

MAJOR DIFFERENCES BETWEEN THE PROPOSED 1991 GENERAL BOND  
RESOLUTION AND THE SECOND GENERAL BOND RESOLUTION

1991 GENERAL BOND RESOLUTION

SECOND GENERAL BOND RESOLUTION

**Revenues Available**

Second Lien on Per Capita Aid (subordinate to Second Resolution Bonds) and third lien on Sales and Stock Transfer Taxes (subordinate to First and Second Resolution Bonds).

First lien on Per Capita Aid, and second lien on Sales and Stock Transfer Taxes (subordinate to First Resolution Bonds).

**Additional Bonds Coverage Test**

Two times coverage by Sales Tax revenues only, net of maximum annual debt service on First and Second Resolution Bonds and estimated annual operating expenses.

Two times coverage by all revenues, net of maximum annual debt service on First Resolution Bonds and estimated annual operating expenses.

**Reserve Fund Requirement**

One-half of maximum debt service due in any calendar year on all Bonds outstanding under 1991 General Bond Resolution.

Succeeding calendar year's debt service service requirement.

**Structuring Flexibility**

No moral obligation of the State to replenish debt service reserves.

Moral obligation of the State to replenish debt service reserves.

Authorizes variable rate debt and deep discount bonds, including zero coupon bonds, in addition to current coupon fixed rate debt.

Limits issuances to current coupon fixed rate debt at a minimum dollar price of 70 for a single maturity, provided the overall issue proceeds are not less than 95% of par.

MAJOR DIFFERENCES BETWEEN THE PROPOSED 1991 GENERAL BOND RESOLUTION AND THE SECOND GENERAL BOND RESOLUTION

1991 GENERAL BOND RESOLUTION

SECOND GENERAL BOND RESOLUTION

**Open Market Sinking Fund Activity**

Can use unpledged monies for open market purchases to satisfy future sinking fund requirements in addition to the current year's sinking fund requirements, without restrictions as to price. For pledged monies the provisions are identical to those of the Second General Bond Resolution.

Can use monies in the debt service fund to purchase bonds in the open market at price of par or below to satisfy the current year's sinking fund requirement.

**Trustee**

Trustee can be removed for cause by the Corporation.

Trustee can be removed only by two-thirds of bondholders.

**Permitted Investments**

Same as Second General Bond Resolution plus municipal bonds which have been refunded and secured by U.S. government securities.

U.S. treasury securities, certain U.S. government agency securities, repurchase agreements.

**Additionally, the following two provisions formalize in the 1991 General Bond Resolution, procedures currently allowable under the Second General Bond Resolution but not specifically detailed therein.**

**Establishment of Rebate Fund**

Section 602 formally establishes a Rebate Fund wherein monies are deposited and held until their payment to the United States Treasury.

Separate Rebate Accounts were established for the Series 61 through 68 Bonds in order to comply with federal tax requirements.

MAJOR DIFFERENCES BETWEEN THE PROPOSED 1991 GENERAL BOND  
RESOLUTION AND THE SECOND GENERAL BOND RESOLUTION

1991 GENERAL BOND RESOLUTION

SECOND GENERAL BOND RESOLUTION

**Book-Entry  
Provisions**

Section 310 details the procedures for issuing bonds in book-entry form.

The Corporation did not issue bonds book-entry form under the First or Second General Bond Resolutions, although able to do so without specific authorization in either Resolution.

# MEMORANDUM

*Date:* 31 January 1991  
*To:* Richard Kelly, NYC Comptroller's Office  
*From:* Beatrice Gilling Raynor  
*Re:* NYC Comptroller's Report

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

Enclosed please find the Corporation's quarterly schedule of debt outstanding as of December 31, 1990.

New York City Bonds held at Decemeber 31, 1990 totalled \$1,508.8 million.

Please feel free to call should you have any questions, or require further information.

vsj:wp

MUNICIPAL ASSISTANCE CORPORATION

Restatement of Financial Position for Purposes of New York City

Comptroller's Report

Fiscal 1991

As of 12/31/90

Capital Reserve Fund Assets	\$ 1,002,219,962
Debt Service Fund Assets:	
Cash	829
Investments	180,318,937
Interest Receivable	<u>7,356,374</u>
Total	<u>187,676,140</u>
Bond Service Fund Assets:	
Cash	(44)
Investments	87,138,663
Interest Receivable	<u>426,754</u>
Total	<u>87,565,373</u>
Gross Assets Held Pursuant to Resolution for Debt Service	1,277,461,475
<u>Less:</u>	
Accrued Interest Payable on MAC Bonds	37,648,062
Rebate Requirement	<u>9,719,600</u>
Net Assets Held Pursuant to Resolution for Debt Service	1,230,093,813
Bonds Payable	6,901,308,000
Debt Outstanding	<u>\$ 6,901,308,000</u>

vsj:wp

By Messenger

# MEMORANDUM

*Date:* 31 January 1991  
*To:* Audit Committee  
*From:* Quentin Spector, Executive Director  
*Re:* Meeting Agenda

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

The Audit Committee is scheduled to meet on Friday, February 1, 1991, at 10:00 A.M., at the offices of Price Waterhouse, 153 East 53rd Street, 42nd Floor Conference Room, to address the following agenda:

1. Approval of the minutes of the meeting of October 31, 1990;
2. Approval of Financial Statements for the quarter ended December 31, 1990;
3. Other Business

Enclosures (2)

audit:vrw

DRAFT

MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

Audit Committee Minutes

October 31, 1991

A meeting of the Audit Committee of the Board of Directors of the Municipal Assistance Corporation For The City of New York was held October 31, 1991 at 10:00 a.m. at the office of Price Waterhouse, 153 East 53rd Street, New York City.

The following members of the Committee was present:

George Brooker  
Kenneth J. Bialkin

The following members of the staff were present:

Quentin B. Spector  
Frances H. Jacobs  
Maxine H. Hirt  
Lynnette Kelly  
Beatrice L. Gilling Raynor

The following representatives of Price Waterhouse were present:

Joel Whitman  
Colm A. Keogh

The minutes of the Audit Committee meeting held August 15, 1990 were approved.

Mrs. Raynor presented the Financial Statements for the quarter ended September 30, 1990. Mr. Spector noted that the first quarter sales tax growth had slowed significantly. The Committee approved the Financial Statements as presented.

Ms. Hirt discussed a recent amendment to the State's Abandoned Property Law and a dispute between the Corporation and the State Comptroller as to whether the new law, which stipulates that unclaimed debt service payments held by

**DRAFT**  
Audit Committee Minutes  
31 October 1990  
Page 2

paying agents be escheated to the State after three years, applies to the Corporation. She discussed the possibility of litigation. Mr. Bialkin, with the concurrence of Mr. Brooker, urged the staff to consider alternatives to litigation in resolving the dispute.

vsj:wp



**DRAFT**

Municipal Assistance Corporation  
For The City of New York  
One World Trade Center, Suite 8901  
New York, New York 10048  
February 1, 1991

The Municipal Assistance Corporation For The City of New York presents its unaudited financial statements for the quarter ended December 31, 1990, the second quarter of the Corporation's 1991 fiscal year.

At December 31, 1990, the First General Bond Resolution Capital Reserve Fund balance was \$341.2 million, and the Second General Bond Resolution Capital Reserve Fund balance was \$661.0 million. Such levels equalled or exceeded the required funding levels.

Revenues from the New York State Sales Tax which were available to the Corporation during the three-month and twelve-month periods ended December 31, 1990 amounted to \$577.3 million and \$2,356.3 million, respectively, a decrease of 4.6% and an increase of 1.1% over the comparable periods of the prior year.

To date, the Corporation has not found it necessary to use the revenues derived from the New York State Stock Transfer Tax to pay its debt service. Based on present projections, the Corporation does not anticipate that it will be necessary to utilize these revenues in the future,

although no assurances can be given that they will not be so required. Revenues from the Stock Transfer Tax available to the Corporation during the three-month and twelve-month periods ended December 31, 1990 amounted to \$414.5 million and \$1,652.3 million, respectively, increases of 1.9% and 6.3% over the comparable periods of the prior year.

On a combined basis, net revenues from the New York State Sales and Stock Transfer Taxes which were deposited in the Municipal Assistance Tax Fund and available to the Corporation during the three-month and twelve-month periods ended December 31, 1990 amounted to approximately \$991.8 million and \$4,008.6 million, respectively, a decrease of 2.0% and an increase of 3.2% over the comparable periods ended December 31, 1989.

During the twelve months ended December 31, 1990, approximately \$535 million of New York State Per Capita Aid was deposited into the Municipal Assistance State Aid Fund and available to the Corporation.

Coverage of the Corporation's debt service by these revenues is more than four and one-half times on its outstanding First and Second Resolution obligations combined, and more than six times on its outstanding Second Resolution Bonds.

Felix G. Rohatyn  
Chairman

Quentin B. Spector  
Executive Director

Audit:vrw

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

STATEMENT OF FINANCIAL POSITION  
(Unaudited)

December 31, 1990

**LIABILITIES:**

First General Resolution Bonds	\$ 1,204,738,000
Second General Resolution Bonds	<u>5,696,570,000</u>
Total bonds payable	6,901,308,000
Accrued interest on bonds payable	37,648,062
Federal rebate requirement	9,719,600
Operating Fund	<u>1,410,150</u>
Total liabilities	<u>6,950,085,812</u>

**ASSETS:**

Debt Service Fund:

Cash	2,319
Investments in marketable securities	611,590,090
Accrued interest on marketable securities	11,131,840
City of New York obligations	1,508,824,000
Accrued interest on City of New York obligations	<u>45,405,316</u>
Total Debt Service Fund	<u>2,176,953,565</u>

First Capital Reserve Fund:

Investments in marketable securities	333,460,023
Accrued interest on marketable securities	<u>7,786,907</u>
Total First Capital Reserve Fund	<u>341,246,930</u>

Second Capital Reserve Fund:

Cash	4,478
Investments in marketable securities	652,673,758
Accrued interest on marketable securities	<u>8,294,796</u>
Total Second Capital Reserve Fund	<u>660,973,032</u>

Operating Fund

3,688,101

Total assets

3,182,861,628

Funding requirement

\$ 3,767,224,184

See accompanying notes to the financial statements.

vsj:wp

**MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK**  
**Debt Service and Capital Reserve Funds**  
**Statement of Transactions**  
(Unaudited)

	<u>For the three months ended December 31, 1990</u>	<u>For the six months ended December 31, 1990</u>
<b>Receipts:</b>		
Debt Service Fund:		
Income from investments	\$ 16,774,833	\$ 29,969,599
Income from City of New York obligations	38,678,297	79,416,442
Transfers from First Capital Reserve Fund	1,996,369	4,172,764
Transfers from Second Capital Reserve Fund	1,397,042	15,228,551
Transfers to Operating Fund	<u>(4,466,545)</u>	<u>(6,122,913)</u>
Total	54,379,996	122,664,443
First Capital Reserve Fund:		
Income from investments	6,437,015	12,835,238
Transfers to Debt Service Fund	<u>(1,996,369)</u>	<u>(4,172,764)</u>
Total	4,440,646	8,662,474
Second Capital Reserve Fund:		
Income from investment	13,482,766	26,889,243
Transfers to Debt Service Fund	<u>(1,397,042)</u>	<u>(15,228,551)</u>
Total	<u>12,085,724</u>	<u>11,660,692</u>
Total receipts	70,906,366	142,987,609
<b>Expenditures:</b>		
Debt Service Fund:		
Interest on First General Resolution Bonds	22,588,836	45,177,674
Interest on Second General Resolution bonds	<u>100,175,423</u>	<u>200,349,959</u>
Total expenditures	<u>122,764,259</u>	<u>245,527,633</u>
<b>Excess (deficiency) of receipts over expenditures for the period</b>	<u>\$ (51,857,893)</u>	<u>\$ (102,540,024)</u>

See accompanying notes to the financial statements.

