206)</td>
</tr>
<tr>
<td>Restated Estimate of Projected Gap</td>
<td>(1,060)</td>
</tr>
</tbody>
</table>

Gap Closing Measures

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rollover of 1982 Surplus</td>
<td>$ 281</td>
</tr>
<tr>
<td>Increased State Aid(1)</td>
<td>210</td>
</tr>
<tr>
<td>City Budget Cuts(2)</td>
<td>242</td>
</tr>
<tr>
<td>City Tax Increases(3)</td>
<td>171</td>
</tr>
<tr>
<td>Miscellaneous Revenue Increases(4)</td>
<td>79</td>
</tr>
<tr>
<td>Net Baseline Changes(5)</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td><strong>1,060</strong></td>
</tr>
</tbody>
</table>

Surplus/(Deficit)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
</tr>
</tbody>
</table>

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(1) $122 million in Medicaid and $88 million in Education aid.

(2) Assumes the successful implementation of planned reductions in the following areas: $74 million in the Board of Education, $52 million in Mayoral Agencies, $34 million in the Health and Hospitals Corporation and $25 million in MAC Debt Service as part of the adopted plan, and $57 million in additional reductions which were subsequently imposed.

(3) Primarily from the personal income tax and the general corporation tax.

(4) Primarily $45 million in Water & Sewer rate adjustments and $31 million from accelerated real estate tax payments.

(5) Assumes utilization of available reserves and other actions necessary to insure a fiscal 1983 balanced budget.
Schedule III

Percentage Change in Estimated Tax Payments of City Income Taxes
For the Six-Month Period Ending August (1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income Tax</td>
<td>22%</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>13.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Corporation Tax</td>
<td>15</td>
<td>20</td>
<td>(2)</td>
</tr>
<tr>
<td>6.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Corporation Tax</td>
<td>90</td>
<td>(23)</td>
<td>(46)</td>
</tr>
<tr>
<td>2.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unincorporated Business Tax</td>
<td>12</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>1.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Growth (Weighted)</td>
<td>28%</td>
<td>9%</td>
<td>(6)%</td>
</tr>
<tr>
<td>23.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The latest six month period for which 1982 data is available. This period also coincides with the first payments of estimated tax on 1982 tax liabilities.
15 September 1982

The MAC Staff

Heather L. Ruth

Review of staff responsibilities, attendance requirements and enforcement.

The Corporation has survived and prospered since its inception with a flexible organization, considerable sharing of responsibility among staff members, and limited formal work rules. The small size of the staff has permitted this flexibility and informality, and maintenance of this atmosphere is highly valued by many members of the staff.

Unfortunately (but not unexpectedly), there is a trade-off between "informality" and efficiency, especially with respect to ongoing routine tasks. I am willing to tolerate a certain loss of efficiency (even when it significantly reduces my productivity) so long as a) it is kept within bounds, b) we get the work done and c) most of the staff seem to feel pretty good about their jobs, their responsibilities and their relationships with the rest of the staff.

However, the balance between informality and flexibility, on one hand, and productivity, on the other, has come unstuck over the summer and must be rectified.

Too many things are "falling through the cracks." Too much work is routinely behind or not getting done. We are too often compromising both the production quality and content of priority documents. There is too big a risk that the tasks that absolutely must be done every day won't happen one day. There are too many absences, too many lates, too many times a knowledgable and familiar voice does not greet telephone calls from Board members.

The distribution between those who must routinely put in "overtime" to get things done and those who must do so only sporadically--always "inequitable" at MAC given the range of different tasks we do in close proximity to each other—is getting worse. An increasing number of us are unhappy with the way things work, starting with me.

The purpose of writing a memo, rather than start with a staff meeting, is to set out, for all the staff, the basic responsibilities which MAC must accomplish each day—including who is responsible—so that each of you can think about solutions to the problems that affect you, whether as "provider" or "receiver" of service. A large part of the problem may be that too few of the staff are adequately aware of some of the significant changes in our activities...
which have evolved over the last year. You may not know how critical your predictable and dependable performance of certain tasks is to the operations of the Corporation because no one has told you. It may also be that responsibilities or people or both need to be shifted. It may be (though I doubt it as of now) that we need more or different staff.

It is time for a systematic review of the organization and how it works. Consistent with the Corporation's style, I want your input before making any "radical" changes.

Beginning this week, I will set up a series of meetings with groups of staff defined by "area of responsibility" on the attached charts. Consistent with the way we share responsibilities, many of you will find yourselves attending several different meetings. I also encourage and will make an opportunity for each individual to meet with me separately to insure that we have a chance to sort out the conflicting claims on your time and that you have the chance to gripe in private.

What follows is background, for your information and consideration:

A. "The Problem"

In reaction to this broadside, it may occur to you that the frustrations I express (and which are shared) are in response to "summer"; that they will go away with the end of "vacation season." You are welcome to try to persuade me, but I warn you of unlikely success. Sure, we have had more than usual to do this summer, with the start up of commercial paper, and some key staff turn-over and replacements; vacations have been extensive, as have been other legitimate but unusual absences. For much of the summer, much of the staff has been "covering" for the absence of other staff.

Much more important and systematic, however, are changes which will not go away with summer, including:

1. The demands of selling commercial paper every day; expansion to $250 million will probably make it worse.

2. The increasing number and complexity of daily investment transactions, due in part to recently imposed restrictions.
Required Availability

Ineligible Individuals

Substitutes (in order)

Officer Responsible

Person Responsible

Task/Responsibility

Functional Area

Accounting

Manual Records & Relations with PM

General Supervision

Vendtor Payments

Fran

LARRY

SK

Deneise

Bea

Steve Kantor

Fran

Deneise

Bea

Bea

One Day Absence

No More Than
<table>
<thead>
<tr>
<th>Periodic</th>
<th>Daily</th>
<th>Daily</th>
<th>Required Availability</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Bea</td>
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<tr>
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<td>Heather</td>
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<tr>
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<td>Larry</td>
<td></td>
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<tr>
<td>MAX/SW</td>
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<tr>
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<tr>
<td>LNN - REPO</td>
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</tr>
<tr>
<td>Fran</td>
<td></td>
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<tr>
<td>Point Person--</td>
<td></td>
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<td></td>
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<td>CONFIRMATION LETTERS</td>
<td>PURCHASES &amp; SALES</td>
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<td>HR</td>
<td>SW</td>
<td>SK</td>
</tr>
<tr>
<td>----------</td>
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Intelligible Individuals

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<tr>
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<th>HEATHER</th>
<th>SW</th>
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Officer Responsible

<table>
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<th>LARRY</th>
<th>MAX</th>
<th>SK</th>
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<tr>
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Person Responsible "Point Person"

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<tr>
<th>PRINTING/PRODUCTION</th>
<th>SECTION</th>
<th>DOCUMENTS</th>
<th>STRUCTURE/SALES</th>
<th>TASK/RESPONSIBILITY</th>
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Functional Area

FINANCING
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<th>Functional Area</th>
<th>Task/Responsibility</th>
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<td></td>
<td></td>
<td>Distribution</td>
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<tr>
<td></td>
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<td>Work</td>
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<td>Coverage</td>
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<td>Denise</td>
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<td>Lynn</td>
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<td>Vickie</td>
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<td>Betty</td>
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<tr>
<td>Lynn</td>
<td>Betty</td>
<td>Denise</td>
</tr>
<tr>
<td>SK</td>
<td>SK</td>
<td>SK</td>
</tr>
<tr>
<td>HLR</td>
<td>SV/MG</td>
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<table>
<thead>
<tr>
<th>Required Availability</th>
<th>Interchangeable Individuals</th>
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<tbody>
<tr>
<td></td>
<td>Betty  Denise Lisa Lynn</td>
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</table>

"Point Person"--
Person Responsible
<table>
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<tr>
<th>Required Availability</th>
<th>Imimbible Individuals</th>
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<tbody>
<tr>
<td>Fran</td>
<td>Fran</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Substitute (in order)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellen &amp; DEC</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer Responsible</th>
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</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Personnel Responsible</th>
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</thead>
<tbody>
<tr>
<td>Karin</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Task/Responsibility</th>
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<td>System Development</td>
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<th>Functional Area</th>
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<tr>
<td>Design &amp; Code</td>
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<td>Accounting &amp; Interface</td>
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<td>Functional Area</td>
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<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Commercial Paper-Sales</td>
</tr>
<tr>
<td>MAX</td>
</tr>
<tr>
<td>MAX</td>
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<tr>
<td>MAX</td>
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</tbody>
</table>
15 September 1982

To: Steve Weinstein, Steve Kantor, Max Gillman
From: Heather Ruth
Re: Check list re "competitive bid" of $150 more commercial paper -- need your reaction and revisions.

A. Schedule:

Sept. 15 Finance Committee Chairman clears plan with Felix (I pray).

Sept. 16 H. Ruth tells all participants.

by 22nd We choose banks and other financial institutions to solicit and contact them; and distribute "basic materials;" schedule meetings.

by 29th Try to have preliminary expression of interest by Board meeting.

by Oct. 15. All preliminary meetings are complete.

by Oct. 30 (?) All bids due.

by Nov. 15 MAC chooses best bids; puts together combinations as necessary.

by Jan. 1 In the market?

B. "Basic Materials":

For distribution to banks:

1. Credit and security agreements with all changes required - fees blank.

2. Note resolution.

3. BPA waiver to make clear absolute constraints?


C. The Rules for Bids.

1. Schedule - expect 2 week period for "information" meetings; 2 week period to develop final bids.
2. No changes in the following:
   a. The documents as of Oct. 15 mailing date -- bidders should indicate any problems with current draft before that date.
   b. The paying agent.
   c. The dealers.

3. Amounts solicited:
   a. $50 million.
   b. $75 million.
   c. $150 million.

One bank or group of banks (a "bidding unit") may submit three different bids for the three amounts.

4. A bidding unit is one or more invited financial institutions ("banks") prepared to make joint and several commitment. Lead banks may also participate shares to other banks approved by the Corporation.
14 September 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 Special Account.

You were instructed on Sept. 7, 1982, for settlement on Sept. 14, 1982, to purchase from William E. Pollock & Co. $200,000 par value of Municipal Assistance Corporation Series 9 Bond due July 1, 1992, with a coupon of 7.5%, at a price of 82.5% of par, plus accrued interest.

You were also instructed on Sept. 8, 1982, for settlement on Sept. 15, 1982, to purchase from Emanuel & Co. $205,000 par value of Municipal Assistance Corporation Series 9 Bond due July 1, 1992, with a coupon of 7.5%, at a price of 83.625% of par, plus accrued interest.

You were further instructed on Sept. 8, 1982, for settlement on Sept. 15, 1982, to purchase from Gabriel Hueglin & Cashman, Inc. $125,000 par value of Municipal Assistance Corporation Series 8 Bond due July 1, 1992, with a coupon of 7.5%, at a price of 84.5% 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 Special Account 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
14 September 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 Special Account.

You were instructed on Sept. 9, 1982, for settlement on Sep. 16, 1982, to purchase from Bear Stearns & Co. $50,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.625% of par, plus accrued interest.

You were instructed on Sept. 9, 1982, for settlement on Sep. 16, 1982, to purchase from Merrill Lynch, Inc. $9,515,000 par value of Municipal Assistance Corporation Series 9 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 85% of par, plus accrued interest.

You were instructed on Sept. 9, 1982, for settlement on Sep. 16, 1982, to purchase from Bear Stearns & Co. $2,000,000 par value of Municipal Assistance Corporation Series 9 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.75% of par, plus accrued interest.

You were instructed on Sept. 9, 1982, for settlement on Sep. 16, 1982, to purchase from Merrill Lynch, Inc. $1,300,000 par value of Municipal Assistance Corporation Series 9 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.75% 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 Special Account 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 Special Account will be required. 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: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
14 September 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 Special Account.

You were instructed on Sept. 7, 1982, for settlement on Sept. 14, 1982, to purchase from Merrill Lynch Inc. $155,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.5% of par, plus accrued interest.

You were instructed on Sept. 8, 1982, for settlement on Sept. 15, 1982, to purchase from Merrill Lynch Inc. $500,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.5% of par, plus accrued interest.

You were instructed on Sept. 8, 1982, for settlement on Sept. 15, 1982, to purchase from Emanuel & Co. $460,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 84.5% 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 Special Account 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 Special Account will be required. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Treasurer

SJK/bwj

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
14 September 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 Sept. 7, 1982, for settlement on Sept. 8, 1982, to purchase from Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due March 31, 1983, at a discount of 9.90%.

You were instructed on Sept. 7, 1982, for settlement on Sept. 8, 1982, to purchase from Goldman Sachs & Co. $5,000,000 par value of Federal Home Loan Discount Notes due March 22, 1983, at a discount of 9.90%.

You were instructed on Sept. 7, 1982, for settlement on Sept. 8, 1982, to sell to Goldman Sachs & Co. $10,000,000 par value of Federal Home Loan Discount Notes due January 5, 1983, at a discount of 9.90%.

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: Frances N. Higgins
Lawrence Remmel, Esq.
Pat Santivasci
Rochelle Siegel
14 September 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 Account established under the Second General Bond Resolution.