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

**OPERATING FUND  
STATEMENT OF TRANSACTIONS  
(Unaudited)**

	<b>For the three months ended <u>December 31, 1990</u></b>	<b>For the six months ended <u>December 31, 1990</u></b>
<b>Receipts:</b>		
Income from investments	\$ 37,287	\$ 71,607
Transfer from Debt Service Fund	<u>4,466,545</u>	<u>6,122,913</u>
Total	<u>4,503,832</u>	<u>6,194,520</u>
<b>Expenditures:-</b>		
Debt administration	340,876	501,229
General administration	342,736	768,568
State cost recovery assessment	746,483	1,492,965
Oversight function: Financial Control Board	<u>529,167</u>	<u>987,190</u>
Total expenditures	<u>1,959,262</u>	<u>3,749,952</u>
<b>Excess (deficiency) of receipts over expenditures for the period</b>	<b><u>\$ 2,544,570</u></b>	<b><u>\$ 2,444,568</u></b>

**SUMMARY OF CHANGES IN FUNDING REQUIREMENT  
(Unaudited)**

	<b>For the three months ended <u>December 31, 1990</u></b>	<b>For the six months ended <u>December 31, 1990</u></b>
Funding requirement at beginning of period	\$ 3,717,910,861	\$ 3,667,128,728
<b>Changes during the period:</b>		
Debt Service and Capital Reserve Funds	51,857,893	102,540,024
Operating Fund	<u>(2,544,570)</u>	<u>(2,444,568)</u>
Funding requirement at end of period	<b><u>\$ 3,767,224,184</u></b>	<b><u>\$ 3,767,224,184</u></b>

See accompanying notes to the financial statements.

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**MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
Debt Service and Capital Reserve Funds  
STATEMENT OF CASH FLOWS**

	<u>For the three Months Ended December 31, 1990</u>	<u>For the six Months Ended December 31, 1990</u>
<b>Cash flows from Operating Activities:</b>		
Interest paid on bonds	\$ (200,349,958)	\$ (245,527,633)
New York City obligations:		
Principal repayment	-0-	126,439,000
Interest received	-0-	82,343,590
Transfers to Operating Fund	<u>(4,466,545)</u>	<u>(6,122,913)</u>
Net cash used for operating activities	<u>(204,816,503)</u>	<u>(42,867,956)</u>
<b>Cash flows from Investing Activities:</b>		
Sales and redemptions of marketable securities	919,385,594	1,194,807,084
Purchases of marketable securities	(753,128,445)	(1,214,321,342)
Interest received on marketable securities	50,223,000	81,405,300
Purchased interest on marketable securities	<u>(11,650,951)</u>	<u>(19,025,305)</u>
Net cash provided by investing activities	<u>204,829,198</u>	<u>42,865,737</u>
Net increase (decrease) in cash	12,695	(2,219)
Cash at beginning of period	<u>(5,898)</u>	<u>9,016</u>
Cash at end of period	<u>\$ 6,797</u>	<u>\$ 6,797</u>
Excess (deficiency) of receipts over expenditures for the period	\$ (51,857,893)	\$ (102,540,024)
Adjustments to reconcile excess (deficiency) of receipts over expenditures to net cash provided by (used for) operating activities:		
Amortization of premiums/discounts on marketable securities	(6,341,200)	(14,012,720)
Decrease in accrued interest on marketable securities	8,472,625	6,149,590
Gains on sales of marketable securities	(50,870)	(206,226)
Decrease in accrued interest on bonds payable	(77,585,699)	-0-
Increase in Federal rebate requirement	491,855	1,133,183
(Increase) decrease in interest receivable on New York City obligations	(38,678,297)	2,927,148
Principal repayment of New York City obligations	-0-	126,439,000
Decrease in provision for unrealized loss on marketable securities	(687,842)	(373,834)
Increase in accrued interest on unsettled trades	(7,133)	(4,078)
Nonoperating items	<u>(38,572,049)</u>	<u>(62,379,995)</u>
Total Adjustments	<u>(152,958,610)</u>	<u>59,672,068</u>
Net cash used for operating activities	<u>\$ (204,816,503)</u>	<u>\$ (42,867,956)</u>

See accompanying notes to the financial statements.  
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MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
Operating Fund  
STATEMENT OF CASH FLOWS

	<u>For the three Months Ended December 31, 1990</u>	<u>For the six Months Ended December 31, 1990</u>
<b>Cash flows from Operating Activities:</b>		
Payment to vendors	\$ (4,199,117)	\$ (5,127,093)
Transfers from Debt Service Fund	<u>4,466,545</u>	<u>6,122,913</u>
Net Cash provided by operating activities	<u>267,428</u>	<u>995,820</u>
<b>Cash flows from Investing Activities:</b>		
Sales and redemptions of marketable securities	114,712,000	220,354,000
Purchases of marketable securities	(115,016,000)	(221,420,000)
Interest received on marketable securities	<u>38,299</u>	<u>71,810</u>
Net cash used for investing activities	<u>(265,701)</u>	<u>(994,190)</u>
Net increase in cash	1,727	1,630
Cash at beginning of period	<u>3,263</u>	<u>3,360</u>
Cash at end of period	<u><u>4,990</u></u>	<u><u>4,990</u></u>
Excess (deficiency) of receipts over expenditures for the period	\$ 2,544,570	\$ 2,444,568
Adjustments to reconcile excess (deficiency) of receipts over expenditures to net cash provided by operating activities:		
Decrease in accrued interest on marketable securities	1,012	201
Decrease in accrued expenses	(1,493,379)	(630,663)
Increase in prepaid expense	(746,476)	(746,476)
Nonoperating items	<u>(38,299)</u>	<u>(71,810)</u>
Total Adjustments	<u>(2,277,142)</u>	<u>(1,448,748)</u>
Net cash provided by operating activities	<u>\$ 267,428</u>	<u>\$ 995,820</u>

See accompanying notes to the financial statements

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

**NOTES TO FINANCIAL STATEMENTS  
December 31, 1990  
(Unaudited)**

**NOTE 1 - Organization and Functions  
of the Corporation:**

Municipal Assistance Corporation For The City of New York (the "Corporation") is a corporate governmental agency and instrumentality of the State of New York (the "State") constituting a public benefit corporation. The Corporation was created by State legislation adopted in June 1975 (as amended to date, the "Act") for purposes of providing financing assistance and fiscal oversight for The City of New York (the "City"). To carry out such purposes, the Corporation was authorized to sell bonds and notes for the purpose of paying or loaning the proceeds of such sales to the City and to exchange the Corporation's obligations for those of the City.

**NOTE 2 - Summary of Significant  
Accounting Policies:**

The Debt Service Fund follows the modified accrual basis of accounting. Receipts from tax allocations are recorded as received. Interest income from investments and interest expense on the Corporation's debt are recorded on the accrual basis. Income from investments includes realized gains and losses from sales of investments. With respect to the Debt Service and Capital Reserve Funds, income from investments is net of an accrued rebate to the United States of certain excess earnings (See Note 8). With respect to the Debt Service Fund, income from investments also includes provisions for unrealized losses or reversals of prior provisions for unrealized losses on such investments. The Corporation's debt is recorded at the principal amount of the obligations outstanding. Original issue discounts are charged to the Debt Service Fund as incurred and become part of the funding requirement. Amounts required for the payment of debt service due on July 1 and January 1 are accounted for as if paid on the immediately preceding June 30 and December 31, respectively, by which date such amounts are segregated for that purpose by the Trustee under the bond resolutions. The funding requirement of the Corporation reported in the Statement of Financial Position does not include future interest requirements.



Debt service funds paid to the Corporation in advance of disbursement to bondholders are temporarily invested pursuant to the terms of the bond resolutions and the income therefrom is credited to the Debt Service Fund.

Investments in marketable securities held in the Capital Reserve Funds are carried at amortized cost and investments in marketable securities in the Debt Service Fund are carried at the lower of cost or market value, inclusive of accrued interest, in accordance with the bond resolutions pursuant to which they were established. Investments in marketable securities held in the Operating Fund are carried at the lower of cost or market value, inclusive of accrued interest. Investments may consist of direct obligations of, or obligations guaranteed by, the State or the United States of America, repurchase agreements pursuant to master agreements with certain authorized financial institutions and certain obligations of U.S. government agencies. Investments are held by the Trustee in the name of the Corporation. City of New York obligations are carried at cost.

**NOTE 3 - Bonds of the Corporation:  
Authorization, Funding, Payment  
and Refunded Bonds:**

**Debt Authorization:**

The Corporation was authorized by the Act to issue, until January 1, 1985, obligations in an aggregate principal amount of \$10 billion, of which the Corporation issued approximately \$9.445 billion, exclusive of obligations issued to refund outstanding obligations of the Corporation and of notes issued to enable the City to fulfill its seasonal borrowing requirements. In July 1990, State legislation was enacted which, among other things, authorized the Corporation to issue up to an additional \$1.5 billion of bonds and notes to fund a portion of the capital programs of the New York City Transit Authority and the New York City School Construction Authority, under the terms contained in a memorandum of agreement dated July 19, 1990, among the Corporation, the State and City. This legislation also provides for a reduction in the July, 1990 issuance authority to the extent that the transit and schools capital programs are funded by the City. As of December 31, 1990, the Corporation has been advised that the City has funded \$220 million of these programs.

The Corporation continues to be authorized to issue obligations to renew or refund outstanding obligations, without limitation as to amount. No obligations of the Corporation may mature later than July 1, 2008. The Corporation may issue new obligations provided their issuance would not cause certain debt service limitations and debt service coverage ratios to be exceeded. See Exhibits I, II and III, which are an integral part of the Corporation's financial statements.

Funding Methods:

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

All outstanding bonds are general obligations of the Corporation. The Corporation has no taxing power. The bonds are entitled to liens, created by pledges under the respective resolutions, on moneys paid into the Debt Service and Capital Reserve Funds.

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

The Corporation was advised that net revenues from such sales and stock transfer taxes collected by the State during

the three-month and twelve-month periods ended December 31, 1990 amounted to \$991.8 million and \$4,008.6 million, respectively, as shown below:

<u>Three Months Ended</u>			
	<u>12/31/90</u>	<u>12/31/89</u>	<u>Change</u>
Sales Tax	\$ 577.3	\$ 605.2	(4.6)%
Stock Transfer Tax	414.5	406.7	1.9
Total	<u>\$ 991.8</u>	<u>\$ 1,011.9</u>	(2.0)

<u>Twelve Months Ended</u>			
	<u>12/31/90</u>	<u>12/31/89</u>	<u>Change</u>
Sales Tax	\$ 2,356.3	\$ 2,331.1	1.1%
Stock Transfer Tax	1,652.3	1,554.9	6.3
Total	<u>\$ 4,008.6</u>	<u>\$ 3,886.0</u>	3.2

Payments made to the Corporation from the Municipal Assistance Tax Fund are to be made quarterly and at such other times as the Corporation requests.

Debt service for obligations issued under the Second General Bond Resolution is payable from two sources: funds paid annually into the Debt Service Fund from the Municipal Assistance State Aid Fund, which is funded from per capita aid otherwise payable by the State to the City and funds paid quarterly from the Municipal Assistance Tax Fund, after satisfying the debt service requirements for obligations issued under the First General Bond Resolution as described above. Per capita aid is subject to prior claims asserted by certain other State or City entities; however, the Corporation has been advised that no such claims have been asserted since the inception of the Corporation. Also, the Corporation was advised that total per capita aid paid into the Municipal Assistance State Aid Fund during the twelve months ended December 31, 1990 amounted to \$535 million.

The Corporation certified to and was paid on January 11, 1991, from the Municipal Assistance Tax Fund sales tax revenues of \$23.5 million for First General Bond Resolution purposes and \$76.5 million for Second General Bond Resolution purposes.