You were instructed on Sept. 3, 1982, for settlement on Sept. 7, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Notes due December 31, 1982, with a coupon of 9.375%, at a price of par, plus accrued interest.

You were instructed on Sept. 3, 1982, for settlement on Sept. 7, 1982, to purchase from Chemical Bank $5,000,000 par value of United States Treasury Bills due December 30, 1982, at a discount of 8.5%.

The Corporation confirms that in issuing such instructions it has taken into consideration the dates and times when moneys in the Bond Service 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 in the Bond Service 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: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
14 September 1982

Robert R. Grew, Esq.
Carter Ledyard & Milburn
Two Wall Street
New York, New York 10005

Re: Bills dated August 23, 1982

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 to the United States Trust Company of New York, acting as Trustee for the Bondholders of the Corporation.

Your three bills dated August 23, 1982, total $11,468.00, including charges of $11,273.75 for personal services and $194.25 for reimbursable expenses, for services rendered during the month of July 1982.

We are proposing settlement of these bills by reducing the charge for personal services by $901.90, or 8 percent, to $10,371.85. This would reduce the total due your firm to $10,566.10.

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

Sincerely,

[Signature]

Stephen J. Weinstein
Deputy Executive Director and Counsel

[Enclosure]

ACCEPTED:
CARTER LEDYARD & MILBURN

By: _____________________
Date: ____________________
13 September 1982

Mr. Roy Sparrow  
Acting Dean  
New York University  
Graduate School of Public Administration  
4 Washington Square North  
New York, New York 10003

Dear Roy:

Thank you for your letter of August 12th, inviting me to serve for another year as a member of the Advisory Board of New York ASPA. I am willing to serve once more, though I want to make sure you are amenable to relatively limited involvement.

Last year worked out well with Rick, kibitzing on the phone from time to time. But my actual activities were quite limited, principally, one program last spring and participating in the planning for this year's conference. Oh yes, I certainly cannot forget Hawaii, thanks to Rick's including me in his panel! Seriously, however, I find it difficult to make most of the meetings and do not want to be in a position to be expected to do more. Perhaps, under the circumstances, you would prefer to offer the position to someone who can be more active. If so, please let me know.

In the meantime, congratulations on your election and best wishes for a very successful year. One way or the other, we will be doubtless seeing each other with the convention coming up this spring!

Best wishes,

[Signature]

Heather L. Ruth  
Executive Director

HLR:dnd
August 12, 1982

Heather Ruth
Executive Director
Municipal Assistance Corporation
One World Trade Center, Suite 8901
New York, N.Y. 10048

Dear Heather:

As you know, I am President of the New York Metropolitan Chapter of the American Society for Public Administration for 1982-83. Having worked closely with Rick Culley on ASPA affairs during the past year, I am aware of the role which your endorsement and support played in making last year the most successful in recent memory. To help consolidate and extend the advances of the past year, I hope you will agree to serve as a member of the Advisory Board for an additional year.

I want this year's programs and institutes to confront some of the tough issues facing government. This will require speakers who are informed, forthright, and incisive. It means that topics have to be defined and programs scheduled in August and September for the entire year. I would be grateful for your suggestions of timely topics and stimulating speakers.

I look forward to hearing from you concerning your willingness to serve once more on the Advisory Board and your programatic recommendations.

Sincerely,

Roy Sparrow
Acting Dean
President, New York Metropolitan Chapter of ASPA

RS:ml
13 September 1982

Terri Posner's Contract File

Heather L. Ruth, Executive Director

Basis for Per Diem Rate and Contract Minimum Assumptions.

Contract rate of $25 per hour is based on discussions with Terri in March 1982 when she was considering full-time consulting for multiple clients as an alternative to other full job offers upon leaving the Corporation. See my memorandum of March 19, 1982, attached.

For the purpose of contract maximum and budget assumptions, the actual contract of September 10, 1982, assumes that Terri's services will be needed on a minimal basis to assist other staff (Larry Flood) to assume her duties while at the Corporation full time. This is likely to take the form of a maximum four day commitment per new official statement, as assumed in the March analysis, for a maximum of four months.

HLR: dnd

cc: S. Kantor
    Budget Book (without attachments)
19 March 1982

Terri Posner

Heather L. Ruth

Consulting Arrangements

I have done some more "fooling around" with the numbers we talked about on Monday to see if they stand up to scrutiny. (Not surprisingly, the lunch-table method of analysis produced some errors! At lunch, I derived too large a number for the file system project. Therefore, have adjusted the time up to six months at "half-time."

Table 1 and Table 2 summarize my rough analysis. Interestingly, if you were to begin consulting tomorrow (or whenever) and you chose to spend half-time on the file project at the rate indicated, you would be about 95% full time employed and earn at the cash rate of $37,406 annually over the succeeding six months. The subsequent six months, MAC would keep you busy at approximately a 30 percent rate on budget analysis only.

Of course, anything you did during the first six months for another client, would take time away from the file project and stretch it out further into the rest of the year. Thus, I think it's fair to say that the first time the issue of a contractual minimum comes up (to insure the 30% availability to MAC for the budget) is after 60 days has been charged to the file project--in any case, no sooner than six months into the contract.

I hope this information is helpful to you in making your plans and in strategizing with other clients. While this analysis remains "rough", it is also fair to assume my willingness to make a commitment such as this as a base. In the meantime, the finding that such a scheme would guarantee you virtually full time employment as a consultant for six months on a schedule which you could very much control ought to comfort you considerably about how certain you need to be of other potential clients.

Cheers!

HLR:dan
Attachments
### TABLE 1

**ESTIMATED CONSULTANT TIME PER BUDGET, ETC.**

<table>
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<tr>
<th>Tasks</th>
<th>Scheduling Priority</th>
<th>Est. Days @ $25/hr</th>
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<tbody>
<tr>
<td><strong>Budget Monitoring</strong></td>
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<td></td>
</tr>
<tr>
<td>OS &amp; Associated per Deal</td>
<td>roughly quarterly,</td>
<td>highest</td>
</tr>
<tr>
<td>(includes City Due diligence)</td>
<td>but sometimes</td>
<td>4 per issuance</td>
</tr>
<tr>
<td></td>
<td>unpredictable</td>
<td></td>
</tr>
<tr>
<td>January Mod.</td>
<td>annual, predictable</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Spring Budget &amp; MAC Report</td>
<td>annual, predictable</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Keeping up</td>
<td>continuous/sporadic</td>
<td>medium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19</td>
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<tr>
<td><strong>Monitoring Subtotal</strong> (Annual)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>65</td>
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<tr>
<td></td>
<td></td>
<td>$11,375</td>
</tr>
<tr>
<td><strong>Optional Project</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oversight Files:</td>
<td>do-able in chunks,</td>
<td>low</td>
</tr>
<tr>
<td>Filing system</td>
<td>at the ideal pace</td>
<td>60*</td>
</tr>
<tr>
<td>design, indexing,</td>
<td>for consultant</td>
<td></td>
</tr>
<tr>
<td>thinning out back materials</td>
<td></td>
<td>$10,500</td>
</tr>
<tr>
<td></td>
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<tr>
<td><strong>Grand Total</strong></td>
<td></td>
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<tr>
<td></td>
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<td>$21,875</td>
</tr>
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Note: Projects as % of "full-employment" income over a year:

- Monitoring @ $11,375 = 28.9%
- Oversight Files @ $10,500 = 26.3%
- Total @ $21,875 = 55.6%
### TABLE 2

**CONSULTING FULL-TIME EQUIVALENT SALARY**

<table>
<thead>
<tr>
<th>Actual Days Worked</th>
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<td>365</td>
<td>Year</td>
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<tr>
<td>-104</td>
<td>Weekends</td>
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<td>261</td>
<td></td>
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<tr>
<td>-10</td>
<td>Legal Holidays</td>
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<td>251</td>
<td></td>
</tr>
<tr>
<td>-20</td>
<td>Vacation</td>
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<tr>
<td>231</td>
<td></td>
</tr>
<tr>
<td>-6</td>
<td>Estimated Actual Sick Time (maximum)</td>
</tr>
<tr>
<td>225*</td>
<td>Full-Time Equivalent Days</td>
</tr>
<tr>
<td></td>
<td>Actually Worked</td>
</tr>
</tbody>
</table>

My own estimate of additional, justifiable benefits (using Mathematica, Inc. as a basis, because that's where I was before beginning consulting) was that they are worth an additional 30 days, for an appropriate divisor into current salary of 195 days (as compared with the 225 above).

Thus,  

\[ \frac{34,000}{195} = \$174.36/\text{day} \text{ (or } \$175), \text{ roughly } \$25/\text{hour} \]

If you work as a consultant 225 days -- exactly "full-time" -- you earn 225 x $175 = $39,375 cash, and $5,375 is the value of benefits including your need to pay self-employment tax (FICA).

* Note that this contrasts with the 240 typically used on a conservative basis, assuming no sick leave and only two weeks vacation.
13 September 1982

Ms. Angelina Saraceno
320 Van Sicklen Street
Brooklyn, New York 11223

Dear Ms. Saraceno:

I am pleased to offer you a position as Director of Systems Development at the Municipal Assistance Corporation For The City of New York. Your salary will be $33,000, which will be reviewed at the end of six months as part of standard Corporation policy.

We are pleased to learn that you have accepted our offer and that you will begin your employment at the Corporation on Monday, October 4, 1982.

Welcome to the Corporation.

[Signature]

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK: dnd
13 September 1982

MAC STAFF (Below)

Heather L. Ruth

Damages for Claire's lunch.

I would appreciate $10 from each of the following for Friday's extravaganza:

K. A'Hearn-Sweeney
B. Alpern
D. Dean
L. Flood
B. Gilling
M. Gillman
F. Higgins
E. Hollis
A. Saraceno
V. Standifer

HLR: dnd
11 September 1982

Mr. William Levant
Deloitte Haskins & Sells
One World Trade Center
New York, NY 10048

Dear Mr. Levant:

Thank you for responding to our request for a proposal for services in connection with the Municipal Assistance Corporation For The City of New York's Portfolio Management System. On the basis of your proposal, we have selected Deloitte Haskins & Sells to assist us in the final stages of development of the portfolio management system.

I have enclosed a contract for your approval. As you will note, the Corporation has elected to engage Deloitte Haskins & Sells to complete the first two sections of your proposal, General Design and Final Design. After the completion of these two phases, which we estimated to be on or before October 15, 1982, the Corporation will evaluate your performance and our willingness to complete the other phases of your proposal.

We have requested that you notify us bi-weekly as to your estimate of your hours billable to the project by the three billing categories. We have also requested that you notify us if and when the estimated cost reaches $10,000.

We look forward to working with you and other members of Deloitte Haskins & Sells.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd
Enclosure
AGREEMENT

This Agreement has been entered into this ___ day of September 1982, by and between the Municipal Assistance Corporation For The City of New York, One World Trade Center, New York, New York, (hereinafter "Corporation") and Deloitte Haskins & Sells, One World Trade Center, New York, New York, (hereinafter "Consultant").

1. Service. The Consultant shall provide services as described in the letter dated July 9, 1982 attached hereto and incorporated herein by reference, under the heading "General Design" and "Final Design". The services include but are not limited to a written review of the functional specification dated July 9, 1982, proposed by the Corporation and Digital Equipment Corporation, (hereinafter "DEC"); a written review of the design specification developed from the revised functional specification; and meeting with the members of the Corporation and members of DEC to discuss the Portfolio Management System.

2. Duration. This contract shall be in effect from the dated date until October 15, 1982, unless extended upon mutual agreement of the Corporation and the Consultant to include "Pre-Implementation" and "Post-
Implementation" as described July 9, 1982 or sooner terminated as provided herein.

3. **Compensation.** The Corporation shall compensate the Consultant on an hourly basis per the rate schedule quoted in the attached letter. The Consultant shall report bi-weekly to the Corporation its estimate of hours worked by its members by three categories. The Consultant shall submit a bill at the completion of the project, unless other arrangements have been mutually agreed to by the parties. The Corporation shall reimburse the Consultant for all reasonable expenses incurred during this project, upon appropriate documentation. The Consultant shall notify the Corporation in writing when, in the Consultant's estimation, the amount owed by the Corporation to the Consultant exceeds $10,000 in which case the Consultant shall not proceed without written approval of the Corporation.

4. **Use of Information.** The Consultant shall not at any time utilize any information relating to the Corporation and its activities whether in the course of other employment or otherwise, if such information is not available to the public generally and if such information has been gained in the course of the employment by the Corporation pursuant to this Agreement or otherwise. The Consultant shall not
communicate any such information to any individuals or institutions for any purpose whatsoever without the express consent of the Executive Director or a Deputy Executive Director.

5. Termination. This Agreement may be terminated by either the Corporation or the Consultant by providing 5 days written notice to the other party. In addition, this Agreement may be terminated by the Corporation immediately upon written notice by the Corporation to the Consultant in the event that the Consultant has failed to comply with any of the provisions of this Agreement.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: _________________________________

Steven J. Kantor, Deputy Executive Director

and Treasurer

DELOITTE HASKINS & SELLS

By: _________________________________

William A. Levant Jr., Partner
Municipal Assistance Corporation  
1 World Trade Center Suite 8901  
New York, New York 10048  

July 9, 1982

Attention: Mr. Steven Kantor

Dear Mr. Kantor:

We are pleased to have this opportunity to present how we may be of assistance to the Municipal Assistance Corporation in reviewing the Portfolio Management System now under development. Our proposal is based on our understanding of your needs, as discussed in meetings between your Mr. Steven Kantor and Ms. Clair Curry, and our Messrs. Peter Hoffman, Richard Klinger, William Levant and Ms. Sandra Manilla. As a result of these meetings and our review of the Request For Proposal issued by MAC in August 1981, we have prepared an outline of our understanding of your objectives and how Deloitte Haskins & Sells (DH&S) can assist you in achieving them.