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

Payment Dates:

Principal payments at maturity or mandatory sinking fund calls are made February 1 and interest is paid

semiannually on February 1 and August 1 for bonds outstanding under the First General Bond Resolution. Principal payments at maturity or mandatory sinking fund calls are made July 1 and interest is paid semiannually on July 1 and January 1 for bonds outstanding under the Second General Bond Resolution. The Corporation may from time to time purchase at a price equal to or less than par certain of its securities to satisfy its sinking fund requirements.

**Refunded Bonds:**

The Corporation's bonds may be refunded in advance of their maturity in accordance with provisions of the First and Second General Bond Resolutions by placing in trust with the Trustee sufficient moneys or certain securities which together with investment income therefrom will be sufficient to pay principal and interest when due on the bonds which have been refunded. Although they remain valid debt instruments with regard to principal and interest payable thereon from the moneys or securities placed in trust, advance refunded bonds are defeased and deemed to have been paid within the meaning of the First and Second General Bond Resolutions and are therefore no longer presented as liabilities of the Corporation. At December 31, 1990, \$2,395.5 million of the Corporation's bonds which have been advance refunded remain valid debt instruments.

The advance refunding program of the Corporation has reduced the level of debt service payments in certain early years, where scheduled payments were disproportionately high, and increased scheduled debt service payments in later years while also providing present value savings to the Corporation.

**NOTE 4 - Capital Reserve Funds:**

Capital Reserve Funds have been established under each of the Corporation's general bond resolutions, in conformance with the requirements of the Act, to provide security for payment of interest on and principal of the bonds issued under each of the respective resolutions. The amount required to be on deposit in each of the Capital Reserve Funds is 100% of the principal (including sinking fund installments) and interest maturing or otherwise due or becoming due during the succeeding calendar year on outstanding bonds issued under the respective resolutions.

At December 31, 1990, the First General Bond Resolution Capital Reserve Fund balance was \$341.2 million and the Second General Bond Resolution Capital Reserve Fund balance was \$661.0 million. Such levels equalled or exceeded the required funding levels.

**NOTE 5 - Operating Fund:**

The Operating Fund provides for the expenses of carrying out the Corporation's duties and functions and is funded from the Municipal Assistance Tax Fund. The Operating Fund accounts have been prepared on the accrual basis of accounting. The Corporation's administrative expenses are charged to the Operating Fund as incurred. The assets of the Operating Fund at December 31, 1990 included approximately \$2,936,000 of securities purchased under an agreement to resell.

**NOTE 6 - City of New York Obligations  
Held by the Corporation:**

Between October 1980 and June 1987, the Corporation acquired bonds of the City, as part of a program to provide for a significant portion of the City's capital financing requirements, by using the net proceeds of certain of the Corporation's debt issuance to purchase City bonds with similar maturities. Prior to October 1980, the Corporation had acquired bonds of the City in connection with certain other transactions. City bonds owned by the Corporation may not be sold without the consent of the City and accordingly are carried at cost.

At December 31, 1990, the Corporation held \$1,508.8 million principal amount of City bonds. The City obligations held at December 31, 1990 bear interest at rates ranging from 6.75% to 13.6% and will mature on September 15 in each year as shown below:

<u>Year</u>	<u>Amount Maturing</u> (In Thousands)
1991	\$ 115,300
1992	114,609
1993	112,876
1994	122,983
1995	121,381
1996-2000	513,303
2001-2005	297,357
2006-2007	111,015
	<u>\$ 1,508,824</u>

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

NOTE 7 - INVESTMENTS IN MARKETABLE SECURITIES:

	(In Thousands)		
	December 31, 1990		
	<u>Principal</u>	<u>Market</u>	<u>Cost</u>
<b>Debt Service Fund</b>			
Obligations Maturing in Less than One Year			
U.S. Treasury	\$ 476,504	\$ 475,469	\$ 476,238
One to Five Years			
U.S. Treasury	<u>135,430</u>	<u>136,121</u>	<u>135,817</u>
	<u>\$ 611,934</u>	<u>\$ 611,590</u>	<u>612,055</u>
Less:			
Unrealized loss			(465)
Total			<u>\$ 611,590</u>
<b>First Capital Reserve Fund</b>			
Obligations Maturing in Less than One Year			
U.S. Treasury	\$ 158,764	\$ 160,346	\$ 159,994
One to Five Years			
U.S. Treasury	<u>177,997</u>	<u>173,810</u>	<u>173,466</u>
Total	<u>\$ 336,761</u>	<u>\$ 334,156</u>	<u>\$ 333,460</u>
<b>Second Capital Reserve Fund</b>			
Obligations Maturing in Less than One Year			
U.S. Treasury	\$ 120,786	\$ 121,378	\$ 120,905
One to Five Years			
U.S. Treasury	369,692	370,687	367,509
Over Five Years			
U.S. Treasury	<u>290,793</u>	<u>154,638</u>	<u>164,260</u>
Total	<u>\$ 781,271</u>	<u>\$ 646,703</u>	<u>\$ 652,674</u>

BR(2nd):vrw

**NOTE 8 - Commitments and Contingent Liabilities:**

On April 2, 1986, the Corporation entered into an agreement with the State and the City to make available \$1.6 billion of additional revenues to the City of New York during the 1987 through 1995 fiscal years. Revenues made available pursuant to this agreement are determinable at the close of the Corporation's fiscal year. As of June 30, 1990, the Corporation made available \$761 million of these revenues including, \$70 million made available during fiscal 1990 for City operations which had previously been earmarked for the New York City Transit Authority capital program.

On May 16, 1989, the Corporation entered into an agreement with the State and the City to make available \$750 million of additional revenues to the City of New York during the 1990 through 1997 fiscal years. These revenues are in addition to those to be provided by the April 1986 agreement. Revenues made available pursuant to this agreement are determinable at the close of the Corporation's fiscal year. As of June 30, 1990, the Corporation made available \$175 million of these revenues, including \$75 million made available during fiscal 1990 for City operations which had previously been earmarked for the New York City School Construction Authority capital program.

On July 19, 1990, the Corporation, the State and the City entered into a new memorandum of agreement amending the agreements executed on April 2, 1986 and May 16, 1989. Under the new agreement, the Corporation will make available for City operations over the 1990 through 1997 fiscal years \$1.465 billion of its excess revenues which previously had been committed to the capital programs of the New York City Transit Authority and the New York City School Construction Authority. The new agreement further provides that these capital programs will be funded in accordance with the schedules set forth in the 1986 and 1989 agreements with proceeds of the City's or the Corporation's debt. As of December 31, 1990 the Corporation has been advised that the City had funded \$220 million of these programs.

The Corporation is required to reimburse the State of New York for an allocable share of costs attributable to the provision of central governmental services pursuant to legislation initially enacted in 1989. Costs allocable to the Corporation are based on its pro-rata share of the lesser of the total amount of expenses incurred during the State's fiscal year in the provision of these services or \$17.5 million. The Corporation's pro-rata share is determined based upon the proportion of its outstanding bonds to the total outstanding debt, consisting of bonds, notes and other obligations, of all public benefit corporations covered by the legislation. The Corporation's estimated allocable share of costs for the State's 1991

MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

SUMMARY OF ANNUAL PRINCIPAL  
PAYMENTS BY FISCAL YEAR

December 31, 1990

(In Thousands)  
(Unaudited)

FY Ending 6/30	First General Bond Resolution Total Principal*	Second General Bond Resolution Total Principal*	Total Principal*
1991	\$ 210,000	\$ -0-	\$ 210,000
1992	190,000	233,455	423,455
1993	195,000	257,140	452,140
1994	290,000	158,335	448,335
1995	319,738	174,425	494,163
1996		188,600	188,600
1997		190,340	190,340
1998		267,470	267,470
1999		297,700	297,700
2000		337,425	337,425
2001		295,755	295,755
2002		317,195	317,195
2003		340,340	340,340
2004		365,370	365,370
2005		392,340	392,340
2006		421,325	421,325
2007		452,440	452,440
2008		485,910	485,910
2009		521,005	521,005
<b>Total</b>	<b><u>\$ 1,204,738</u></b>	<b><u>\$ 5,696,570</u></b>	<b><u>\$ 6,901,308</u></b>

\* Excludes refunded bonds.

vsj:wp



MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

SUMMARY OF ANNUAL DEBT SERVICE  
FUNDING REQUIREMENTS

December 31, 1990

(In Thousands)  
(Unaudited)

FY ending 6/30	First General Bond Resolution Total Principal and Interest*	Second General Bond Resolution Total Principal and Interest*	Total Principal and Interest*
1991	\$ 207,392+	\$ 471,430+	\$ 678,822+
1992	259,980	636,467	896,447
1993	295,543	521,196	816,739
1994	339,724	526,658	866,382
1995	171,859	528,799	700,658
1996		517,556	517,556
1997		580,374	580,374
1998		592,065	592,065
1999		610,578	610,578
2000		545,992	545,992
2001		546,080	546,080
2002		546,126	546,126
2003		546,208	546,208
2004		546,284	546,284
2005		546,309	546,309
2006		546,317	546,317
2007		546,599	546,599
2008		547,176	547,176
<b>Total</b>	<b><u>\$ 1,274,498</u></b>	<b><u>\$ 9,902,214</u></b>	<b><u>\$ 11,176,712</u></b>

\*Excludes refunded bonds.

+The fiscal year 1991 requirements represent the balance of funding required during the year.

vsj:wp

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

SUMMARY OF ANNUAL DEBT SERVICE  
PAYMENT REQUIREMENT

December 31, 1990

(In Thousands)  
(Unaudited)

FY ending 6/30	First General Bond Resolution*	Second General Bond Resolution*	Total Debt Service on Bonds Outstanding*	Estimated Coverage Ratios†	
				First Resolution Bonds	Second Resolution Bonds
1991	\$ 255,178	\$ -0-	\$ 255,178	15.66**	
1992	264,605	625,785	890,390	15.10	6.70
1993	255,355	631,833	887,188	15.65	6.65
1994	335,730	518,631	854,361	11.90	7.95
1995	343,718	523,725	867,443	11.63	7.85
1996		525,564	525,564		8.48
1997		514,278	514,278		8.67
1998		575,896	575,896		7.74
1999		586,960	586,960		7.59
2000		604,683	604,683		7.37
2001		540,761	540,761		8.24
2002		540,419	540,419		8.25
2003		540,008	540,008		8.25
2004		539,613	539,613		8.26
2005		539,176	539,176		8.27
2006		538,672	538,672		8.27
2007		538,120	538,120		8.28
2008		538,001	538,001		8.28
2009		538,452	538,452		8.28
<b>Total</b>	<b>\$ 1,454,586</b>	<b>\$ 9,960,577</b>	<b>\$ 11,415,163</b>		

BR:vtw

Footnotes to Exhibit III

- + Estimated coverage ratios on First Resolution Bonds are based upon New York State Sales and Stock Transfer Tax Revenues for the twelve months ended December 31, 1990, reduced by Operating Expenses of \$12.2 million, divided by debt service on First Resolution Bonds. Estimated coverage ratios on Second Resolution Bonds are based upon all revenues, reduced by debt service on First Resolution Bonds and Operating Expenses, divided upon all revenues, reduced by debt service on Second Resolution Bonds. All revenues for the twelve months ended December 31, 1990, include \$4,008.6 million combined New York State Sales and Stock Transfer Tax and \$460.5 million (exclusive of \$74.5 million of potential prior claims) in Per Capita Aid.
- \* Excludes refunded bonds.
- \*\* This ratio is computed after giving effect to the debt service payment of \$45.2 million on the First General Resolution bonds on August 1, 1990. Were computation of the coverage ratio to include this payment, the result would be 13.30.