BACKGROUND

MAC has recently purchased a DEC 20/20 computer to support in-house processing of Portfolio Management, Investment Accounting, and Operating Fund recordkeeping. In addition, in the long term MAC anticipates converting the current timesharing application, which provides debt service calculations, to process on the in-house computer. At the present time, all books and records are maintained on a manual basis.

Subsequent to purchasing the computer, a review was made of existing software packages to determine if a suitable system could be purchased to meet the Corporation's needs. In August 1981, MAC issued a Request For Proposals which included both the Portfolio Management and Investment Analysis Systems. Responses received to this proposal ranged in price from $50,000 to $1,000,000. Given the wide range of proposals received and the failure to identify a suitable existing package, it was decided to develop the required software in-house. MAC contracted with Digital Equipment Corporation to provide three Systems Analysts/Programmers to assist the corporation in designing and developing the required software.
To date, efforts have resulted in the preparation of a generalized functional specification document for the Investment Portfolio Management System, and the programming of two additional systems; commercial paper issuance and a File Indexing System Helper (FISH). Conversion of existing files to FISH is currently underway, and work is now being performed to refine the functional specifications for the Portfolio Management System to define more precisely the accounting treatment of the related transactions. Although a project schedule was developed when work was initiated in November, the project is currently several months behind schedule due to delays and changes in priorities, and the schedule has not been updated. It is now anticipated that the system will be available for the quarter ending September 30, 1982.

Considerable management time and MAC resources are being devoted to the development of computer based systems to replace the current manual procedures. The staff of MAC is well qualified to define the existing processing requirements of the system. Given the magnitude of this investment, it is important to ensure that the end product, including a system of internal controls, fulfills the needs of management.

The most cost effective time to review the system of internal controls in computer systems for the purpose of recommending and implementing enhancements, is during the actual development of the computer system. Enhancements to the system of internal control can be implemented during system development with considerably less cost and effort than after the system has become operational.

OBJECTIVES

The objectives of the proposed review are the following:

1. To obtain the assistance of qualified professionals independent from your routine audit function to bring to bear a new perspective on the known processes and procedures which are currently in effect.

2. To assure that the computer system including internal controls, as implemented will be reliable with respect to processing and complete with respect to your current and anticipated needs.
The benefits to be derived from this project should include:

- Improved system of internal control for the computer application
- Reduced exposure to the occurrence of fraud or other loss
- Improved confidence in the system by user groups and management
- Long-term cost savings by assuring, to a reasonable extent, that the proper internal controls are included during the development of the system
- Reduced undetected operating errors due to better controls
- Improved auditability of systems

**APPROACH AND SCOPE**

Our ongoing involvement in the project will, as indicated above, lessen the necessity for making major changes late in the process. Consequently, we would propose to review the deliverables and participate in project status and review sessions, as appropriate, during the following Phases of the project:

- Phase I - General Design
- Phase II - Final Design
- Phase III - Pre-Implementation
- Phase IV - Post-Implementation

The following is a brief statement of the objective of our anticipated involvement in each Phase. However, since a formal system development life cycle approach is not being followed, each phase may not be complete with respect to all the deliverables identified below. Therefore, our review would be tailored to those deliverables that exist.

**PHASE I - General Design**

1) Systems Definition

There should be written narrative containing a statement identifying the overall controls, audit trails, and security provisions applicable to the system. Our review will evaluate the adequacy and accuracy of the documentation provided.
2) System Inputs

We will review the description of the required controls, edit checks, and validation logic and retention, for all inputs.

3) System Outputs

This document will be evaluated with respect to the details for balancing, distribution, information privacy, data retention requirements, and any other necessary controls, along with the proposed output reports.

4) System Files/Data Bases

There should be documentation describing the creation of master, transaction, and history files, to assure that the files contain the necessary information to provide an adequate audit trail and can be used as input to computer audit programs where appropriate. In addition to these details, our review will also include file protection controls (e.g., access, file maintenance, recovery/restart, etc.).

5) System Process Design (processing flow)

Process flow charts, such as HIPO diagrams, and HIPO extended descriptions, which diagrammatically illustrate the logic of the system, if prepared, will be reviewed for presence of such controls as validation checks, error processing, correction and re-entry, and handling out-of-balance conditions.

6) System Controls

The review of systems controls will be performed to evaluate the adequacy of application controls, both manual and automated.

7) Conversion Concept and Approach

The conversion concept and approach will be reviewed to determine if it is reasonably sound and provides adequate controls, audit trails, and reconciliation procedures.
PHASE II - Final Design

The final systems design documentation should be an updated or enhanced version of the General Design Specifications. It will be reviewed with emphasis placed on controls to determine if all objectives have been accomplished. In addition, we will review any user documentation or program specification books to determine if objectives are accomplished. This review will include documentation such as program objective narrative, input summary, output summary, HIPO specifications, and control narrative.

PHASE III - Pre-Implementation

Planning for and carrying out the conversion to and implementation of the system is critical to the success of the project.

A detailed definition of major tasks, sub tasks, and work steps is necessary to accomplish a successful conversion. The major tasks should include the following:

- Creation of system files including identification, collection, control, conversion, and maintenance of master files and data

- Identification of source data needed to develop test master files

- Testing prior to implementation including acceptance and other types of testing

- Description of the approach for generating output reports for review purposes

- Preparation of manual input, processing and output procedures for processing transactions and reports

- Preparation of user training courses

- Ordering of forms and other materials

- Preparation of an implementation plan, including an early warning mechanism that will alert management if the implementation should be aborted and rescheduled

- Establishment of a contingency plan.
We will assist you in reviewing the plan and monitoring, as necessary, the successful execution of each task. In particular, we will be available to contribute in the development and execution of the systems test.

PHASE IV - Post-Implementation

If required, we will be available to assist you in analyzing the results of the implementation effort, and specifying any necessary modifications identified during Phase III.

REPORTING

We anticipate working closely with the project team as the development effort proceeds. As a result, our observations and recommendations will be reported to you verbally as they occur and in writing on an ongoing basis, perhaps monthly, or sooner if we observe a condition we deem warrants more immediate management attention.

At the conclusion of the engagement we will prepare a written report outlining our observations and recommendations that remain outstanding for followup by management.

At the completion of the implementation effort we will prepare a written report which summarizes the work performed and our conclusions with respect to the adequacy of the system controls.

QUALIFICATIONS AND STAFFING

In an engagement of this importance, it is essential to have individuals of extensive experience and exceptional ability in an active and central role. For this reason, we propose that Mr. William A. Levant, Jr., Director in our Management Advisory Services group with responsibility for EDP internal control reviews of the New York Region, serve as project director. Mr. Peter A. Hoffman, audit Partner responsible for our New York Region government practice will serve in an advisory capacity. Ms. Sandra Manilla, a Manager in our governmental consulting group who has worked with MAC since its creation and who has extensive experience with systems design projects, will be responsible for the day to day management of the engagement. A senior consultant with extensive experience in evaluating the internal controls of applications and systems development activities will be assigned to perform the review. Other qualified consultants will be assigned as needed.
As a Firm, DH&S is especially well suited to assist MAC in this effort. Our qualifications in the brokerage and government industries, as well as our experience in systems design and internal control reviews will provide you with the combination of skills required for a thorough and knowledgeable review.

A limited selection of representative client engagements is provided as an appendix to this letter. We would be pleased to supply you with the names of specific client personnel who may be contacted for further information, should you so desire.

__Timing__

We are prepared to begin work as soon as the design document is approved. Our review will be completed as soon as practical after submission of each document.

__Fees__

The evolutionary nature of the design process to date makes it difficult to estimate the level of effort which will be required to follow the project through to implementation. The magnitude of the documentation to be reviewed, as well as the potential need to review multiple drafts, is of particular concern. Consequently, we would propose to provide you with a per diem rate for our services, with our actual billings to be based on the time required to accomplish each phase.

Prior to undertaking each phase, we will provide an estimate of the time required to review the documentation on hand. This will allow you to control, on an ongoing basis, the cost associated with our participation. Attendance at relevant project review meetings will be based on the duration of such sessions, and our close proximity to MAC will eliminate any costs associated with travel time.
Due to our deep interest in serving MAC, we will bill our services at the following hourly rates, which represent a discount from our normal fee schedule:

<table>
<thead>
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<th>Rate</th>
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<tbody>
<tr>
<td>Partners</td>
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<tr>
<td>Managers</td>
<td>$97</td>
</tr>
<tr>
<td>Consultants</td>
<td>$64</td>
</tr>
</tbody>
</table>

We appreciate this opportunity to serve MAC and would be pleased to answer any questions you may have concerning this proposal.

Yours very truly,
DELOITTE HASKINS & SELLS

William A. Levant Jr.
Partner

Enclosures
QUALIFICATIONS

The following provides a brief description of Deloitte Haskins & Sells experience in four areas relevant to serving the Municipal Assistance Corporation in reviewing the Portfolio Management System:

- Brokerage Industry
- Government Industry
- Systems Design
- Internal Control Reviews

A more general overview of the Firm and its qualifications is provided in the enclosed brochure "An Introduction To Our Firm."

BROKERAGE INDUSTRY

The New York Office Management Advisory Services Department has developed a practice group that provides specialized consulting services to a wide range of Brokerage Industry clients. This expertise is important because it provides us with an understanding of the transactions processing and valuation issues required for an effective portfolio management system. Selected engagements include:

Merrill Lynch & Co., Inc. - Subsequent to their completion of a definition of requirements, we served as consultants to the Financial Control Systems (FCS) Team in developing the conceptual and general design of a new management reporting system which provides management with both new and consistent information for control and performance appraisal purposes.

Specific improvements incorporated into the design related to organizational and financial statement reporting consistency, reporting controllable expenses in the appropriate responsibility centers, operations cost control, variance reporting by exception, imputation of interest on customer balances, and the reporting of certain revenues and expenses by product line.

Prior to conversion, we conducted a review of internal accounting controls and security practices associated with the financial control system.
Brown Brothers Harriman - DH&H reviewed the client's EDP functions including the planning and control responsibilities of the Data Processing Department and selected applications associated with banking and brokerage activities.

We reviewed existing and proposed computer systems and described an alternative approach which would provide more cost-effective teleprocessing capabilities, as well as the necessary system backup requirements. We also reviewed and made recommendations about top management's review of EDP, project management, operational guidelines and standards, and personnel assessment and training. Our analysis compared the client's EDP costs with industry averages and described ways to reduce EDP costs.

The security processing operations were reviewed in detail, and several recommendations were made to improve procedures and planning for EDP support.

Dean Witter Reynolds Organization, Inc. - We reviewed the accounting department and developed recommendations for revising its organization. Subsequently, we assisted the client in defining requirements for a financial management information system, as well as in the evaluation of a general ledger system.

Other brokerage industry engagements have included:

1. Assisting in the design and implementation of an automated accounting and reporting system for precious metal transactions at a major New York bank. This included developing draft accounting procedures, a chart of accounts for the precious metals trading subledger and a bullion inventory control system that will subsequently be incorporated into the automated processing system. Subsequently, we tested the selected system and assisted the client during the startup period to ensure adequate control and alleviate startup problems.

2. Assisting in the design of a complete back-office accounting system and data-base management system for a major investment banking firm.

GOVERNMENT INDUSTRY

An understanding of the environment in which MAC operates, as well as a demonstrated knowledge of government accounting requirements will also contribute to our ability to serve you. In recent years the New York Office served, among others, the following governmental units:

United States Treasury - We served as special consultants to the Office of New York Finance in monitoring New York City's Financial condition, reviewing all statutory reports, budgets, and financial plans. In the course of this engagement we conducted a special review of the Integrated Financial Management System (IFMS). On several occasions we worked with representatives of MAC while reviewing issues related to debt service and funding assumptions.

City of Albany - We assisted in the general design of an automated general ledger system which integrated existing purchasing and accounts payable files with the overall system. Special emphasis was placed on the Capital Project accounting requirements.

Suffolk County - We assisted in the requirements definition and selection of software for an automated personnel/payroll system.

Orange County - We are currently participating in the modification and implementation of the Automated Resource Management System (ARMS), which will provide fully integrated financial management information.

Office of the Comptroller of the Currency - We assisted in the review and revision of the procedures and practices relating to the administration of the national bank examination effort. In conjunction with this project we designed the National Bank Surveillance System which provides exception based reporting for monitoring the performance of all nationally chartered banks.