BR:vrw

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

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

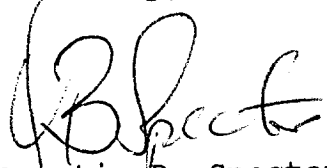
30 January 1991

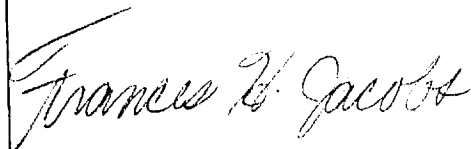
PRICE WATERHOUSE  
153 East 53rd Street  
New York, N.Y. 10022

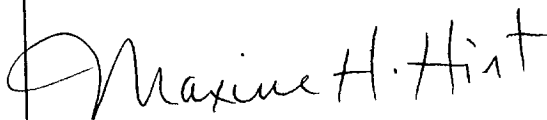
Dear Sirs:

We confirmed by letter dated August 15, 1990 certain information and opinions expressed to you. With respect to the financial statements of the Municipal Assistance Corporation for the year ended June 30, 1990 to be included in the Official Statement we confirm that, to the best of our knowledge and belief, the statements made in said letter are correct as of this date and there have been no developments since August 15, 1990, which would materially affect the financial statements for the year ended June 30, 1990. In addition, we know of no event since August 15, 1990 which, although not affecting such financial statements, has caused or is likely to cause any material change, adverse or otherwise, in the financial position or results of operations of the company.

Sincerely,

  
Quentin B. Spector  
Executive Director

  
Frances H. Jacobs  
Treasurer

  
Maxine H. Hirt  
Counsel

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

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

29 January 1991

Mr. H. Earle Belue  
2640 Black Fir Court  
Reston, Virginia 22091

Dear Mr. Belue:

The series 5 Bond has had an active sinking fund since July 1, 1982. The most recent call made pursuant to sinking fund provisions was on July 1, 1990. As you did not include your bondnumber, it is impossible for me to tell you if your particular bond has been called. However, there were not, and will not be any other calls prior to the final maturity date of July 1, 1991.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
& Treasurer

FHJ:bond:vrw

2640 Black Fir Court  
Reston, Virginia 22091  
January 9, 1991

Municipal Assistance Corporation  
for New York  
1 World Trade Center  
New York, New York 10048

Gentlemen:

Please review your records and advise me if any of the  
CUSIP 626190-BT-8 bonds will be recalled this year.

These are the 1976 Series 5 Bonds (\$5,000 denomination),  
8% bearer bonds with \$200 coupons payable July and January.  
These bonds will mature July 1991.

Thank you.

Sincerely,



H. Earle Belue

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

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

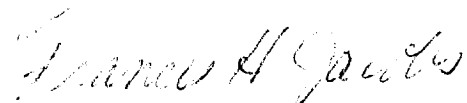
January 29, 1991

Mr. Jerry Quinlan  
458 Crescent Street  
Brooklyn, N.Y. 11208-2802

Dear Mr. Quinlan:

Mr. Rohatyn has forwarded your letter to me for a reply. I am attaching a copy of my letter to you dated October 1, 1990. As I stated in that letter, a bondholder must present his bond before 11 a.m. in order to receive a check on the same day. If you follow this procedure in the future, you will receive your check the same day you present the bond.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
and Treasurer

Enclosure

FHJ:bond:vrw

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

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

1 October 1990

Mr. Jerry Quinlan  
458 Crescent Street  
Brooklyn, N.Y. 11208-2802

Dear Mr. Quinlan:

Bonds must be presented before 11 a.m. in order for the bondholder to receive a check on the same day. Your bond was time stamped at 11:52 a.m. and so was not eligible for payment that day. Under such circumstances, the holder then has the option to return to pick up his check the following day or have it mailed to him. Our records indicate that your check was mailed on July 2, the same day you presented the bond. In the future, if you would like to receive a check please present your bond before 11 a.m.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
and Treasurer

FHJ:vrw:103



1/9/91

Mac President Felix Ryzhater

Dear President

I had a Mac Bond #10,000 exp date 7/1/90 which stated to redeem present to 65 Beaver St. 7/1/90 was a Sunday. I presented the Bond on 7/2/90 Monday. The Clerk at the transfer agent told me no checks today. When I asked him when he repeated no checks today. I did not receive the check until 3:30 PM 7/6/90. It was post marked 7/3/90 making me lose 5 days interest. I was there on 7/2/90 they should have given it to me on 7/2/90 or told me to come back 7/3/90. In a letter in my response I wrote to U.S. Bank not responsible for mail and they only put a 25c stamp. What if I never received the check who would be responsible. I never told them to mail the check and I believe I am entitled to 05 1/2% Interest for 5 days.

Respectfully or Wishing you Success in Enterprise

Jerry Zunlan

458 Crescent St

Bklyn N. Y 11208-2802

718 235-0871

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

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

28 January 1991

Ms. Paula Dagen  
Counsel  
CITY OF NEW YORK  
OFFICE OF MANAGEMENT  
& BUDGET  
75 Park Place/6th Floor  
New York N.Y. 10007

Dear Paula:

Enclosed please find five (5) original "15c2-12  
Certificates" for Mr. Philip R. Michael and Ms. Darcy  
Bradbury signatures. Please telecopy an executed  
certificate to me on Tuesday, January 29, 1991 (my telecopy  
number is (212) 775-0042), and deliver the original executed  
copies to me as soon thereafter as possible.

I appreciate your assistance in this matter.

Very truly yours,



Lynnette Kelly  
Associate Counsel

LK:vsj:wp

Enclosure

CERTIFICATE OF THE CITY OF NEW YORK  
REGARDING THE PRELIMINARY OFFICIAL STATEMENT OF THE  
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK  
DATED JANUARY 29, 1991 (the "POS")

We, PHILIP R. MICHAEL, Director of Management & Budget, and  
DARCY BRADBURY, Deputy Comptroller for Finance, of the City  
of New York (the "City"), on behalf of the City, DO HEREBY  
CERTIFY as follows:

1. We have reviewed Part 8 of the POS  
entitled "CERTAIN DEVELOPMENTS AFFECTING THE CITY"  
(the "City Section") in its entirety.

2. The City Section is hereby "deemed  
final" for purposes of Rule 15c2-12 of the  
Securities Exchange Act of 1934 promulgated by the  
Securities Exchange Commission.

IN WITNESS WHEREOF, we have hereunto set out hands this 29th  
day of January 1991.

THE CITY OF NEW YORK

By: \_\_\_\_\_  
Director of Management & Budget

By: \_\_\_\_\_  
Deputy Comptroller for Finance

MH:vrw

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

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

25 January 1991

Mr. Avram Horowitz  
Associate Budget Examiner  
STATE OF NEW YORK  
DIVISION OF THE BUDGET  
Fiscal Planning Unit  
State Capitol/Room 145  
Albany, N.Y. 12224

Dear Avram:

Enclosed please find five (5) original "15c2-12  
Certificates" for Mr. Forsythe's signature. I will telecopy  
the revised state section of the Preliminary Official  
Statement to you on Tuesday for your review. Please  
telecopy an executed certificate to me on Tuesday, January  
29, 1991, (my telecopy number is (212) 775-0042), and  
deliver the original executed copies to me as soon  
thereafter as possible.

I appreciate your assistance in this matter.

Very truly yours,



Lynnette Kelly  
Associate Counsel

LK:vsj:wp

Enclosure

CERTIFICATE OF THE NEW YORK STATE DIVISION  
OF THE BUDGET REGARDING THE PRELIMINARY  
OFFICIAL STATEMENT OF THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
DATED JANUARY 29, 1991 (the "POS")

I, DALL W. FORSYTHE, Director of the Budget of the State of New York, do HEREBY CERTIFY as follows:

1. I have reviewed the subsection entitled "Per Capita Aid" of Part 5 of the POS - "PAYMENT OF THE BONDS" and Part 7 of the POS entitled "CERTAIN DEVELOPMENTS AFFECTING THE STATE" in their entirety.

2. Such subsection of Part 5 and Part 7 of the POS are hereby "deemed final" for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 promulgated by the Securities Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 1991.

---

Dall W. Forsythe  
Director of the Budget

MH:vrw

CERTIFICATE OF THE NEW YORK STATE DIVISION  
OF THE BUDGET REGARDING THE PRELIMINARY  
OFFICIAL STATEMENT OF THE MUNICIPAL ASSISTANCE CORPORATION  
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Dall W. Forsythe  
Director of the Budget

MH:vrw

CERTIFICATE OF THE NEW YORK STATE DIVISION  
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Dall W. Forsythe  
Director of the Budget

MH:vrw

CERTIFICATE OF THE NEW YORK STATE DIVISION  
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IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 1991.

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Dall W. Forsythe  
Director of the Budget

MH:vrw



CERTIFICATE OF THE NEW YORK STATE DIVISION  
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IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 1991.

---

Dall W. Forsythe  
Director of the Budget

MH:vrw

## AMENDED AND RESTATED AGREEMENT

**AGREEMENT** made as of the 26th day of November, 1975, among the Municipal Assistance Corporation For The City of New York (the "Corporation") and each of the undersigned New York City Commercial Banks (the "Banks"), New York City Pension Funds (the "Pension Funds") and the New York City Sinking Funds (the "Sinking Funds") is hereby amended and restated to provide as follows:

The Corporation is proposing to offer to exchange (the "Exchange Offer") certain of its bonds (the "MAC Bonds") for certain outstanding short-term obligations of The City of New York, listed on Schedule A attached hereto (the "City Notes").

The Governor of the State of New York on November 25, 1975 made the following public announcement:

I wish to compliment the Legislative Leaders and the members of the New York Assembly and Senate on their work today. We have met, I believe, all the conditions laid down by the President as a prerequisite to his consideration of Federal involvement in the fiscal crisis facing New York City. We fully anticipate a favorable Federal response in recognition of the unusual and difficult steps taken by the people of New York.

While those achievements are a source of great satisfaction to all of us concerned about the potential default of New York City, for the State of New York it is only the first step. I shall ask the Legislature to return to Albany on December 3 to meet the problem of the State's own budget gap and to fully dispose of that matter through legislation during this extraordinary session. I am calling upon Comptroller Arthur Levitt to certify the existence and size of the gap on or about November 30th using the latest revenue figures available to him at that time. In addition, the Legislature will be asked to complete its work on the "moral obligation" agencies of the State—strengthening their reserves and removing those programs that will not pass the most rigorous credit test. This action is necessary to the long term build-out program that I shall then propose.

In my letter of November 14th to the Secretary of the Treasury Simon I committed myself to this legislative program. That commitment remains.

In reliance on the foregoing announcement, each of the Banks, Pension Funds and Sinking Funds, severally and not jointly, agrees with the Corporation as follows:

1. Each of the Banks and Pension Funds hereby agrees, severally and not jointly, not to tender or otherwise accept any offer for exchange of any City Notes held by it for MAC Bonds pursuant to the Exchange Offer. Each of the Banks and Pension Funds understands that, as a result of its not tendering or otherwise accepting any offer for exchange for its City Notes pursuant to the Exchange Offer, under the provisions of the New York State Emergency Moratorium Act for the City of New York enacted by the State Legislature at an extraordinary session and signed by the Governor on November 15, 1975 (the "Moratorium Act"), its City Notes will be subject to the moratorium therein provided for (the "Moratorium").

2. Notwithstanding any determination by any court of competent jurisdiction or by the State Legislature, which determination is applicable generally to all City Notes subject to the Moratorium and is not by its specific terms made applicable to the Banks or Pension Funds, that results in an increase in the rate of interest paid upon City Notes subject to the Moratorium (but does not affect the validity of the Moratorium on payment of principal), each of the Banks and Pension Funds hereby agrees that, after the scheduled date of maturity thereof, no interest need be paid on City Notes held by it subject to the Moratorium in excess of a rate of 6% a year.

3. Each of the Banks and Pension Funds hereby agrees (a) at the termination of the "moratorium period" under the Moratorium Act and any renewal or extension thereof to do one of the following: (i) to exchange City Notes held by it on the date hereof for short-term notes of the City, to renew

such City Notes or to purchase short-term notes of the City, in each case such renewed City Notes or such short-term notes of the City to bear interest at the rate of 6% a year and to be in a principal amount equal to the principal amount of City Notes held by it on the date hereof, or (ii) to agree to present City Notes held by it on the date hereof for payment (or, if the City so agrees, to defer contractually the maturity of such City Notes) at such times and in such amounts as to result in a reduction of original principal amount in accordance with the schedule of reduction provided in clause (b) hereof, such City Notes to bear interest at the rate of 6% a year subsequent to their original stated maturity, and (b) thereafter, upon an election under clause (a)(i) having been made, from time to time upon the maturities of any such notes held or acquired pursuant thereto, to renew such notes, or to exchange such notes for or to purchase short-term notes of the City, in each case such renewed notes or such short-term notes of the City to bear interest at the rate of 6% a year, and to be in a principal amount which shall be reduced annually, beginning with the first such exchange, renewal or purchase under this clause (b) by an amount equal to the fraction (not to exceed 4/4ths) of the original principal amount of its City Notes of which the numerator is four and the denominator is the number of full three month periods remaining from the end of the Moratorium or any renewal or extension thereof to July 1, 1986; *provided, however*, that the foregoing obligations shall be subject to the performance or fulfillment of the following conditions: (A) the final maturity date of any note of the City referred to above shall not be later than July 1, 1986; (B) the City timely pays (i) interest at maturity with respect to the City Notes, at their respective stated rates to their respective scheduled dates of maturity, and thereafter interest at least annually at the rate of 6% a year and (ii) interest at maturity with respect to such short-term notes at the rate of 6% a year; (C) at the time of any exchange, renewal or purchase of such short-term notes or renewal of City Notes hereunder the City shall have timely paid when due principal and interest on all bonds of the City outstanding at such time; (D) at the time of any exchange, renewal or purchase of such short-term notes or renewal of City Notes hereunder the City shall not be under the jurisdiction of any court pursuant to any proceedings under the federal bankruptcy laws or Title 6-A of the Local Finance Law (or any statute analogous in purpose or effect to any such law or to such Law); (E) at the time of any exchange, renewal or purchase of such short-term notes or renewal of City Notes hereunder there shall be delivered to and for the benefit of the exchanging or renewing holders or purchasers an unqualified approving opinion as to legality from recognized bond counsel and such other documents as counsel for the Banks and the Pension Funds shall reasonably request in form and substance satisfactory to such counsel; (F) at the time of any exchange, renewal or purchase of such short-term notes or renewal of City Notes hereunder the Mayor and the Comptroller of the City of New York and the New York State Emergency Financial Control Board if such Board is then in existence shall have certified that the budget of New York City for the fiscal year of New York City in which such exchange, renewal or purchase occurs is balanced; and (G) at the time of any exchange, renewal or purchase of such short-term notes or renewal of City Notes, no other party to this Agreement shall be in breach of any provision hereof. If at any time any option to exchange, renew or purchase short-term notes pursuant to paragraph 3 could not be effected by reason of the non-satisfaction of any condition specified in clauses (B) through (G) hereof, any City Notes retained pursuant to paragraph 3(a)(ii) may be presented for payment in full.

4. The Sinking Funds hereby represent that the only short-term notes of the City held by them are bond anticipation notes dated January 13, 1975 and maturing January 13, 1976, in aggregate principal amount of \$200,000,000 (the "Sinking Fund BANs"). The Sinking Funds hereby agree to purchase serial bonds of the City, bearing interest at the rate of 6% a year, in aggregate principal amount of \$200,000,000 upon or in payment of the Sinking Fund BANs. The bonds so purchased by the Sinking Funds shall mature and be subject to payment of such annual installments of principal as shall be necessary, after first taking into account the other holdings of the Sinking Funds, to meet the legal obligations of the Sinking Funds.

5. (a) Each of the Banks hereby agrees with respect to bonds of the Corporation held by it which are listed on the schedule furnished by it to the Corporation prior to its execution of this Agreement and

identified as its schedule referred to in this Paragraph and which bonds consist of either Series C, D, E, H or J Bonds of the Corporation (hereafter called "Bank Series Bonds"), and each of the Pension Funds and Sinking Funds may at its election agree with respect to any of the bonds of the Corporation it holds (hereinafter called the "Fund Bonds") that commencing February 1, 1976 (i) such Bank Series Bonds and such Fund Bonds will, notwithstanding the terms thereof, bear interest at the rate of 6% a year payable on February 1 and August 1 in each year; (ii) each such Bank Series Bond and Fund Bond will mature on February 1, 1986, subject to redemption, in part, on February 1, in each of the years 1977 through 1985 in the respective principal amounts calculated to provide for level debt service on such Bank Series Bond and Fund Bond held by it to February 1, 1986; (iii) such Bank Series Bonds and Fund Bonds will be stamped by such holder with a stamp reading: "Principal of and Interest on this Bond are payable in accordance with an Agreement dated as of the 26th day of November, 1975 among the Municipal Assistance Corporation for The City of New York and certain Pension Funds, Sinking Funds and Banks"; (iv) no such Bank Series Bond and Fund Bond will be transferred, assigned or delivered by such holder unless the same is first exchanged for a newly issued bond of the Corporation, in an amount equal to the unpaid principal amount of such exchanged Bank Series Bond and Fund Bond which newly issued bond shall be issued pursuant to the first General Bond Resolution of the Corporation dated July 2, 1975 and shall bear interest and mature (subject to redemption in accordance with the first General Bond Resolution) as hereinabove provided in this paragraph.

(b) Each of the Banks, Pension Funds and Sinking Funds hereby agrees to exchange on February 1, 1976, in the case of Banks, Series A and B bonds of the Corporation, in an amount at least equal to the amount of Series A and B bonds listed on the above-referred to schedule by such Bank and, in the case of such Funds, bonds of the Corporation equal to the amount of bonds of the Corporation that were heretofore purchased by such Funds from the Corporation less Fund Bonds with respect to which an election has been made under clause (a) above, for newly issued bonds of the Corporation issued pursuant to the first General Bond Resolution of the Corporation, dated July 2, 1975, bearing interest at the rate of 6% a year and maturing on February 1, 1986, subject to mandatory sinking fund payments calculated to provide for level debt service from February 1, 1977 to February 1, 1986; *provided, however,* that if prior to February 1, 1976 the consent of the requisite holders of Series A or B bondholders in the case of the Series A or Series B Bonds, respectively, of the Corporation is obtained to a revised amortization schedule for either or both of such Series held by the Banks (the Corporation agreeing to solicit such consents) resulting in a maturity on February 1, 1986 and mandatory sinking fund payments calculated to provide for level debt service from February 1, 1977 to February 1, 1986, such bonds so held by the Banks shall be treated in the same manner as in the case of and for purposes of this Paragraph 5 shall be deemed to be Bank Series Bonds; provided, further, however, that if in the case of the Series A term bonds such consent is not obtained prior to February 1, 1976, each Bank, unless, prior to August 1, 1976, it effects the exchange required by this clause (b) with respect to the Series A term bonds, shall continue to hold its Series A term bonds, and hereby agrees to a reduction of the interest rate on the Series A term bonds held by it to 6% per annum, commencing February 1, 1976, payable February 1 and August 1 in each year, and may not otherwise elect to modify the sinking fund or redemption provision of such bonds.

(c) The Corporation hereby agrees not to issue any new bonds of the Corporation based upon debt service savings to the Corporation resulting from the operation of this Paragraph 5.

(d) Notwithstanding anything to the contrary in this paragraph 5, the undertaking of each such holder under this paragraph shall be subject to the following: (A) the Corporation shall adopt a Series Bond Resolution and take such other steps on or before February 1, 1976 to permit the transactions provided for in clauses (a) and (b) above; (B) the Corporation shall have paid interest on the bonds held by such holder on February 1, 1976 at the respective rates of interest stated in such bonds; (C) on February 1, 1976, the City shall not be in default in the payment of the principal of or interest on any debt obligations of the City; (D) there shall be no failure of any condition (which has not been

waived) to the performance of any obligation of the Pension Funds under Paragraph 7; and (E) there shall be delivered to and for the benefit of holders of bonds of the Corporation affected by this paragraph 5 an unqualified approving opinion as to legality from recognized bond counsel and such other documents as counsel for such holders shall reasonably request in form and substance satisfactory to such counsel.

6. Each of the agreements referred to in Paragraphs 3 and 5 is subject to agreement to and fulfillment of such agreements by all other parties referred to in such Paragraphs 3 and 5 and to enactment prior to February 1, 1976 of Federal Legislation that would provide, by way of guarantees or otherwise, for the seasonal financing needs of the City, over the period from the effective date thereof through a date not earlier than June 30, 1978, in a maximum amount of not less than \$2,300,000,000 at any time outstanding.

7. The Pension Funds hereby agree, severally and not jointly, to purchase serial bonds of the City, substantially in the proportions set out in Schedule B, in the principal amount of \$2,530,000,000 as follows:

(a) Prior to January 1, 1976, \$30,000,000 serial bonds of City bearing interest at the rate of 6% a year and maturing on such date or dates as shall be mutually agreed upon; (it being understood that urban renewal notes of the City in the amount of \$30,000,000, dated April 18, 1975 and maturing December 17, 1975, and held by the Pension Funds, are to be paid with proceeds of federal grant funds segregated therefor);

(b) As soon as possible but prior to June 30, 1976, up to \$500,000,000 serial bonds of the City; during the 1976-1977 fiscal year of the City up to \$1,500,000,000 principal amount of serial bonds of the City; during the 1977-1978 fiscal year of the City up to \$500,000,000 principal amount of serial bonds of the City; all such bonds shall bear interest at the rate of 9% a year and shall mature on such date or dates as shall be mutually agreed upon;

(c) To the extent the City is required by law to amortize, prior to June 30, 1978, any principal of the bonds of the City purchased by the Pension Funds pursuant to this Paragraph 7, the Pension Funds agree to purchase additional serial bonds of the City in an amount equal to such principal amortization and bearing interest at the rate of 9% a year and maturing on such date or dates as shall be mutually agreed upon;

(d) Any Pension Fund may, at its election, purchase MAC Bonds (issued pursuant to its second General Bond Resolution), up to an amount equal to its proportionate share of the difference between \$1,600,175,000 and the principal amount of MAC Bonds issued pursuant to the Exchange Offer, in fulfillment of its obligation to purchase an equal amount of bonds of the City pursuant to this Paragraph 7, and any such MAC Bonds so purchased shall bear interest at the rate of 8% a year and mature July 1, 1986, subject to mandatory sinking fund payments calculated to provide for level debt service to July 1, 1986;

(e) The obligations of the Pension Funds to purchase bonds pursuant to this Paragraph 7 shall be subject to agreement to and fulfillment of such agreements by all parties referred to in this Paragraph 7 and shall be conditioned upon each of the following facts being true on the date of each such purchase: (i) the City shall have timely paid when due principal and interest on all bonds of the City outstanding at such time, (ii) the City shall not be under the jurisdiction of any court pursuant to any proceedings under the federal bankruptcy laws or pursuant to title 6A of the Local Finance Law (or any statute analogous in purpose or effect to any such laws or such Law). (iii) a State law containing provisions with respect to the legal status of the Pension Funds and their Trustees' responsibilities, satisfactory to such Trustees, shall have been enacted and shall be effective, (iv) the City shall have made to the Pension Funds all contributions and other payments required by law, (v) the City shall, in connection with each purchase prior to February 1, 1976, or the first date on which the first seasonal financing moneys have been received

by the City pursuant to the Federal Legislation referred to in Paragraph 6 (whichever is earlier), deliver to any Pension Fund so requesting a report of essential facts of the City in the form promulgated by the State Department of Audit & Control, and in connection with each purchase thereafter shall deliver to any Pension Fund so requesting an official statement with respect to the City in form and substance satisfactory to the Trustees of the Pension Funds, each of which shall include a current status of the City's financial plan as required and approved by the Emergency Financial Control Board, (vi) the Internal Revenue Service shall have ruled, or the Congress of the United States shall have provided, that such purchases of obligations by the Pension Funds pursuant to this Agreement shall not constitute prohibited transactions or otherwise adversely affect the qualified status of the Pension Funds for the purposes of the Internal Revenue Code of 1954, as amended, (vii) the Federal Legislation referred to in Paragraph 6 above shall have been enacted and shall be in force, (viii) at the time of any such purchase, there shall have been delivered to and for the benefit of each Pension Fund an unqualified approving opinion as to legality from recognized bond counsel and such other documents as counsel for the Pension Funds shall reasonably request in form and substance satisfactory to such counsel, and (ix) no other party to this Agreement shall be in breach of any provision hereof.