SYSTEMS DESIGN

A thorough understanding of the systems design process is vital to effective ongoing participation in the review of systems controls. Several systems design engagements performed for Brokerage and Governmental clients are mentioned above. In addition, we have participated in large scale design efforts for major manufacturing clients, publishers, insurance companies, multi-college university systems and a variety of other industries. In conjunction with each of these engagements we placed particular emphasis on the control aspects of the systems being implemented.
INTERNAL CONTROL REVIEWS

Audits performed for clients with automated financial systems regularly include an extensive review of the applicable systems controls. In addition to our generalized capability, we have developed a specially trained brokerage group devoted to serving such clients as:

Merrill Lynch & Co., Inc.
First Boston, Inc.
Goldman, Sachs & Co.
Kidder Peabody & Co.
Moore & Schley, Cameron & Co.

Similar services are provided to governmental clients including The City of New York and Albany County, as well as other public and numerous private clients.
CERTIFICATE DATED SEPTEMBER 10, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
CERTIFICATE DATED SEPTEMBER 10, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 209 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
10 September 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 September 13, 1982, $19,450.00 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
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Frances N. Higgins
   Pat Santivasci
   Administrative Files
10 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 10, 1982, $2534.67 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $2,166.67 of this amount was used to pay interest on commercial paper coming due and $368.00 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director and Treasurer

SJK:dnh

cc: Fran Higgins
    Bill Jennings
    Claire Curry
    Administrative Files
10 September 1982

Ms. Ann P. DeMarchi
Woodrow Wilson School of Public
and International Affairs
Princeton University
Princeton, NJ 08540

Dear Ann:

Here are the "damages" from last night's visit -- for transportation, that is:

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<tr>
<td>Dinky</td>
<td>1.00</td>
</tr>
<tr>
<td>PJ to NYC</td>
<td>5.60</td>
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<tr>
<td>Taxi home</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$22.00</strong></td>
</tr>
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As I have said a hundred times, I had great fun. Feel as though you should bill me!

Best wishes,

[Signature]

Heather L. Ruth
Executive Director

HLR: dnd
<table>
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<th>VIA</th>
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<td>70</td>
</tr>
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<tr>
<td>(Harel)</td>
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<td>100</td>
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<td>7</td>
<td>55</td>
<td>200</td>
</tr>
<tr>
<td>AVENEL</td>
<td>WOODEDGE</td>
<td>8</td>
<td>65</td>
<td>300</td>
</tr>
<tr>
<td>PERE AMBOY</td>
<td>ESKIMI</td>
<td>9</td>
<td>75</td>
<td>400</td>
</tr>
<tr>
<td>SOUTH AMBOY</td>
<td>MATAWAN</td>
<td>10</td>
<td>85</td>
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</tr>
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<td>20</td>
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**Note:**
- F means full fare.
- Cents are indicated as $ followed by cents.

**Disclaimer:**
The information provided is for educational purposes only and may not be accurate or up-to-date. Always consult official sources for the most accurate and current information.
10 September 1982

Professor Raymond D. Horton
Columbia University
Graduate School of Business
709 Uris Hall
New York, NY 10027

Dear Ray:

This is the sort of issue that might better come up in a telephone conversation. However, upon my return from vacation facing the usual piles of "priorities" on my desk, I am afraid I might forget.

A recent note from Miriam Cukier to me concerning my participation as a panelist at the next Setting Municipal Priorities conference December 3-4 reminds me to inquire about your plans for inviting participation from MAC more generally. Last year, thanks to the otherwise unfortunate decision of the Mayor to exclude his people, you may recall that Steve Kantor, Treasurer of the Corporation (now, also Deputy Executive Director) was able to attend.

Sure would be nice if MAC got two slots once again! We aren't out of business yet. (Am I being too pushy?)

With hope I'll be forgiven, best wishes,

[Signature]

Heather L. Ruth
Executive Director

HLR: ndd
10 September 1982

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

Attention: Pat Santivasci
Vice President

Gentlemen:

The Security Agreement among the Municipal Assistance Corporation For The City of New York, Citibank, N.A., and the United States Trust Company requires the Corporation to maintain a collateral account at the United States Trust Company. The securities placed in this collateral account must have a final maturity date not less than one year from the date of periodic valuation and not to exceed nine years from that date. The total market value of the securities on deposit in the collateral account must not be less than 130% of the Citibank credit commitment currently set at $100 million.

In accordance with the Agreement referenced above, you are instructed to transfer, prior to September 15, 1982, the following securities from the Commercial Paper Collateral Account to the New York City Bond Account.

<table>
<thead>
<tr>
<th>Type</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Bond No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYC</td>
<td>$ 6,205,000</td>
<td>10.75</td>
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<td>NYC</td>
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</tr>
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<tr>
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<tr>
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<tr>
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</table>

You are also instructed to transfer, prior to September 15, 1982, the following securities from the New York City Bond Account (095114) to the Commercial Paper Collateral Account (098882).
10 September 1982
UNITED STATES TRUST COMPANY
OF NEW YORK
Page 2

<table>
<thead>
<tr>
<th>Type</th>
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<td>8.00</td>
<td>9/15/87</td>
<td>RB009</td>
</tr>
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</table>

The only security presently in the Collateral Account which will remain after September 15, 1982 is MB056 due 9/15/84 having a principal value of $7,075,000 and an interest rate of 8%.

The total principal amount in the Collateral Account as of September 15, 1982 should be $130,248,000. These securities have an estimated market value (8/30/82) of $133,457,899.92.

Attached are the assignment letters for the transfers into the Collateral Account.

Sincerely,

Larry Flood
Finance Officer

LF: bba

Attachments
8 September 1982

Municipal Bond Division
Standard & Poor's Corporation
25 Broadway
New York, New York 10004

Ladies and Gentlemen:

The Municipal Assistance Corporation For The City of New York is grateful for the opportunity of presenting its annual summary of recent financings and plans for the future. We have provided such a review to the rating agencies each year since August, 1980, after the Corporation's debt issuance authority was expanded to $10 billion.

Since that date, the Corporation has sold over $1.5 billion of debt, more than any other municipal agency during the period. The Corporation has met the targets in the Financing Plan, developed with the City of New York. In addition, the Corporation has been at the forefront of the development of innovative tax exempt financing, selling bonds with warrants on two occasions and $100 million of commercial paper for capital purposes.

In view of the City's success to date in raising both operating and capital monies in the public markets, the Corporation has stated that it does not expect to seek a legislative increase in its debt issuance authority or extension of the period during which the Corporation may issue debt. According to the current Plan, the Corporation will have issued $9 billion by December 31, 1984, out of a total debt issuance authority of $10 billion.

Underlying the Corporation's success to date has been the excellent ratio of revenues available to debt service, both with respect to debt outstanding and total issuances under the Plan. As described in more detail herein, even under the most pessimistic assumptions of interest rates and revenue growth, coverage will nevertheless remain at levels which would be impressive even for a higher rated credit.

The Corporation believes that the peak of the Corporation's involvement with the City's capital financing program has been reached. With many of the earlier uncertainties
favorably resolved, we believe it is an appropriate juncture for reassessment of the credit-worthiness of the Corporation. In addition, we remain available to answer any questions you may have as to our future plans.

Sincerely,

Heather L. Ruth
Executive Director

Steven J. Kantor
Deputy Executive Director and Treasurer
INTRODUCTION: STATUS OF THE FINANCING PLAN

The Financing Plan for the City of New York (the "Plan") is developed and maintained by the Municipal Assistance Corporation For The City of New York (the "Corporation") and the City of New York (the "City") to provide funding for the City's capital program and to enable the City to assume complete responsibility for financing the capital program by January 1, 1985. Since the major extension and revision of the Plan in June of 1980, both the Corporation and the City have made substantial progress toward the goal of the City's financial self-sufficiency.

The current Financing Plan is presented in full on page 3 below. It provides a statement both of completed financings and uses of proceeds for past year (fiscal 1982) and prospective sources and uses of funds from the present though the 1986 fiscal year. The latter--fiscal 1983 through 1986--are projections based on the combined best judgment of the Corporation and the City at the time the projections are made. Thus, the Plan is necessarily revised periodically to reflect new developments, including changes in inter-year financing strategy.

There have been very few significant changes under the Plan since 1980. The total amount of sales for both the Corporation and the City has remained constant. This year,
THE FINANCING PLAN

Sources of Funds

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<td></td>
<td></td>
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<td>Guaranteed Sales</td>
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<td>400</td>
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<td>Corporation Bond Sales (MAC)</td>
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<td>Changes in General Fund</td>
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<td></td>
<td></td>
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<td>Advances &amp; Restricted Cash</td>
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<td>42</td>
<td>15</td>
<td>$----</td>
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<td>Sub-Total</td>
<td>1,627</td>
<td>960</td>
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<td>1,330</td>
<td>1,430</td>
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<td>Reserve for Future Requirements (Deposits/Withdrawals (2))</td>
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<td>515</td>
<td>300</td>
<td>$----</td>
<td>$----</td>
<td>815</td>
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<td>Total</td>
<td>$1,032</td>
<td>$1,475</td>
<td>$1,242</td>
<td>$1,330</td>
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<td>$5,477</td>
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Uses of Funds

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<td>City Capital Improvements</td>
<td>$882</td>
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<td>$1,330</td>
<td>$1,430</td>
<td>$5,077</td>
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<td>Corporation Capital Reserve and Guaranty Reserve Funds (MAC)</td>
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<td>100</td>
<td>50</td>
<td>$----</td>
<td>$----</td>
<td>150</td>
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<td>Refunding</td>
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<td>250</td>
<td>$----</td>
<td>$----</td>
<td>$----</td>
<td>250</td>
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<tr>
<td>Total</td>
<td>$1,032</td>
<td>$1,475</td>
<td>$1,242</td>
<td>$1,330</td>
<td>$1,430</td>
<td>$5,477</td>
</tr>
</tbody>
</table>

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(1) Represents the transfer of $147 million authorized in the 1981 fiscal year from the City's general fund to the capital projects fund. The City's Financial Plan contemplates that such amount will be used to fund capital commitments in fiscal year 1982 and will be expended during the 1982 through 1985 fiscal years.

(2) A total of $815 million of MAC bonds proceeds in the 1981 and 1982 fiscal years is expected to be held in escrow for payment to the City in the 1983 and 1984 fiscal years.
$100 million of the Corporation's sales were shifted from fiscal 1982 to fiscal 1983 to accommodate the delay of the Corporation's commercial paper program until a month after the end of the 1982 fiscal year, with a corresponding shift of $100 million of refunding from fiscal 1982 to fiscal 1983.

THE CORPORATION'S ACTIVITIES UNDER THE FINANCIAL PLAN

Despite unprecedented interest rates, the Corporation completed $725 million of financing in fiscal 1982. As indicated above, the total to be financed by the Corporation -- both publicly and privately -- through December 1984 has not changed since the Plan's extensive revision in 1980.

The Corporation will continue to have no difficulty meeting its commitments under the Plan within the current statutory maximum of $10 billion in debt issued. At June 30, 1982, the Corporation had issued $8.4 billion (exclusive of refundings), of which $7.7 billion was outstanding. Thus, if all remaining issues under the Plan are completed as projected, the Corporation will have an unutilized authorized capacity amounting to $.9 billion above and beyond the Plan.

During fiscal 1983, the Corporation is scheduled to complete $600 million in new financings. Commercial paper sales to
date have already accounted for $100 million. The Corporation is currently seeking a new credit line so that up to $250 million of commercial paper may be outstanding during this fiscal year. The last date to exercise warrants for Series 28 and 36 is January 18, 1983; if all warrants are exercised, an additional $150 million bonds will be issued. (To date, $20 million have been issued.) The Plan also calls for $250 million for refunding purposes. These sales will take place only if the refunding will result in a significant reduction in the peak debt service requirements of the Corporation.

In addition to the warrant concept and commercial paper, the Corporation will continue to consider innovative financings. The Corporation's goals in evaluating new ways of financing portions of the City's capital requirements under the Plan remain as follows:

(1) To broaden the market for the Corporation's obligations by offering a range of instruments;

(2) To minimize the chance of duplication or oversaturation in a finite retail market by the Corporation and the City; and

(3) Most importantly, to finance the City's capital requirements at the lowest possible cost.
The Corporation is investigating the feasibility of offering its obligations tailored for private placement to particular institutions. Under such a program, the Corporation would authorize a large amount of bonds to be issued. Representatives of large purchasers would be invited to approach the Corporation for specified amounts and maturities. This process would be similar to "shelf registration" in the equity market. The Corporation expects such an arrangement to result both in lower issuance costs and lower interest costs.

**COVERAGE**

The Corporation has substantial revenues available to meet the coverage tests under the Plan. The Corporation may not issue additional Second Resolution Bonds unless current revenues, after payment of maximum annual First Resolution debt service and operating expenses, exceed maximum annual Second Resolution debt service by at least 2.0 times. No difficulty is anticipated in meeting this coverage test under the Plan. Indeed, the projected coverage appears outstanding when compared to similar issuers.

The exhibits following the text present projected debt service coverage under several alternative assumptions of revenue growth through 1986 and the interest rate of remaining issuances, respectively. The assumptions about
revenue growth are conservative relative to recent performance. (See Exhibit II.) Assumed interest rates on the remaining debt to be issued under the Plan range from 10 percent to 15 percent, which the Corporation believes to be prudent in view of current market conditions. (See Exhibits I and III.) Exhibits I summarizes the results of these projections for fiscal 1985, the year of maximum debt service.