(f) If any of the Pension Funds elects not to make any purchases of bonds of the City as a result of a failure of any conditions set forth in clause (v), (vi) or (vii) of Paragraph 7(e), such Pension Fund shall nevertheless, as soon as possible but prior to June 30, 1976, purchase its proportionate share of \$500,000,000 of MAC Bonds pursuant to Paragraph 7(d) above provided that the President of the United States has announced publicly that he will support or not veto the Federal legislation referred to in Paragraph 6 above.

8. This Agreement shall become effective upon its execution by the Corporation and by each of the Banks, Pension Funds and Sinking Funds.

9. Any reference herein to "City Notes held" or "short-term notes of the City held" by a Bank shall refer only to City Notes or short-term notes of the City, respectively, owned by such Bank for its own account.

10. Any Bank or Pension Fund which is the holder of a City Note subject to Paragraph 3(a)(ii) hereof may sell, assign or transfer any such Note provided that the transferee shall be satisfactory to the City and shall have agreed in writing in form and substance satisfactory to the City to exercise the same options and on the same terms and conditions as the Bank or Pension Fund so selling, assigning or transferring such Note has agreed to exercise under Paragraph 3.

11. No waiver by a party hereto of any provision of this Agreement shall operate as a waiver by such waiving party of any other provision hereof, and then such waiver shall be effective only in the instance and for the purpose for which it was expressed to be given.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed by its duly authorized officer as of the date first above written.

MUNICIPAL ASSISTANCE CORPORATION FOR THE  
CITY OF NEW YORK

By GEORGE D. GOULD  
*Chairman, Finance Committee*

BANKS

FIRST NATIONAL CITY BANK

By WALTER B. WRISTON

BANKERS TRUST COMPANY

By JOHN W. HANNON, JR.

UNITED STATES TRUST COMPANY OF NEW YORK

By EDWIN A. HEARD

THE CHASE MANHATTAN BANK, N.A.

By W. C. BUTCHER

MARINE MIDLAND BANK—NEW YORK

By FRANCIS X. MURPHY

NATIONAL BANK OF NORTH AMERICA

By G. D. MATSON

MORGAN GUARANTY TRUST COMPANY OF  
NEW YORK

By ELLMORE C. PATTERSON

IRVING TRUST COMPANY

By JOSEPH A. RICE

THE BANK OF NEW YORK

By ELLIOTT AVERETT

MANUFACTURERS HANOVER TRUST COMPANY

By GABRIEL HAUGE

CHEMICAL BANK

By DONALD C. PLATTEN

PENSION FUNDS

NEW YORK CITY EMPLOYEES' RETIREMENT  
SYSTEM

By THOMAS F. ROCHE

TEACHERS' RETIREMENT SYSTEM FOR THE  
CITY OF NEW YORK

By VICTOR F. CONDELLO

BOARD OF EDUCATION RETIREMENT SYSTEM FOR  
THE CITY OF NEW YORK

By ISAIAH E. ROBINSON, JR.

NEW YORK CITY POLICE PENSION FUND,  
ARTICLE 2

By DANIEL O'NEAL VONA

NEW YORK CITY FIRE DEPARTMENT  
PENSION FUND, ARTICLE 1-B

By STEPHEN J. MURPHY

SINKING FUNDS

SINKING FUND OF THE CITY OF NEW YORK

By WILLIAM T. SCOTT

RAPID TRANSIT SINKING FUND OF THE CITY OF  
NEW YORK

By WILLIAM T. SCOTT

WATER SINKING FUND OF THE CITY OF  
NEW YORK

By WILLIAM T. SCOTT

TRANSIT UNIFICATION SINKING FUND OF THE  
CITY OF NEW YORK

By WILLIAM T. SCOTT



**SCHEDULE A**  
(amounts in millions)

<u>Type</u>	<u>Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>
R.A.N. ....	\$400.0	12/13/74	12/11/75
R.A.N. ....	500.0	1/13/75	1/12/76
R.A.N. ....	120.0	1/13/75	1/12/76
R.A.N. ....	290.0	2/14/75	2/13/76
B.A.N. ....	341.270	3/14/75	3/12/76
B.A.N. ....	150.0	3/14/75	3/12/76
B.A.N. ....	220.0	6/30/75	5/28/76
T.A.N. ....	90.0	6/11/75	6/10/76
T.A.N. ....	190.0	6/11/75	6/10/76
B.A.N. ....	51.5	6/11/75	6/11/76
B.A.N. ....	250.0	10/17/75	10/ 1/76
B.A.N. ....	59.875	10/17/75	10/15/76
R.A.N. ....	6.750	11/10/75	11/ 9/76

**SCHEDULE B**

(amounts in millions)

New York City Employees' Retirement System .....	\$1,175
Teachers' Retirement System for The City of New York .....	860
New York City Police Pension Fund, Article 2 .....	365
New York City Fire Department Pension Fund, Article 1-B .....	50
Board of Education Retirement System for The City of New York ....	50
	<hr/>
	\$2,500

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The Pension Funds owning the urban renewal notes referred to in Paragraph 7(a) shall purchase an additional \$30,000,000 of bonds of the City pursuant to such Paragraph 7(a) (in proportion to their holdings of such urban renewal notes).

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

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

25 January 1991

Mr. Michael J. Gentile  
E-Z ADDRESSING SERVICE  
80 Washington Street  
New York, New York 10006

Re: Distribution of Quarterly Financial Statements

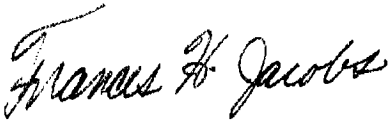
Dear Mr. Gentile:

This letter is to authorize the distribution of the Corporation's Quarterly Financial Statements for the quarter ending December 31, 1990, in accordance with your estimate dated January 18, 1991 (copy attached).

We anticipate delivery of the quarterlies on Thursday, February 14, 1991.

Thank you very much.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
and Treasurer

vsj:wp

Attachment

cc: Beatrice Gilling Raynor  
Quentin B. Spector

January 18, 1991

Ms Vickie Johnson  
Municipal Assistance Corp.  
1 World Trade Center Ste 8901  
New York, NY 10048

Dear Ms Johnson:

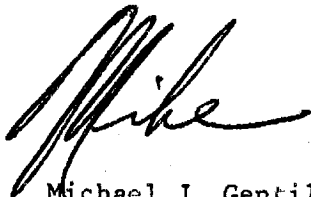
As requested, the following is the distribution for your quarterly report:

Market Letter Publishers -	350
Municipal Assistance Corp. List -	1150
Total -	1500

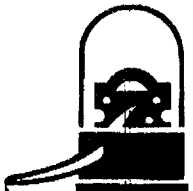
Our charges are \$60.00 for addressing and \$225.00 for affixing your labels, inserting, and mailing First Class (including trucking to the Post Office).

First Class postage for this report should be \$.85 each and postage would be in addition to the charges listed above.

Sincerely,



Michael J. Gentile



The E-Z Addressing Service • 80 Washington Street, New York, N.Y. 10006 • (212) 422-9448

**FINANCIAL LISTS**

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

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

25 January 1991

Mr. Jonathan Pessan  
STATE OF NEW YORK  
DEPARTMENT OF TAXATION  
& FINANCE  
Bldg. 9/Room 100  
State Office Campus  
Albany, N.Y. 12227

Dear Jonathan:

Enclosed please find five (5) original "15c2-12  
Certificates" for Mr. Wetzler's signature. Please telecopy  
an executed certificate to me on Tuesday, January 29, 1991  
(my telecopy number is (212) 775-0042), and deliver the  
original executed copies to me as soon thereafter as  
possible.

I appreciate your assistance in this matter.

Very truly yours,



Lynnette Kelly  
Associate Counsel

LK:vsj:wp

Enclosure

CERTIFICATE OF THE NEW YORK STATE DEPARTMENT OF  
TAXATION AND FINANCE REGARDING THE PRELIMINARY  
OFFICIAL STATEMENT OF THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
DATED JANUARY 29, 1991 (the "POS")

I, JAMES W. WETZLER, Commission of Taxation and Finance of the State of New York, do HEREBY CERTIFY as follows:

1. I have reviewed the subsections of Part of 5 the POS ("PAYMENT OF THE BONDS") entitled "Sales Tax" and "Stock Transfer Tax" in their entirety.

2. Such subsections of Part 5 of the POS are hereby "deemed final" for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 promulgated by the Securities Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 1991.

---

James W. Wetzler  
Commissioner

MH:vrw

CERTIFICATE OF THE NEW YORK STATE DEPARTMENT OF  
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James W. Wetzler  
Commissioner

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1. I have reviewed the subsections of Part  
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"Sales Tax" and "Stock Transfer Tax" in their  
entirety.

2. Such subsections of Part 5 of the POS  
are hereby "deemed final" for purposes of Rule  
15c2-12 of the Securities Exchange Act of 1934  
promulgated by the Securities Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th  
day of January 1991.

---

James W. Wetzler  
Commissioner

MH:vrw

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

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

22 January 1991

ORRICK, HERRINGTON & SUTCLIFFE  
599 Lexington Avenue/29th Floor  
New York, New York 10022

Ladies and Gentlemen:

In various letters, the most recent dated October 31, 1990, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of January 29, 1991, of any information which you may have obtained subsequent to October 31, 1990, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") regarding (a) any materials threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

22 January 1991  
ORRICK, HERRINGTON & SUTCLIFFE  
Page Two

Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

A handwritten signature in cursive script that reads "Maxine H. Hirt".

Maxine H. Hirt  
Counsel

MHH:vrw

cc: Mr. Colm Keogh  
Price Waterhouse  
153 East 53rd Street (#4158)  
New York, New York 10022

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

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

24 January 1991

Mrs. Joan O'Neill  
788 Park Place  
Uniondale, N.Y. 11553

Dear Mrs. O'Neill:

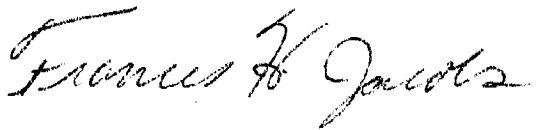
The United States Trust Company is the paying agent for Series 6 Bonds. You may present your bonds at their office at 65 Beaver Street on the ground floor. Bonds may be mailed to:

United States Trust Company  
P.O. box 841  
Peter Cooper Station  
New York, New York 10276-0841

We suggest you use certified mail if your bonds are in bearer form. Also, please provide your certified tax payer identification number or Internal Revenue Service Form W-9 when presenting your bonds for redemption.

If you have any question, please use the Trust Company's toll free number: 1-800-225-2398.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
& Treasurer

FHJ:vrw

Jan 1991

To Whom It May Concern,

I have a N.Y. City bearer<sup>-coupon</sup>  
bond - that will mature  
July 1991. - Would like to know  
how I can redeem it safely.

Munic. Asst. Corp. for  
City of New York.

1976 Series C #199

U.S. Trust, Corp.

Thank you for any  
assistance you can give me.