As shown in Exhibit I, even under the "worst case" combination of 15 percent average interest on all remaining issuances and only 5 percent growth in sales tax revenues, coverage of debt service from all revenues would be 2.31 times, and coverage from sales tax alone would be 1.42 times. The more favorable, though still conservative, assumptions shown yield more favorable coverage projections.

Furthermore, there are a number of conservative assumptions built into projected debt service (Exhibit III) in addition to high interest rates for the remaining debt to be issued. The actual debt service in fiscal 1985 and peak debt service beyond 1981 will be substantially lower than that shown to the extent the Corporation:

(1) Issues debt of longer average life than the relatively short debt assumed,
(2) Refunds existing debt which includes amortization in the peak years, or

(3) Issues less debt in aggregate than assumed over the 4 year period, should the City prove capable of issuing more debt than shown in the current Plan.

Finally, the impact of payments to the Corporation on obligations of the City should be noted. Holders of the Corporation's securities do not have a lien on either the City bonds held by the Corporation or payments made thereon, and the Corporation may issue additional debt under the Resolutions only if such issuances satisfy the Corporation's coverage tests on the basis of the specified revenues. At the same time, however, the Corporation currently receives significant income from the payment of debt service on City obligations it holds, and the amount of income will increase as the Corporation purchases City mirror bonds in the transfer of proceeds to the City for use in financing the capital program.

MANAGEMENT

Under state statute, the Corporation is administered by a Board of Directors. Most members of the Board, including the Chairman (except for a brief period), have served as directors since the inception of the Corporation in 1975. The Chairman, Felix G. Rohatyn, is Chief Executive Officer.
of the Corporation. Other directors who perform major policy functions on a continuing basis include:

Edward M. Kresky -- Vice Chairman of the Board, Chairman of the Investment Committee

Eugene J. Keilin -- Chairman, Finance Committee

Andrew P. Steffan -- Chairman, Audit Committee

Robert C. Weaver -- Chairman, Administration Committee

Dick Netzer -- Chairman, City Budget Committee

The Corporation is managed by 4 senior officers:

Heather L. Ruth -- Executive Director and Chief Operating Officer

Stephen J. Weinstein -- Deputy Executive Director and Counsel

Steven J. Kantor -- Deputy Executive Director and Treasurer
Maxine Gillman -- Secretary and Associate Counsel

In addition to these officers, there is a support staff of 10 employees.

The Financial Advisor to the Corporation is Lazard Freres, who serves without compensation.

Summary

The Corporation has completed another year of a Financing Plan designed to provide adequate funds to meet the City's capital requirements while the City regains access to the public markets. The demonstrated ability of the City to enter the public market and the continued and projected availability of revenues to meet present and future debt service requirements of the Corporation provide strong basis for a re-evaluation of the rating of the Corporation's obligations.
EXHIBIT I

Projected Coverage in Fiscal 1985: Various Assumptions

Existing MAC Debt Service Plus Remaining Debt to be Issued Under the Plan At

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>10%</th>
<th>12.5%</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Sales Tax Alone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>1.47</td>
<td>1.45</td>
<td>1.42</td>
</tr>
<tr>
<td>City Assumptions</td>
<td>1.50</td>
<td>1.48</td>
<td>1.46</td>
</tr>
<tr>
<td>Historical</td>
<td>1.63</td>
<td>1.61</td>
<td>1.58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All Revenues (Increase in Sales Tax Only)</th>
<th>10%</th>
<th>12.5%</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>2.39</td>
<td>2.35</td>
<td>2.31</td>
</tr>
<tr>
<td>City Assumptions</td>
<td>2.42</td>
<td>2.39</td>
<td>2.35</td>
</tr>
<tr>
<td>Historical Average</td>
<td>2.48</td>
<td>2.44</td>
<td>2.40</td>
</tr>
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</table>
# EXHIBIT II

## REVENUES AVAILABLE TO MAC

### Historical Revenues

(In $ millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales Tax</th>
<th>$ Increase</th>
<th>All Revenues</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>919</td>
<td>7.0</td>
<td>1,709</td>
<td>8.6</td>
</tr>
<tr>
<td>1979</td>
<td>999</td>
<td>8.7</td>
<td>1,870</td>
<td>8.8</td>
</tr>
<tr>
<td>1980</td>
<td>1,137</td>
<td>13.8</td>
<td>2,082</td>
<td>12.0</td>
</tr>
<tr>
<td>1981</td>
<td>1,294</td>
<td>13.9</td>
<td>2,409</td>
<td>15.7</td>
</tr>
<tr>
<td>1982</td>
<td>1,401</td>
<td>8.3</td>
<td>2,416</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Five Year Average Growth 10.5%
Compound Growth 8.8%

### Revenue Assumptions

(In $ Millions)

#### Sales Tax Alone

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>5% Growth</th>
<th>City Projection</th>
<th>5-Year Historical Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>1,401</td>
<td>1,401</td>
<td>1,401</td>
</tr>
<tr>
<td>1983</td>
<td>1,471</td>
<td>1,484</td>
<td>1,524</td>
</tr>
<tr>
<td>1984</td>
<td>1,544</td>
<td>1,569</td>
<td>1,658</td>
</tr>
<tr>
<td>1985</td>
<td>1,622</td>
<td>1,661</td>
<td>1,804</td>
</tr>
<tr>
<td>1986</td>
<td>1,703</td>
<td>1,757</td>
<td>1,963</td>
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</table>

#### All Revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>5% Growth</th>
<th>City Projection</th>
<th>5-Year Historical Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>2,416</td>
<td>2,416</td>
<td>2,416</td>
</tr>
<tr>
<td>1983</td>
<td>2,486</td>
<td>2,499</td>
<td>2,517</td>
</tr>
<tr>
<td>1984</td>
<td>2,560</td>
<td>2,584</td>
<td>2,625</td>
</tr>
<tr>
<td>1985</td>
<td>2,637</td>
<td>2,676</td>
<td>2,741</td>
</tr>
<tr>
<td>1986</td>
<td>2,718</td>
<td>2,772</td>
<td>2,865</td>
</tr>
</tbody>
</table>

---

1. 1978-1982 Compound Growth = 8.8%
2. Assumes no increase in Revenues available from Per Capita Aid; or the Stock Transfer Tax; presently at $484 million and $531 million respectively.
3. 1978-1982 Compound Growth = 7.2%
### EXHIBIT III
**Projected MAC Debt Service Under the Plan**  
(In $ Thousands)

<table>
<thead>
<tr>
<th>12-Month Period Ended June 30</th>
<th>Existing MAC Debt Service¹</th>
<th>Total Debt Service² If Remaining Issuance Under Plan Were Completed At:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>1983</td>
<td>848,627</td>
<td>886,127</td>
</tr>
<tr>
<td>1984</td>
<td>886,720</td>
<td>961,720</td>
</tr>
<tr>
<td>1985</td>
<td>977,081</td>
<td>1,104,141</td>
</tr>
<tr>
<td>1986</td>
<td>965,617</td>
<td>1,091,197</td>
</tr>
<tr>
<td>1987</td>
<td>966,777</td>
<td>1,090,455</td>
</tr>
<tr>
<td>1988</td>
<td>955,776</td>
<td>1,077,132</td>
</tr>
<tr>
<td>1989</td>
<td>1,031,142</td>
<td>1,149,754</td>
</tr>
<tr>
<td>1990</td>
<td>1,009,001</td>
<td>1,087,403</td>
</tr>
<tr>
<td>1991</td>
<td>979,466</td>
<td>1,055,328</td>
</tr>
<tr>
<td>1992</td>
<td>974,066</td>
<td>1,047,271</td>
</tr>
<tr>
<td>1993</td>
<td>970,656</td>
<td>1,041,089</td>
</tr>
<tr>
<td>1994</td>
<td>772,602</td>
<td>840,130</td>
</tr>
<tr>
<td>1995</td>
<td>785,787</td>
<td>832,565</td>
</tr>
<tr>
<td>1996</td>
<td>418,983</td>
<td>463,854</td>
</tr>
<tr>
<td>1997</td>
<td>365,003</td>
<td>407,914</td>
</tr>
<tr>
<td>1998</td>
<td>273,724</td>
<td>314,620</td>
</tr>
<tr>
<td>1999</td>
<td>267,575</td>
<td>306,398</td>
</tr>
<tr>
<td>2000</td>
<td>276,943</td>
<td>301,972</td>
</tr>
<tr>
<td>2001</td>
<td>220,954</td>
<td>244,758</td>
</tr>
<tr>
<td>2002</td>
<td>193,601</td>
<td>216,159</td>
</tr>
<tr>
<td>2003</td>
<td>164,894</td>
<td>186,176</td>
</tr>
<tr>
<td>2004</td>
<td>162,461</td>
<td>182,446</td>
</tr>
<tr>
<td>2005</td>
<td>157,463</td>
<td>167,423</td>
</tr>
<tr>
<td>2006</td>
<td>153,628</td>
<td>163,003</td>
</tr>
<tr>
<td>2007</td>
<td>151,489</td>
<td>160,269</td>
</tr>
<tr>
<td>2008</td>
<td>149,402</td>
<td>157,577</td>
</tr>
<tr>
<td>2009</td>
<td>137,952</td>
<td>145,512</td>
</tr>
</tbody>
</table>

¹ Assumes remaining $139 million Warrants were exercised and issued July 25, 1982; and $100 million bonds issued to Citibank.

² Assumes remaining $750 million sold at July 1, 1982, structured with the following Periods of Probable Use: 5 years--20%; 10 years--20%; 15 years--20%; 20 years--20%; 25 years--20%.
8 September 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 settlement of securities available in the Special Account.

You were instructed on August 31, 1982, for settlement on September 8, 1982, to purchase from Bear Stearns & Co. $115,000 par value of Municipal Assistance Corporation Series 2 Bonds due July 1, 1986, with a coupon of 8%, at a price of 98% of par, plus accrued interest.

You were also instructed on August 31, 1982, for settlement on September 8, 1982, to purchase from Emanuel and Company $150,000 par value of Municipal Assistance Corporation Series 9 Bonds due July 1, 1992, with a coupon of 7.5%, at a price of 82.75% of par, plus accrued interest.

You were further instructed on August 27, 1982, for settlement on September 3, 1982, to purchase from Gabriel Hueglin & Cashman, Inc. $100,000 par value of Municipal Assistance Corporation Series 8 Bonds due July 1, 1992, with a coupon of 7.5% at a price of 84.25% 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 Special Account 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 Special Account. In addition, the Corporation has taken into consideration the maximization of return and the minimization of risks.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK/ta

cc: Frances N. Higgins
    Lawrence Remmel, Esq.
    Pat Santivasci
    Rochelle Siegel
8 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 8, 1982, $104,430.20 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $99,425.00 of this amount was used to pay interest on commercial paper coming due and $5,005.20 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
    Bill Jennings
    Claire Curry
    Administrative Files
CERTIFICATE DATED SEPTEMBER 8, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offeree of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TEC;

(e) that the Corporation is not issuing TEC in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
CERTIFICATE DATED SEPTEMBER 8, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
8 September 1982

Municipal Bond Division
Standard & Poor's Corporation
25 Broadway
New York, New York 10004

Ladies and Gentlemen:

The Municipal Assistance Corporation For The City of New York is grateful for the opportunity of presenting its annual summary of recent financings and plans for the future. We have provided such a review to the rating agencies each year since August, 1980, after the Corporation's debt issuance authority was expanded to $10 billion.

Since that date, the Corporation has sold over $1.5 billion of debt, more than any other municipal agency during the period. The Corporation has met the targets in the Financing Plan, developed with the City of New York. In addition, the Corporation has been at the forefront of the development of innovative tax exempt financing, selling bonds with warrants on two occasions and $100 million of commercial paper for capital purposes.

In view of the City's success to date in raising both operating and capital monies in the public markets, the Corporation has stated that it does not expect to seek a legislative increase in its debt issuance authority or extension of the period during which the Corporation may issue debt. According to the current Plan, the Corporation will have issued $9 billion by December 31, 1984, out of a total debt issuance authority of $10 billion.

Underlying the Corporation's success to date has been the excellent ratio of revenues available to debt service, both with respect to debt outstanding and total issuances under the Plan. As described in more detail herein, even under the most pessimistic assumptions of interest rates and revenue growth, coverage will nevertheless remain at levels which would be impressive even for a higher rated credit.

The Corporation believes that the peak of the Corporation's involvement with the City's capital financing program has been reached. With many of the earlier uncertainties
favorably resolved, we believe it is an appropriate juncture for reassessment of the credit-worthiness of the Corporation. In addition, we remain available to answer any questions you may have as to our future plans.

Sincerely,

Heather L. Ruth
Executive Director

Steven J. Kantor
Deputy Executive Director and Treasurer
INTRODUCTION: STATUS OF THE FINANCING PLAN

The Financing Plan for the City of New York (the "Plan") is developed and maintained by the Municipal Assistance Corporation For The City of New York (the "Corporation") and the City of New York (the "City") to provide funding for the City's capital program and to enable the City to assume complete responsibility for financing the capital program by January 1, 1985. Since the major extension and revision of the Plan in June of 1980, both the Corporation and the City have made substantial progress toward the goal of the City's financial self-sufficiency.