Mrs. Joan O'Neill  
788 Park Place  
Unioedle N.Y.  
11553

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

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

23 January 1991

Ms. Stephanie M. Brown  
Director  
STATE OF NEW YORK  
Governor's Office of Minority &  
Women's Business Development  
State Capitol  
Albany, New York 12224

Dear Ms. Brown:

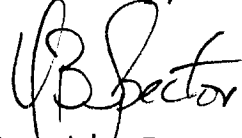
This is in response to your request that the Municipal Assistance Corporation complete a quarterly questionnaire reporting on its engagement of minority and women-owned businesses during the three months ending December 31, 1990.

The Corporation is an independent public benefit corporation of New York State organized in 1975 to provide financing for the City of New York and to oversee certain fiscal affairs of the City. We are not a state agency, as the term is defined in Article 15-A of the Executive Law. We are, however, pleased to complete the form as per your request.

As you can see from the completed responses, many of the items of inquiry are inapplicable to our operations. The Corporation does not undertake construction activities, does not enter into not-for-profit service contracts, and has no procurement programs beyond those limited services and supplies incidental to its issuance of securities and its own administration. Nevertheless, we have significantly expanded our business relationships with a number of minority-owned securities firms, and our Procurement Contract Guidelines set forth the Corporation's commitment to engage minority and women-owned businesses where feasible.

The Corporation remains committed to the principles of economic opportunity for minority and women-owned businesses, and is continually seeking ways to expand our relationships with these firms.

Sincerely,



Quentin B. Spector  
Executive Director

Enclosure

QBS:vrw

**QUARTERLY UTILIZATION REPORT FOR  
MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK**

Agency Code N/A Period: 10/1/90-12/31/90  
 Contact Person Maxine Hirt Phone (212) 775-0010 Approved by N/A  
 Date 1/23/91

**\*\* SEE INSTRUCTIONS ON REVERSE FOR EXPLANATION OF COLUMNS:**

Range:	Total # Obligatn	Total \$ Obligatn	#/\$ MBE Obligatn (Prime)		#/\$ WBE Obligatn (Prime)		#/\$ MBE Sub. Oblig.		#/\$ WBE Sub. Oblig.	
			#	\$	#	\$	#	\$	#	\$
\$0 - 5,000*	5	\$10,616.46	1	\$1,119.96	0	0	0	0	0	0
5,000 - 24,999*	0	0	0	0	0	0	0	0	0	0
25,000 +	0	0	0	0	0	0	0	0	0	0
Amendmts.		N/A		N/A		N/A		N/A		N/A
Quarter Total	5	\$10,616.46	1	\$1,119.96	0	0	0	0	0	0
Qtr % M/WBES				9.48 %		0 %		0 %		0 %

UTILIZATION INFORMATION

**\*\* IN ADDITION TO THE ABOVE, THE FOLLOWING INFORMATION IS REQUIRED:**

# Contracts w/Goals	\$ Value of Contr.	#/\$ Contracts Awd. w/Waivers

\*While the information requested in these categories is not mandated by Article 15-A, these statistics will assist the Governor's Office of Minority and Women's Business Development in providing accurate data concerning MWBE participation in all State procurement.



NOT APPLICABLE

QUARTERLY UTILIZATION REPORT FOR  
CONSTRUCTION CONSULTANTS - ARCHITECTURAL/ENGINEERING/DESIGN

MUNICIPAL ASSISTANCE CORPORATION

Agency for the City of New York

Contact Person Maxine Hirt

Agency Code N/A

Phone ( 212 ) 775-0010

Period: 10/1/90-12/31/90

Approved by N/A

Date 1/23/91

\*\* SEE INSTRUCTIONS ON REVERSE FOR EXPLANATION OF COLUMNS:

\$ Range	Total # Contr. Awarded	Total \$ Contr.	# /\$ MBE Prime Contracts Awd.	# /\$ WBE Prime Contracts Awd.	# /\$ MBE Subcontr.	# /\$ WBE Subcontr.
			# \$	# \$	# \$	# \$
\$0 - 24,999*						
25,000 - 99,999						
100,000+						
Amendmt						
Quarter Total						
Qtr & M/WBES						

UTILIZATION INFORMATION

\*\* IN ADDITION TO THE ABOVE, THE FOLLOWING INFORMATION IS REQUIRED:

# Contracts \$ Value of Contr. #/\$ Contracts

w/Goals w/Goals

Awd. w/Waivers

\*While the information requested in these categories is not mandated by Article 15-A, these statistics will assist the Governor's Office of Minority and Women's Business Development in providing accurate data concerning MWBE participation in all State procurement.

QUARTERLY UTILIZATION REPORT FOR  
CONSTRUCTION

MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK  
Agency Code N/A  
Contact Person Maxine Hirt  
Phone ( 212 ) 775-0010  
Period: 10/1/90-12/31/90  
Approved by N/A  
Date 1/23/91

\*\* SEE INSTRUCTIONS ON REVERSE FOR EXPLANATION OF COLUMNS:

\$ Range	# Contr. Awarded	Total \$ Contr.	# / \$ MBE Prime Contracts Awd.	# / \$ WBE Prime Contracts Awd.	# / \$ MBE Subcontr.	# / \$ WBE Subcontr.
0 -			#   \$	#   \$	#   \$	#   \$
24,999*						
25,000 -						
99,999						
100,000 -						
499,999						
500,000 -						
999,999						
1 m -						
4.9 m						
5 - 10 mil.						
Over 10 mil.						
Amendmt						
Quarter						
Total						
Qtr & M/WBES			%	%	%	%

UTILIZATION INFORMATION

\*\* IN ADDITION TO THE ABOVE, THE FOLLOWING INFORMATION IS REQUIRED:

# Contracts w/Goals \$ Value of Contr. #/\$ Contracts Awd. w/waivers

\*While the information requested in these categories is not mandated by Article 15-A, these statistics will assist the Governor's Office of Minority and Women's Business Development in providing accurate data concerning MWBE participation in all State procurement.



QUARTERLY UTILIZATION REPORT FOR  
 MUNICIPAL ASSISTANCE CORPORATION  
 FOR THE CITY OF NEW YORK  
 COMMODITIES

Agency Maxine H. Hirt Agency Code N/A Period: 10/1/90 - 12/31/90  
 Contact Person Maxine H. Hirt Phone (212) 775-0010 Approved by N/A  
 Date 1/23/91

\*\* SEE INSTRUCTIONS ON REVERSE FOR EXPLANATION OF COLUMNS:

Range:	Total # Obligatn	Total \$ Obligatn	#/\$ MBE Obligation (Prime)	#/\$MBE Obligation (Prime)	#/\$ MBE Sub. Oblig.	#/\$ WBE Sub. Oblig.
\$0-			#	#	#	#
5,000*			\$	\$	\$	\$
5,001 -						
24,999*						
25,000 +						
Amendmts.						
Qtr. Ttl						
% Partcp.						

P-CONTRACT PROCUREMENT:

# of P-Contr. Obligations	\$ Value of Obligations	#/\$ MBE P-Contr. Obligations	#/\$ Value WBE P-Contr. Obl.

UTILIZATION INFORMATION

** IN ADDITION TO THE ABOVE, THE FOLLOWING INFORMATION IS REQUIRED:			
# Contracts w/Goals	\$ Value of Contr. w/Goals	#/\$ Contracts	#/\$ Value WBE P-Contr. Obl. w/Waivers

\*While the information requested in these categories is not mandated by Article 15-A, these statistics will assist the Governor's Office of Minority and Women's Business Development in providing accurate data concerning MWBE participation in all state procurement.

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

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

22 January 1991

PAUL, WEISS, RIFKIND,  
WHARTON & GARRISON  
1285 Sixth Avenue  
New York, New York 10019

Ladies and Gentlemen:

In various letters, the most recent dated November 1, 1990, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of February 1, 1991, of any information which you may have obtained subsequent to November 1, 1990, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") regarding (a) any materials threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

*Municipal Assistance Corporation  
For The City of New York*

22 January 1991  
PAUL, WEISS, RIFKIND  
WHARTON & GARRISON  
Page Two

Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

A handwritten signature in cursive script that reads "Maxine H. Hirt". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Maxine H. Hirt  
Counsel

MHH:vrw

cc: Mr. Colm Keogh  
Price Waterhouse  
153 East 53rd Street (#4158)  
New York, New York 10022

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

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

22 January 1991

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

Re: Publication of Quarterly Financial Statements Notice

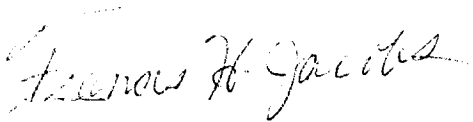
Dear Mr. Daniels:

This letter is to authorize you to place the notice of publication of the Corporation's Quarterly Financial Statements (approved proof attached) for the quarter ending December 31, 1990, in accordance with your media estimate dated January 18, 1991 (copy attached).

This notice should be placed for publication on Thursday, February 14, 1991.

Thank you very much.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
and Treasurer

vsj:wp

Attachments (2)

cc: Beatrice Gilling Raynor  
Quentin B. Spector

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QUARTERLY FINANCIAL  
STATEMENTS

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

**[A Public Benefit Corporation  
of the State of New York]**

The Municipal Assistance Corporation For The City of New York has published its quarterly financial statements (unaudited) for the quarter ended December 31, 1990. A copy of these statements may be obtained by writing: Financial Statements, Municipal Assistance Corporation, One World Trade Center, Suite 8901, New York, New York 10048.

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UTF REN-P49590

Municipal Asst-Quarterly

Prepared by:

**Doremus & Company**

200 Varick St., New York, NY 10014 212 366-3000

CTS-163(053)-Meg 10(b)/Meg 17(d)/Friz Quadrata(d2)- 1/18/91 Prf. 1

35/R<sup>1</sup> /R<sup>2</sup> /R<sup>3</sup> /R<sup>4</sup> /R<sup>5</sup> /R<sup>6</sup> /

CRT09/DR2/gw/ta



# Loiremus & Company

2 MEDIA C COMBINED  
 CLIENT UTF U.S. TRUST CO OF NY  
 PRODUCT REN REDEMPTION  
 ESTIMATE 590 MAC QUARTERLY REPORT  
 CC: VICKY JOHNSON

FINAL MEDIA ESTIMATE  
 FEB14/91 THRU MAR13/91

DOREMIUS & CO.  
 200 VARICK ST. NEW YORK, NY 10014  
 RUN ON JAN18/91 AT 8.18  
 PRINTPAK REPORT L1 PAGE 1

AD CODE	PUB NAME	PUB CODE	INSERTION DATE	SPACE DESCRIPTION	COMMENTS	GROSS ORDERED
P49590	BOND BUYER NEW YORK, NY	72751600,D	FEB14/91	1X50L 8.82/L (50L X 10CLS)		441.00
"	NEW YORK TIMES N.EAST & NATIONWIDE NY, NY	11336000,M	FEB14/91	1X3.50 354.00/I (3.50I X 10CLS)		1,239.00
"	WALL STREET JOURNAL EASTERN EDITION NEW YORK, NY	11336120,01	FEB14/91	1X50L (50L X 10CLS)		1,159.50
"	WALL STREET JOURNAL MIDWEST EDITION NEW YORK, NY	11336120,02	FEB14/91	1X50L (50L X 10CLS)		843.50
"	WALL STREET JOURNAL WESTERN EDITION NEW YORK, NY	11336120,03	FEB14/91	1X50L (50L X 10CLS)		623.00
"	WALL STREET JOURNAL SOUTHWEST EDITION NEW YORK, NY	11336120,04	FEB14/91	1X50L (50L X 10CLS)		340.00
*** REPORT TOTALS ***						4,646.00

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

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

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

22 January 1991

Mr. John Collins  
P.O. Box 67  
Palisades, N.Y. 10964

Dear Mr. Collins:

The form you sent indicated that you did not have proof of ownership of the Series Seven Bond #44595, that you indemnified Shearson Lehman against other potential claims of ownership, and that you sold the bond, presumably prior to the call date. If you were not the owner of the Series Seven #44595 bond at the time of the call, you are not entitled to payment on the coupons.