The current Financing Plan is presented in full on page 3 below. It provides a statement both of completed financings and uses of proceeds for past year (fiscal 1982) and prospective sources and uses of funds from the present though the 1986 fiscal year. The latter--fiscal 1983 through 1986--are projections based on the combined best judgment of the Corporation and the City at the time the projections are made. Thus, the Plan is necessarily revised periodically to reflect new developments, including changes in inter-year financing strategy.

There have been very few significant changes under the Plan since 1980. The total amount of sales for both the Corporation and the City has remained constant. This year,
# THE FINANCING PLAN

## Sources of Funds

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>City Bond Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Guaranteed Sales</td>
<td>$600</td>
<td>$----</td>
<td>$----</td>
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<tr>
<td>Public Sales</td>
<td>225</td>
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<td>400</td>
<td>700</td>
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<td>Corporation Bond Sales (MAC)</td>
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<td>Private Sales</td>
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<td>Public Sales</td>
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<td>600</td>
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<td>Water and Sewer Financing</td>
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<tr>
<td></td>
<td>$----</td>
<td>$----</td>
<td>150</td>
<td>315</td>
<td>330</td>
<td>795</td>
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<td>Transfer from General Fund(1)</td>
<td>147</td>
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<td>Changes in General Fund</td>
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<tr>
<td>Advances &amp; Restricted Cash</td>
<td>(95)</td>
<td>60</td>
<td>42</td>
<td>15</td>
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<td>117</td>
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<tr>
<td>Sub-Total</td>
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<td>942</td>
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<td>Reserve for Future Requirements</td>
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<tr>
<td>(Deposits)/Withdrawals (2)</td>
<td>(595)</td>
<td>515</td>
<td>300</td>
<td>$----</td>
<td>$----</td>
<td>815</td>
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<tr>
<td>Total</td>
<td>$1,032</td>
<td>$1,475</td>
<td>$1,242</td>
<td>$1,330</td>
<td>$1,430</td>
<td>$5,477</td>
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## Uses of Funds

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<thead>
<tr>
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<td>City Capital Improvements</td>
<td>$882</td>
<td>$1,125</td>
<td>$1,192</td>
<td>$1,330</td>
<td>$1,430</td>
<td>$5,077</td>
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<td>Corporation Capital Reserve and</td>
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<td>Guaranty Reserve Funds (MAC)</td>
<td>150</td>
<td>100</td>
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<tr>
<td>Refunding</td>
<td>$----</td>
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<td>$----</td>
<td>$----</td>
<td>250</td>
</tr>
<tr>
<td>Total</td>
<td>$1,032</td>
<td>$1,475</td>
<td>$1,242</td>
<td>$1,330</td>
<td>$1,430</td>
<td>$5,477</td>
</tr>
</tbody>
</table>

(1) Represents the transfer of $147 million authorized in the 1981 fiscal year from the City's general fund to the capital projects fund. The City's Financial Plan contemplates that such amount will be used to fund capital commitments in fiscal year 1982 and will be expended during the 1982 through 1985 fiscal years.

(2) A total of $815 million of MAC bonds proceeds in the 1981 and 1982 fiscal years is expected to be held in escrow for payment to the City in the 1983 and 1984 fiscal years.
$100 million of the Corporation's sales were shifted from fiscal 1982 to fiscal 1983 to accommodate the delay of the Corporation's commercial paper program until a month after the end of the 1982 fiscal year, with a corresponding shift of $100 million of refunding from fiscal 1982 to fiscal 1983.

THE CORPORATION'S ACTIVITIES UNDER THE FINANCIAL PLAN

Despite unprecedented interest rates, the Corporation completed $725 million of financing in fiscal 1982. As indicated above, the total to be financed by the Corporation -- both publicly and privately -- through December 1984 has not changed since the Plan's extensive revision in 1980.

The Corporation will continue to have no difficulty meeting its commitments under the Plan within the current statutory maximum of $10 billion in debt issued. At June 30, 1982, the Corporation had issued $8.4 billion (exclusive of refundings), of which $7.7 billion was outstanding. Thus, if all remaining issues under the Plan are completed as projected, the Corporation will have an unutilized authorized capacity amounting to $.9 billion above and beyond the Plan.

During fiscal 1983, the Corporation is scheduled to complete $600 million in new financings. Commercial paper sales to
date have already accounted for $100 million. The Corporation is currently seeking a new credit line so that up to $250 million of commercial paper may be outstanding during this fiscal year. The last date to exercise warrants for Series 28 and 36 is January 18, 1983; if all warrants are exercised, an additional $150 million bonds will be issued. (To date, $20 million have been issued.) The Plan also calls for $250 million for refunding purposes. These sales will take place only if the refunding will result in a significant reduction in the peak debt service requirements of the Corporation.

In addition to the warrant concept and commercial paper, the Corporation will continue to consider innovative financings. The Corporation's goals in evaluating new ways of financing portions of the City's capital requirements under the Plan remain as follows:

(1) To broaden the market for the Corporation's obligations by offering a range of instruments;

(2) To minimize the chance of duplication or oversaturation in a finite retail market by the Corporation and the City; and

(3) Most importantly, to finance the City's capital requirements at the lowest possible cost.
The Corporation is investigating the feasibility of offering its obligations tailored for private placement to particular institutions. Under such a program, the Corporation would authorize a large amount of bonds to be issued. Representatives of large purchasers would be invited to approach the Corporation for specified amounts and maturities. This process would be similar to "shelf registration" in the equity market. The Corporation expects such an arrangement to result both in lower issuance costs and lower interest costs.

**COVERAGE**

The Corporation has substantial revenues available to meet the coverage tests under the Plan. The Corporation may not issue additional Second Resolution Bonds unless current revenues, after payment of maximum annual First Resolution debt service and operating expenses, exceed maximum annual Second Resolution debt service by at least 2.0 times. No difficulty is anticipated in meeting this coverage test under the Plan. Indeed, the projected coverage appears outstanding when compared to similar issuers.

The exhibits following the text present projected debt service coverage under several alternative assumptions of revenue growth through 1986 and the interest rate of remaining issuances, respectively. The assumptions about
revenue growth are conservative relative to recent performance. (See Exhibit II.) Assumed interest rates on the remaining debt to be issued under the Plan range from 10 percent to 15 percent, which the Corporation believes to be prudent in view of current market conditions. (See Exhibits I and III.) Exhibits I summarizes the results of these projections for fiscal 1985, the year of maximum debt service.

As shown in Exhibit I, even under the "worst case" combination of 15 percent average interest on all remaining issuances and only 5 percent growth in sales tax revenues, coverage of debt service from all revenues would be 2.31 times, and coverage from sales tax alone would be 1.42 times. The more favorable, though still conservative, assumptions shown yield more favorable coverage projections.

Furthermore, there are a number of conservative assumptions built into projected debt service (Exhibit III) in addition to high interest rates for the remaining debt to be issued. The actual debt service in fiscal 1985 and peak debt service beyond 1981 will be substantially lower than that shown to the extent the Corporation:

(1) Issues debt of longer average life than the relatively short debt assumed,
(2) Refunds existing debt which includes amortization in the peak years, or

(3) Issues less debt in aggregate than assumed over the 4 year period, should the City prove capable of issuing more debt than shown in the current Plan.

Finally, the impact of payments to the Corporation on obligations of the City should be noted. Holders of the Corporation's securities do not have a lien on either the City bonds held by the Corporation or payments made thereon, and the Corporation may issue additional debt under the Resolutions only if such issuances satisfy the Corporation's coverage tests on the basis of the specified revenues. At the same time, however, the Corporation currently receives significant income from the payment of debt service on City obligations it holds, and the amount of income will increase as the Corporation purchases City mirror bonds in the transfer of proceeds to the City for use in financing the capital program.

MANAGEMENT

Under state statute, the Corporation is administered by a Board of Directors. Most members of the Board, including the Chairman (except for a brief period), have served as directors since the inception of the Corporation in 1975. The Chairman, Felix G. Rohatyn, is Chief Executive Officer
of the Corporation. Other directors who perform major policy functions on a continuing basis include:

Edward M. Kresky -- Vice Chairman of the Board, Chairman of the Investment Committee

Eugene J. Keilin -- Chairman, Finance Committee

Andrew P. Steffan -- Chairman, Audit Committee

Robert C. Weaver -- Chairman, Administration Committee

Dick Netzer -- Chairman, City Budget Committee

The Corporation is managed by 4 senior officers:

Heather L. Ruth -- Executive Director and Chief Operating Officer

Stephen J. Weinstein -- Deputy Executive Director and Counsel

Steven J. Kantor -- Deputy Executive Director and Treasurer
Maxine Gillman  --  Secretary and Associate Counsel

In addition to these officers, there is a support staff of 10 employees.

The Financial Advisor to the Corporation is Lazard Freres, who serves without compensation.

**Summary**

The Corporation has completed another year of a Financing Plan designed to provide adequate funds to meet the City's capital requirements while the City regains access to the public markets. The demonstrated ability of the City to enter the public market and the continued and projected availability of revenues to meet present and future debt service requirements of the Corporation provide strong basis for a re-evaluation of the rating of the Corporation's obligations.
### EXHIBIT I

Projected Coverage in Fiscal 1985: Various Assumptions

Existing MAC Debt Service Plus
Remaining Debt to be Issued
Under the Plan At

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>10%</th>
<th>12.5%</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Sales Tax Alone</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>1.47</td>
<td>1.45</td>
<td>1.42</td>
</tr>
<tr>
<td>City Assumptions</td>
<td>1.50</td>
<td>1.48</td>
<td>1.46</td>
</tr>
<tr>
<td>Historical</td>
<td>1.63</td>
<td>1.61</td>
<td>1.58</td>
</tr>
<tr>
<td><strong>All Revenues</strong> (Increase in Sales Tax Only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>2.39</td>
<td>2.35</td>
<td>2.31</td>
</tr>
<tr>
<td>City Assumptions</td>
<td>2.42</td>
<td>2.39</td>
<td>2.35</td>
</tr>
<tr>
<td>Historical Average</td>
<td>2.48</td>
<td>2.44</td>
<td>2.40</td>
</tr>
</tbody>
</table>
EXHIBIT II
REVENUES AVAILABLE TO MAC

Historical Revenues
(In $ millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales Tax</th>
<th>% Increase</th>
<th>All Revenues</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>919</td>
<td>7.0</td>
<td>1,709</td>
<td>8.6</td>
</tr>
<tr>
<td>1979</td>
<td>999</td>
<td>8.7</td>
<td>1,870</td>
<td>8.8</td>
</tr>
<tr>
<td>1980</td>
<td>1,137</td>
<td>13.8</td>
<td>2,082</td>
<td>12.0</td>
</tr>
<tr>
<td>1981</td>
<td>1,294</td>
<td>13.9</td>
<td>2,409</td>
<td>15.7</td>
</tr>
<tr>
<td>1982</td>
<td>1,401</td>
<td>8.3</td>
<td>2,416</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Five Year Average Growth 10.5% 9.1%
Compound Growth 8.8% 7.2%

Revenue Assumptions
(In $ Millions)

Sales Tax Alone

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>5% Growth</th>
<th>City Projection</th>
<th>5-Year Historical Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>1,401</td>
<td>1,401</td>
<td>1,401</td>
</tr>
<tr>
<td>1983</td>
<td>1,471</td>
<td>1,484</td>
<td>1,524</td>
</tr>
<tr>
<td>1984</td>
<td>1,544</td>
<td>1,569</td>
<td>1,658</td>
</tr>
<tr>
<td>1985</td>
<td>1,622</td>
<td>1,661</td>
<td>1,804</td>
</tr>
<tr>
<td>1986</td>
<td>1,703</td>
<td>1,757</td>
<td>1,963</td>
</tr>
</tbody>
</table>

All Revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>5% Growth</th>
<th>City Projection</th>
<th>5-Year Historical Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>2,416</td>
<td>2,416</td>
<td>2,416</td>
</tr>
<tr>
<td>1983</td>
<td>2,486</td>
<td>2,499</td>
<td>2,517</td>
</tr>
<tr>
<td>1984</td>
<td>2,560</td>
<td>2,584</td>
<td>2,625</td>
</tr>
<tr>
<td>1985</td>
<td>2,637</td>
<td>2,676</td>
<td>2,741</td>
</tr>
<tr>
<td>1986</td>
<td>2,718</td>
<td>2,772</td>
<td>2,865</td>
</tr>
</tbody>
</table>

1 1978-1982 Compound Growth = 8.8%

2 Assumes no increase in Revenues available from Per Capita Aid; or the Stock Transfer Tax; presently at $484 million and $531 million respectively.

3 1978-1982 Compound Growth = 7.2%
## EXHIBIT III
### PROJECTED MAC DEBT SERVICE
### UNDER THE PLAN
### (In $ Thousands)

<table>
<thead>
<tr>
<th>12-Month Period Ended June 30</th>
<th>Existing MAC Debt Service1</th>
<th>Total Debt Service2 If Remaining Issuance Under Plan Were Completed At:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
<td>12.5%</td>
</tr>
<tr>
<td>1983 848,627</td>
<td>886,127</td>
<td>895,502</td>
</tr>
<tr>
<td>1984 886,720</td>
<td>961,720</td>
<td>980,470</td>
</tr>
<tr>
<td>1985 977,081</td>
<td>1,104,141</td>
<td>1,122,206</td>
</tr>
<tr>
<td>1986 965,617</td>
<td>1,091,197</td>
<td>1,107,839</td>
</tr>
<tr>
<td>1987 966,777</td>
<td>1,090,455</td>
<td>1,105,569</td>
</tr>
<tr>
<td>1988 955,776</td>
<td>1,077,132</td>
<td>1,090,613</td>
</tr>
<tr>
<td>1989 1,031,142</td>
<td>1,149,754</td>
<td>1,161,497</td>
</tr>
<tr>
<td>1990 1,009,001</td>
<td>1,087,403</td>
<td>1,097,790</td>
</tr>
<tr>
<td>1991 979,466</td>
<td>1,055,328</td>
<td>1,064,770</td>
</tr>
<tr>
<td>1992 974,066</td>
<td>1,047,271</td>
<td>1,055,755</td>
</tr>
<tr>
<td>1993 970,656</td>
<td>1,041,089</td>
<td>1,048,575</td>
</tr>
<tr>
<td>1994 772,602</td>
<td>840,130</td>
<td>846,590</td>
</tr>
<tr>
<td>1995 785,787</td>
<td>832,565</td>
<td>838,200</td>
</tr>
<tr>
<td>1996 418,983</td>
<td>463,854</td>
<td>468,877</td>
</tr>
<tr>
<td>1997 365,003</td>
<td>407,914</td>
<td>412,311</td>
</tr>
<tr>
<td>1998 273,724</td>
<td>314,620</td>
<td>318,377</td>
</tr>
<tr>
<td>1999 267,575</td>
<td>306,398</td>
<td>309,501</td>
</tr>
<tr>
<td>2000 276,943</td>
<td>301,972</td>
<td>304,561</td>
</tr>
<tr>
<td>2001 220,954</td>
<td>244,758</td>
<td>246,978</td>
</tr>
<tr>
<td>2002 193,601</td>
<td>216,159</td>
<td>218,002</td>
</tr>
<tr>
<td>2003 164,894</td>
<td>186,176</td>
<td>187,637</td>
</tr>
<tr>
<td>2004 162,461</td>
<td>182,446</td>
<td>183,517</td>
</tr>
<tr>
<td>2005 157,463</td>
<td>167,423</td>
<td>168,213</td>
</tr>
<tr>
<td>2006 153,628</td>
<td>163,003</td>
<td>163,622</td>
</tr>
<tr>
<td>2007 151,489</td>
<td>160,269</td>
<td>160,714</td>
</tr>
<tr>
<td>2008 149,402</td>
<td>157,577</td>
<td>157,846</td>
</tr>
<tr>
<td>2009 137,952</td>
<td>145,512</td>
<td>145,602</td>
</tr>
</tbody>
</table>

1 Assumes remaining $139 million Warrants were exercised and issued July 25, 1982; and $100 million bonds issued to Citibank.

2 Assumes remaining $750 million sold at July 1, 1982, structured with the following Periods of Probable Use: 5 years--20%; 10 years--20%; 15 years--20%; 20 years--20%; 25 years--20%.
SALES TAX ALONE PROVIDES ABUNDANT COVERAGE FOR ALL MAC BONDS, CURRENT AND PROJECTED EVEN WITH NO GROWTH BEYOND 1982

* PROJECTED AS OF JUNE 30, 1982
CERTIFICATE DATED SEPTEMBER 3, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offerees of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of September, 1982.

[Signature]

[Title]
CERTIFICATE DATED SEPTEMBER 3, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: [Signature]
Authorized Officer
$250,000,000
TAX-EXEMPT COMMERCIAL PAPER
to be issued by the
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Public Benefit Corporation of the State of New York)

Credit Facility Solicitation Memorandum

The Municipal Assistance Corporation For The City of New York (the "Corporation") has announced its intention to expand its Tax-Exempt Commercial Paper Program ("TECP") from $100 million to $250 million. The purpose of this memorandum is to provide an overview of (i) the Corporation; (ii) the tax-exempt commercial paper program; and (iii) credit arrangements (the "Agreement") which will provide liquidity support for the TECP. This memorandum is being provided to selected commercial banks and other financial institutions (the "Lenders") in an effort to determine their interest in participating in such a revolving irrevocable line or letter of credit and to serve as a basis for future negotiations. A more complete description of the Corporation and its operations is contained in the other materials enclosed herewith. Additional information with respect to the Corporation, its operation, and the TECP are available upon request.

I. THE CORPORATION

Purpose: The Corporation is a public benefit corporation created by the State of New York (the "State") for the purposes of providing financing assistance and financial oversight for The City of New York (the "City"). To carry out such purposes, the Corporation was given authority to issue and sell its bonds and notes, to
pay or lend funds received from such sales to the City, to exchange the Corporation's obligations for those of the City, and to issue bonds and notes to refund outstanding obligations.

The Corporation is independent of the City, and the City has no access or claim to the revenues dedicated by statute to pay the Corporation's debt until the amount the Corporation requires, based upon its determination of debt service requirements and operating expenses, has been paid to the Corporation.

Issuance Authorization and Outstanding Indebtedness:

The Corporation was created by the State in June 1975. The Corporation is authorized to issue bonds and notes in the aggregate principal amount of $10 billion (which amount excludes refunding obligations), of which $8.531 billion has been issued or is obligated to be issued.

The Corporation has issued its bonds under two general resolutions. The Corporation has outstanding $2.4 billion of bonds under its First General Bond Resolution and $5.0 billion under its Second General Bond Resolution, which amounts exclude refunded and matured obligations.

Source of Revenues:

The Corporation derives its revenues primarily from three sources: (i) collections of State sales and compensating use taxes formerly imposed by the City, now imposed by the State within the City (the "Sales Tax"), (ii) collections
of the State stock transfer tax (the "Stock Transfer Tax"), and (iii) amounts of revenue available from the General Fund of the State as per capita State aid pursuant to Section 54 of the State Finance Law which otherwise would have been payable to the City (the "Per Capita Aid").

First Resolution obligations have no claim on Per Capita Aid, which is a principal source of payment for the Second Resolution Bonds. First Resolution obligations have a claim prior to that of Second Resolution Bonds on all amounts available to the Corporation from the Sales Tax and the Stock Transfer Tax.

Collection of Revenues:

The revenues described above are paid to the Corporation from two special funds established pursuant to the State Finance Law: the Municipal Assistance State Aid Fund and Municipal Assistance Tax Fund. These funds are held by the State Comptroller. The State Comptroller makes payments from these funds to the Corporation's debt service funds, capital reserve funds under the First and Second Bond Resolutions, and operating fund as provided by law, in accordance with certificates prepared by the Corporation at least quarterly which specify the requirements of the Corporation.

After the Corporation's certified requirements have been satisfied in full for a particular quarter, excess moneys in such special funds are paid
to the City. The State Controller may not disburse Sales or Stock Transfer Tax revenues or Per Capita Aid held by him to the City so long as an amount certified by the Corporation remains unpaid.

**Reserve Funds:**

The Corporation's enabling legislation establishes two capital reserve funds to secure the payment of debt service on the First and Second Resolution Bonds. Any TECP obligations would not be secured by either capital reserve fund.

**Coverage of Outstanding Debt:**

The Corporation has covenanted not to issue additional First Resolution Bonds if the maximum annual debt service in any year on all First Resolution Bonds would exceed $425 million. The present maximum annual debt service on outstanding First Resolution Bonds is $358 million.

The Corporation has covenanted not to issue additional Second Resolution Bonds unless available revenues would cover the maximum annual debt service in any year on Second Resolution Bonds at least 2 times. At the present time coverage on outstanding Second Resolution Bonds is 2.71 times maximum annual debt service. In addition, the Corporation has agreed with certain purchasers of its bonds that it will not issue commercial paper except for refunding purposes unless such revenues equal or exceed 2.2 times such maximum annual debt service.
Between 1975 and 1980, the proceeds of the Corporation's obligations were used primarily to retire City notes and to finance certain of the City's operating expenses. Beginning with the 1981 fiscal year (beginning July 1, 1980), in which the City first adopted and adhered to a budget balanced according to generally accepted accounting principles, all of the debt sold by the Corporation is exclusively applied to City capital purposes, associated reserve fund requirements, or the refunding of outstanding obligations. Funds obtained from the proceeds of the TECP will be used to fund a portion of the City's capital program, to pay maturing TECP obligations, or to repay advances under the Agreement.

The Corporation and the City have developed a debt issuance plan (the "Plan") to provide the City with long term capital financing through fiscal 1985 at which time the City anticipates achieving self-sufficiency in the capital markets. The Plan calls for the Corporation to publicly sell an additional $1.15 billion of its obligations by December 31, 1984. The TECP obligations will be applied towards this financing commitment.

Proceeds from the sale of the Corporation's obligations are transferred to the City by the Corporation's purchase of bonds issued to it by the City.
Ratings:

The outstanding bonds of the Corporation are presently rated as follows:

<table>
<thead>
<tr>
<th></th>
<th>First Resolution</th>
<th>Second Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's Investors Service</td>
<td>Baa 1</td>
<td>Baa 1</td>
</tr>
<tr>
<td>Standard &amp; Poor's Corporation</td>
<td>A+</td>
<td>A</td>
</tr>
<tr>
<td>Fitch Investors Service</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

II. THE TAX EXEMPT COMMERCIAL PAPER PROGRAM

Issuer: The Corporation.

Amount: Current: $100 million
Proposed: $250 million

Nature and Form of Obligations: Current: Bearer notes

Purpose: To provide funds to the City for capital expenditures, to pay maturing TECP obligations, or to repay advances under the Agreement.

Source of Payment: The TECP obligations will be general obligations of the Corporation payable from (i) revenues of the Corporation available after satisfaction of the requirements under the First and Second Bond Resolutions, (ii) unexpended proceeds of previously issued TECP obligations, (iii) proceeds of subsequent issues of TECP obligations, and (iv) proceeds of long term borrowings.
Liquidity Support: Revolving Letter or Irrevocable Line of Credit.


Redemption: Non-redeemable prior to maturity.

Maturity: Current: Up to 45 days
Proposed: Up to but in any case not more than 270 days from date of issuance.

Ratings: Current: Moody's P-1
S&P A-1+
Fitch F-1

TECP Dealers: Current: The First Boston Corporation, Salomon Brothers, and Citibank N.A.

Proposed: To be determined.


Paying Agent: Current: Citibank, N.A.
Proposed: To be determined.

III. THE CREDIT FACILITY

Amount: Current: $100 million. Principal amount available under the Agreement is at least equal to the principal amount of TECP obligations outstanding and interest to accrue to maturity.

Proposed: Up to $250 million.
Interest Rates and Fees:

Proposals concerning the rate of interest on amounts advanced under the Agreement and fees for the various services to be provided by the Lenders are invited.

Operation:

Utilization of the Agreement will only be for purposes of refunding outstanding maturities of TECP obligations and not as an alternative source of financing for other purposes of the Corporation. Amounts to be advanced under the Agreement must be available on the day on which the Lenders are notified of a drawdown requirement.

Any advances under the Agreement will be amortized as a term loan over a period to be negotiated (e.g. 10 years). Except at the election of the Corporation, the full repayment of any advances would not be due in less than 5 years.

In the event that repayment has not occurred within an agreed upon time (e.g. 2 years) payment may be made, at the election of the Corporation or the Lenders, by the issuance of the Corporation's bonds to be amortized over a specified term (e.g. 10 years). The maturities and interest rate or rates, fixed or variable, of the bonds will be structured pursuant to agreement with the Lenders, subject to certain approvals required under the Corporation's enabling legislation.
In the event that the market for the Corporation's TECP obligations closes temporarily, the TECP Dealers will covenant, subject to the continued operation of the Agreement, to purchase the Corporation's TECP obligations for up to five consecutive seven day periods, thereby reducing the necessity for and likelihood of the Corporation accessing amounts available under the Agreement.

Security and Source of Repayment:

Repayment of amounts advanced under the Agreement, together with interest due thereon, would be provided from (i) proceeds of subsequent issues of TECP obligations, (ii) proceeds of long term borrowings, and (iii) other available revenues of the Corporation after satisfaction of the requirements under the First and Second Bond Resolutions.

Provisions of the Agreement:

The Corporation would agree (i) to issue no additional bonds if to do so would cause MAC's revenues available for the payment of debt service on Second Resolution Bonds to be less than two times the maximum annual debt service on such Second Resolution Bonds; (ii) to take no action which would prevent the issuance of bonds upon the terms set forth in the Agreement, and (iii) not to issue additional TECP obligations after an event of default has occurred and is continuing under either its First or Second General Bond Resolution.
The availability of advances under the Agreement to meet maturities of the outstanding TECP obligations would be unconditional, subject to inability of Bond Counsel to provide an unqualified legal opinion with respect to the validity and exemption from Federal income taxation of the interest on the Corporation's obligation to the Lenders.

Corporation financial information to be provided:

- Audited Annual Financial Statements
- Unaudited quarterly financial statements
- Monthly Sales Tax revenue receipts
- All subsequent bond and note official statements

Initial Term: Two Years.
3 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 3, 1982, $47,934.16 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $45,229.16 of this amount was used to pay interest on commercial paper coming due and $2,705.00 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
Bill Jennings
Claire Curry
Administrative Files
September 2, 1982

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

Dear Bob:

Enclosed are 1) a draft letter to GE and 2) a mark-up of the old September 1, 1981 solicitation memorandum (with some updated numbers missing) for your reaction.

Sorry all of this wasn't waiting for your return! We'd still like to get this out tomorrow, and Steve and I will be available to do so through noon Friday.

Thanks.

Heather L. Ruth
Executive Director

HLR/ta
Enclosures
3 September 1982

$250,000,000

TAX-EXEMPT COMMERCIAL PAPER

to be issued by the

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Public Benefit Corporation of the State of New York)

Credit Facility Solicitation Memorandum

The Municipal Assistance Corporation For The City of New York (the "Corporation") has announced its intention to expand its Tax-Exempt Commercial Paper Program ("TECP") from $100 million to $250 million. The purpose of this memorandum is to provide an overview of (i) the Corporation; (ii) the tax-exempt commercial paper program; and (iii) credit arrangements (the "Agreement") which will provide liquidity support for the TECP. This memorandum is being provided to selected commercial banks and other financial institutions (the "Lenders") in an effort to determine their interest in participating in such a revolving irrevocable line or letter of credit and to serve as a basis for future negotiations. A more complete description of the Corporation and its operations is contained in the other materials enclosed herewith. Additional information with respect to the Corporation, its operation, and the TECP are available upon request.

I. THE CORPORATION

Purpose:

The Corporation is a public benefit corporation created by the State of New York (the "State") for the purposes of providing financing assistance and financial oversight for The City of New York (the "City"). To carry out such purposes, the Corporation was given authority to issue and sell its bonds and notes, to
pay or lend funds received from such sales to the City, to exchange the Corporation's obligations for those of the City, and to issue bonds and notes to refund outstanding obligations.

The Corporation is independent of the City, and the City has no access or claim to the revenues dedicated by statute to pay the Corporation's debt until the amount the Corporation requires, based upon its determination of debt service requirements and operating expenses, has been paid to the Corporation.

### Issuance Authorization and Outstanding Indebtedness:

The Corporation was created by the State in June 1975. The Corporation is authorized to issue bonds and notes in the aggregate principal amount of $10 billion (which amount excludes refunding obligations), of which $8.531 billion has been issued or is obligated to be issued.

The Corporation has issued its bonds under two general resolutions. The Corporation has outstanding $2.4 billion of bonds under its First General Bond Resolution and $5.0 billion under its Second General Bond Resolution, which amounts exclude refunded and matured obligations.

### Source of Revenues:

The Corporation derives its revenues primarily from three sources: (i) collections of State sales and compensating use taxes formerly imposed by the City, now imposed by the State within the City (the "Sales Tax"), (ii) collections
of the State stock transfer tax (the "Stock Transfer Tax"), and (iii) amounts of revenue available from the General Fund of the State as per capita State aid pursuant to Section 54 of the State Finance Law which otherwise would have been payable to the City (the "Per Capita Aid").

First Resolution obligations have no claim on Per Capita Aid, which is a principal source of payment for the Second Resolution Bonds. First Resolution obligations have a claim prior to that of Second Resolution Bonds on all amounts available to the Corporation from the Sales Tax and the Stock Transfer Tax.

Collection of Revenues:

The revenues described above are paid to the Corporation from two special funds established pursuant to the State Finance Law: the Municipal Assistance State Aid Fund and Municipal Assistance Tax Fund. These funds are held by the State Comptroller. The State Comptroller makes payments from these funds to the Corporation's debt service funds, capital reserve funds under the First and Second Bond Resolutions, and operating fund as provided by law, in accordance with certificates prepared by the Corporation at least quarterly which specify the requirements of the Corporation.

After the Corporation's certified requirements have been satisfied in full for a particular quarter, excess moneys in such special funds are paid
to the City. The State Comptroller may not disburse Sales or Stock Transfer Tax revenues or Per Capita Aid held by him to the City so long as an amount certified by the Corporation remains unpaid.

Reserve Funds:

The Corporation's enabling legislation establishes two capital reserve funds to secure the payment of debt service on the First and Second Resolution Bonds. Any TECP obligations would not be secured by either capital reserve fund.

Coverage of Outstanding Debt:

The Corporation has covenanted not to issue additional First Resolution Bonds if the maximum annual debt service in any year on all First Resolution Bonds would exceed $425 million. The present maximum annual debt service on outstanding First Resolution Bonds is $358 million.

The Corporation has covenanted not to issue additional Second Resolution Bonds unless available revenues would cover the maximum annual debt service in any year on Second Resolution Bonds at least 2 times. At the present time coverage on outstanding Second Resolution Bonds is 2.71 times maximum annual debt service. In addition, the Corporation has agreed with certain purchasers of its bonds that it will not issue commercial paper except for refunding purposes unless such revenues equal or exceed 2.2 times such maximum annual debt service.
Relationship with the City of New York:

Between 1975 and 1980, the proceeds of the Corporation's obligations were used primarily to retire City notes and to finance certain of the City's operating expenses. Beginning with the 1981 fiscal year (beginning July 1, 1980), in which the City first adopted and adhered to a budget balanced according to generally accepted accounting principles, all of the debt sold by the Corporation is exclusively applied to City capital purposes, associated reserve fund requirements, or the refunding of outstanding obligations. Funds obtained from the proceeds of the TECP will be used to fund a portion of the City's capital program, to pay maturing TECP obligations, or to repay advances under the Agreement.

The Corporation and the City have developed a debt issuance plan (the "Plan") to provide the City with long term capital financing through fiscal 1985 at which time the City anticipates achieving self-sufficiency in the capital markets. The Plan calls for the Corporation to publicly sell an additional $1.15 billion of its obligations by December 31, 1984. The TECP obligations will be applied towards this financing commitment.

Proceeds from the sale of the Corporation's obligations are transferred to the City by the Corporation's purchase of bonds issued to it by the City.
Ratings:

The outstanding bonds of the Corporation are presently rated as follows:

<table>
<thead>
<tr>
<th>Rating Service</th>
<th>First Resolution</th>
<th>Second Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's Investors Service</td>
<td>Baa 1</td>
<td>Baa 1</td>
</tr>
<tr>
<td>Standard &amp; Poor's Corporation</td>
<td>A+</td>
<td>A</td>
</tr>
<tr>
<td>Fitch Investors Service</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

II. THE TAX EXEMPT COMMERCIAL PAPER PROGRAM

Issuer: The Corporation.

Amount: Current: $100 million  
        Proposed: $250 million

Nature and Form of Obligations: Current: Bearer notes

Purpose: To provide funds to the City for capital expenditures, to pay maturing TECP obligations, or to repay advances under the Agreement.

Source of Payment: The TECP obligations will be general obligations of the Corporation payable from (i) revenues of the Corporation available after satisfaction of the requirements under the First and Second Bond Resolutions, (ii) unexpended proceeds of previously issued TECP obligations, (iii) proceeds of subsequent issues of TECP obligations, and (iv) proceeds of long term borrowings.
Liquidity Support: Revolving Letter or Irrevocable Line of Credit.


Redemption: Non-redeemable prior to maturity.

Maturity:
Current: Up to 45 days
Proposed: Up to but in any case not more than 270 days from date of issuance.

Ratings:
Current: Moody's P-1
S&P A-1+
Pitch P-1

TECP Dealers:
Current: The First Boston Corporation, Salomon Brothers, and Citibank N.A.
Proposed: To be determined.


Paying Agent:
Current: Citibank, N.A.
Proposed: To be determined.

III. THE CREDIT FACILITY

Amount:
Current: $100 million. Principal amount available under the Agreement is at least equal to the principal amount of TECP obligations outstanding and interest to accrue to maturity.
Proposed: Up to $250 million.
Interest Rates and Fees:

Proposals concerning the rate of interest on amounts advanced under the Agreement and fees for the various services to be provided by the Lenders are invited.

Operation:

Utilization of the Agreement will only be for purposes of refunding outstanding maturities of TECF obligations and not as an alternative source of financing for other purposes of the Corporation. Amounts to be advanced under the Agreement must be available on the day on which the Lenders are notified of a drawdown requirement.

Any advances under the Agreement will be amortized as a term loan over a period to be negotiated (e.g. 10 years). Except at the election of the Corporation, the full repayment of any advances would not be due in less than 5 years.

In the event that repayment has not occurred within an agreed upon time (e.g. 2 years) payment may be made, at the election of the Corporation or the Lenders, by the issuance of the Corporation's bonds to be amortized over a specified term (e.g. 10 years). The maturities and interest rate or rates, fixed or variable, of the bonds will be structured pursuant to agreement with the Lenders, subject to certain approvals required under the Corporation's enabling legislation.
In the event that the market for the Corporation's TECP obligations closes temporarily, the TECP Dealers will covenanted, subject to the continued operation of the Agreement, to purchase the Corporation's TECP obligations for up to five consecutive seven day periods, thereby reducing the necessity for and likelihood of the Corporation accessing amounts available under the Agreement.

Security and Source of Repayment:

Repayment of amounts advanced under the Agreement, together with interest due thereon, would be provided from (i) proceeds of subsequent issues of TECP obligations, (ii) proceeds of long term borrowings, and (iii) other available revenues of the Corporation after satisfaction of the requirements under the First and Second Bond Resolutions.

Provisions of the Agreement:

The Corporation would agree (i) to issue no additional bonds if to do so would cause MAC's revenues available for the payment of debt service on Second Resolution Bonds to be less than two times the maximum annual debt service on such Second Resolution Bonds; (ii) to take no action which would prevent the issuance of bonds upon the terms set forth in the Agreement, and (iii) not to issue additional TECP obligations after an event of default has occurred and is continuing under either its First or Second General Bond Resolution.
The availability of advances under the Agreement to meet maturities of the outstanding TECP obligations would be unconditional, subject to inability of Bond Counsel to provide an unqualified legal opinion with respect to the validity and exemption from Federal income taxation of the interest on the Corporation's obligation to the Lenders.

Corporation financial information to be provided:

- Audited Annual Financial Statements
- Unaudited quarterly financial statements
- Monthly Sales Tax revenue receipts
- All subsequent bond and note official statements

Initial Term:

Two Years.
September 2, 1982

Mr. Allen Brawer
Program Planners Inc.
230 West 41st Street
New York, New York 10036

Dear Allen:

Believe it or not, this is all you missed. Our report on commercial paper (and the Board's note to authorize the staff to such credit facilities for expansion to $250 million). Plus, in response to a question from the floor, a discussion of the Corporation's extremely conservative policies with respect to use of repurchase agreements as an investment vehicle.

There was also the usual spread -- even at 10:30!

Cheers,

Heather L. Ruth
Executive Director

HLR/ta
Attachments
CERTIFICATE DATED SEPTEMBER 1, 1982  
OF THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE  
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982  
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES as follows:

(a) that there has been no material adverse change in or affecting the general affairs, financial position or results of the operations of the Corporation;

(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition of the State or City of New York, which is material to the offeres of tax-exempt commercial paper (the "TECP") subsequent to the date of the most recent commercial paper memorandum or prior thereto if not set forth in a commercial paper memorandum;

(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions and agreements contained in the Commercial Paper Note Resolution adopted June 3, 1982 and (iii) the Corporation has not been informed by Bond Counsel that the Corporation may no longer rely upon the opinion of Bond Counsel delivered in connection with the first issuance and sale by the Corporation of any TECP; and

(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of time, or both, would constitute an event of default, exists thereunder,
and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 1982.

[Signature]

[Title]
CERTIFICATE DATED SEPTEMBER 1, 1982, OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK RESPONSIVE TO CP NOTE RESOLUTION

The undersigned, an Authorized Officer of the Municipal Assistance Corporation For The City of New York (the "Corporation"), HEREBY CERTIFIES, as follows:

1. This Certificate is being executed and delivered pursuant to Section 205 of the resolution of the Corporation adopted June 3, 1982 and entitled "Resolution Authorizing Not In Excess of $100,000,000 Notes Outstanding At Any Time" (the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Resolution.

2. All the proceeds of the commercial paper notes being issued on the date hereof (the "Notes") will be paid, deposited or applied in the manner provided in the Resolution.

3. All action on the part of the Corporation necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State income taxes and City income taxes has been taken and all provisions of State and Federal law necessary for the valid issuance of the Notes with provision for interest or original issue discount exempt from Federal income taxes, State and City income taxes have been complied with. The Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Corporation in accordance with their terms and the terms of the Resolution, and interest or original issue discount on the Notes is exempt from Federal, State and City income taxes.

4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

5. The Corporation is in compliance with the covenants, conditions and agreements of this Resolution as of the date hereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: ___________________________
Authorized Officer
1 September 1982

UNITED STATES TRUST COMPANY
OF NEW YORK
45 Wall Street - 21st Floor
New York, New York 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 Special Account.

You were instructed to transfer on September 1, 1982, $3,928.71 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, $3,330.21 of this amount was used to pay interest on commercial paper coming due and $598.50 was used to pay principal.

Sincerely,

Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK: dnd

cc: Fran Higgins
Bill Jennings
Claire Curry
Administrative Files