The Municipal Assistance Corporation does not pay coupons or maintain records of ownership. The United States Trust Company of New York is our trustee, and in the case of the Series Seven Bonds, also the paying agent. When you present the coupons for payment, the Trust Company will verify that you are the same person who presented the bond itself for payment. The Trust Company has a toll free number for bondholder inquires, 1-800-225-2398.

I am returning the Shearson Lehman form to you. If you have further questions, please contact the United States Trust Company.

Sincerely,



Frances H. Jacobs  
Deputy Executive Director  
and Treasurer

FHJ:vsj:wp

Enclosure

JAN 1991

2 of 2

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

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

SPECIAL MEETING

BOARD OF DIRECTORS  
Friday, January 18, 1991  
10:00 A.M.

Paul, Weiss, Rifkind, Wharton & Garrison  
1285 Sixth Avenue, Conference Rm. 2518  
(Enter on 26th Floor)

AGENDA

1. Adoption of Minutes of Meeting of October 17, 1990\*
2. Discussion of 1991 General Bond Resolution\*
3. Discussion of City budget modification dated January 16, 1991
4. Other Business

\*Enclosure

vsj:wp

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

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

18 January 1991

Ms. Anne L. Hird  
301 East 78th Street/Apt. 8A  
New York, New York 10021

Dear Ms. Hird:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

Best wishes in your job search, and thanks again for your interest.

Sincerely,



Quentin B. Spector  
Executive Director

QBS:vrw:wp

ANNE L.HIRD

301 East 78th Street Apt. 8A  
New York, New York 10021  
212-879-2852

---

January 16, 1990

Quentin B. Spector  
Executive Director  
Municipal Assistance Corporation  
One World Trade Center Suite 8901  
New York, New York 10048

Mr. Spector:

I am seeking a career opportunity in the public sector of municipal finance and am writing to you in this regard. During the past seven years I have developed a unique combination of credit, marketing and pricing expertise. These skills would be extremely well-suited and effective for the Municipal Assistance Corporation.

As an analyst at Moody's Investors Service, I learned the fundamentals of credit analysis and to structure third-party debt support. At Security Pacific Merchant Bank my analytical capabilities expanded, while working closely with a variety of taxexempt borrowers to meet their capital needs. As a result of my professional relationship with Massachusetts Health and Educational Facilities Authority, I developed an equipment leasing vehicle for nonprofit hospitals and a real estate financing program for human service organizations to purchase group homes for the mentally retarded and mentally ill. I am confident that my substantive knowledge of the public sector and the complexity of financing in today's marketplace, as well as my affiliations within the investor community would be an asset to your operations.

Enclosed is my resume to provide the groundwork for further discussion. I will contact you shortly in hopes of making an appointment.

Sincerely,

*Anne L. Hird*  
Anne L. Hird

**SUMMARY**

Over seven years of experience in public and project finance. Strong marketing, credit and technical skills. Successful in new product development.

**PROFESSIONAL EXPERIENCE**

**JWP Energy and Environment Inc.**  
Vice President 1990

Financial advisory and private placement for project financings of privatized waste reduction, resource recovery and cogeneration facilities. Participated in negotiations of tipping fee and power sales contracts with corporate and municipal entities. Secured tax-exempt allocation for eligible projects. Structured leases to complete sales of air pollution control equipment.

**Security Pacific Merchant Bank**  
Public Finance Department  
Vice President 1989  
Associate 1985-1988

Originated and executed tax-exempt financings with specializations in lease purchase financing and private activity bonds. Developed leasing product for health care related and higher education organizations. Successfully marketed program to vendors, regional banks and state agencies. Set up real estate financing program for community care providers with a major state authority. Formulated proposals for providing underwriting and financial advisory services. Assessed benefit of credit enhancement. Solicited and structured letters of credit and bond insurance. Close working relationship with trading department for the timing and pricing of transactions. Prepared credit manual and implemented procedures for Municipal Project Finance Group.

**Moody's Investors Service, Inc.**  
Junior Analyst 1985  
Senior Statistical Analyst 1984

Conducted municipal credit analysis for Structured Transactions Group. Specialized in third party debt support analysis. Communicated in written reports and orally with municipal officials and the financial community. Coordinated rating information network between Bank and Finance Departments

Statistical Analyst 1983

Evaluated a variety of disciplines to assess the investment quality of tax-exempt debt obligations. Responsible for municipal credit reports for new issues and updates of existing ratings for a regional group.

**EDUCATION**

**Hampshire College, Amherst, Massachusetts**  
Bachelor of Arts 1983

Senior Honors Thesis "The Glass-Steagall Act: Still Relevant in Today's Environment?"

**REFERENCES**

Available upon request.

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

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

FOR IMMEDIATE RELEASE: FRIDAY, JANUARY 18, 1991

CONTACT: QUENTIN B. SPECTOR, EXECUTIVE DIRECTOR

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THE MUNICIPAL ASSISTANCE CORPORATION ANNOUNCED TODAY THAT IT INTENDS TO SELL APPROXIMATELY \$138 MILLION OF ITS SERIES A BONDS ISSUED UNDER ITS NEW 1991 GENERAL BOND RESOLUTION DURING THE FIRST WEEK IN FEBRUARY. COMPLETION OF THE SALE IS DEPENDENT ON MARKET CONDITIONS.

THE PROCEEDS OF THE PROPOSED ISSUANCE, EXPECTED TO MATURE IN THE YEARS BETWEEN 1992 AND 2008, WOULD BE USED TO REFUND ALL OF ITS OUTSTANDING SERIES 55 BONDS ISSUED UNDER THE CORPORATION'S SECOND GENERAL BOND RESOLUTION AND TO FUND A DEBT SERVICE RESERVE FUND.

ALL OUTSTANDING SERIES 55 BONDS ARE EXPECTED TO BE REDEEMED ON JULY 1, 1995 AT A REDEMPTION PRICE OF 102% OF THE PRINCIPAL AMOUNT. THE SERIES 55 BONDS SCHEDULED TO MATURE ON JULY 1, 1994 AND JULY 1, 1995 WOULD BE PAID AS SCHEDULED AT 100% OF THE PRINCIPAL AMOUNT.

THE BONDS ARE EXPECTED TO BE OFFERED BY AN UNDERWRITING GROUP HEADED BY GOLDMAN, SACHS & CO.

QBS:vrw



# MEMORANDUM

*Date:* 16 January 1991  
*To:* See Distribution  
*From:* Maxine Hirt  
*Re:* Per Capita Aid

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

Enclosed is the State Division of the Budget's draft legislation which would return a portion of the City's Per Capita Aid allocation to the State after it has passed through the Municipal Assistance State Aid Fund established by Section 92-e of the State Finance Law.

Please review the draft and phone your comments to Lynnette or me ASAP.

Thanks

Distribution: Donald J. Robinson  
John J. Keohane  
Kent K. Reynolds  
Allen L. Thomas  
Saul H. Finkelstein

MH:vrw

After Gov's budget, must be introduced  
will in 20 days of Feb. 1

MTH

A BUDGET BILL submitted by the Governor in accordance with Article VII of the Constitution

AN ACT to amend the state finance law and the public authorities law, in relation to the payment of municipal assistant state aid to cities for which a municipal assistance corporation has been created under article ten of the public authorities law

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivisions three and five of Section 92-e of the state finance law are hereby amended to read as follows:

3. Such per capita aid apportioned to a city in aid of which a municipal assistance corporation has been created, shall be deposited by the comptroller to the credit of the special account established for the municipal assistance corporation which has been created in aid of such city in order to enable such corporation to fulfill the terms of any agreements made with the holders of its notes and bonds and to carry out its corporation purposes, including the maintenance of the capital reserve fund securing such bonds and notes, and, subject to the provisions of section fifty-four of the state finance law, and subdivisions five and five-a of this section, the balance, if any, shall be paid to the chief fiscal officer of the city in aid of which such corporation has been created as hereinafter provided.

5. Upon receipt by the comptroller of a certificate or certificates from the chairman of a municipal assistance corporation that such corporation requires a payment or payments in order to comply with any agreement with the holders of its

notes and bonds and to carry out its corporate purposes, including the maintenance of the capital reserve fund securing such bonds, from the appropriate special account established for such corporation, each of which certificates shall specify the required payment or payments and the date when the payment or payments is required, the comptroller shall pay from such special account on or before the specified date or within thirty days after receipt of such certificate or certificates, whichever is later, to such corporation, as the chairman thereof may direct in any such certificate, the amounts or amounts so certified. The comptroller shall from time to time, but in no event later than the fifteenth day of October, January and April and the last day of June of each fiscal year, pay over and distribute to the chief fiscal officer of the city in aid of which municipal assistance corporation has been created to be paid into the treasury of such city to the credit of the general fund [all] revenues in the special account established for such corporation in the municipal assistance state aid fund, if any, in excess of the aggregate amount which the chairman of such corporation has certified to the comptroller and which has been previously paid to such corporation as herein above authorized and amounts to be transferred to the general fund of the state of New York pursuant to subdivision five-a of this section. In no event shall the comptroller pay over and distribute any revenues to any person other than the municipal assistance corporation unless and until the aggregate of all payments certified to the comptroller as required by such corporation as of such date in order to comply with its agreements with the holders of its notes and bonds and

to carry out its corporate purposes, including the maintenance of the capital reserve fund securing such bonds, which remain unpaid to such corporation shall have been paid in full to such corporation; provided, however, that no person, including such corporation or the holders of its notes or bonds shall have any lien on such revenues and such agreement shall be executory only to the extent of such revenues available to the state in such special account.

Section 2. Section 92-e of the state finance law is hereby amended by adding a new subdivision to read as follows:

5-a. In no event shall the comptroller pay over any revenues to the city in aid of which such municipal assistance corporation has been created as specified in subdivision five of this section unless and until the director of the budget certifies the amount or amounts to be transferred to the general fund of the state of New York. Such amount shall be deducted from the aggregate amount available for payment to such city after certification by the chairman of the municipal assistance corporation as specified in subdivision five of this section and transferred to the general fund before payment to the chief fiscal officer of the city in aid of which such municipal assistance corporation has been created.

Section 3. Subdivision one of section 3036-a of the public authorities law is amended to read as follows:

1. In addition to the total amount certified by such chairman for such fiscal year, all as referred to in subdivision one of section three thousand thirty-six, the chairman shall at the same time certify to the state comptroller and to the mayor a

schedule setting forth additional cash requirements of the corporation which shall be equal to: (i) the amounts which are required to be deposited in the capital reserve fund authorized to be created and established pursuant to subdivision two of this section (in this section called the capital reserve fund) during such fiscal year in order to maintain the capital reserve fund at the level required in accordance with subdivision four of this section; (ii) the amounts required to be deposited in the bond service fund of the corporation to pay all interest and all payments of principal and redemption premium, if any, on notes and bonds payable from the sources hereinafter identified in this section and maturing or otherwise coming due during such fiscal year; and (iii) the amounts required to be deposited in the operating fund of the corporation, to meet the operating requirements and other expenses of the corporation during such fiscal year. If any increase shall occur in such additional cash requirements specified above, or if payments are required at a time or times earlier than previously certified or if the city shall for any reason fail to make timely payment of the principal and accrued interest due on any obligation issued by the city to the corporation and maturing within the same fiscal year, such chairman shall certify a revised schedule of such additional cash requirements for such fiscal year to the state comptroller and to the mayor. The schedule accompanying each certification (or revision thereof) shall provide for such payment dates as the corporation deems appropriate to assure that sufficient funds will be available from the sources identified below to enable it to meet its current obligations under this section as they come

due. Upon receipt of such certification, or any revision thereof, the state comptroller shall pay such amount to the corporation for deposit in the appropriate funds referred to in this section, in accordance with such certification from the special account established for the corporation in the municipal assistance state aid fund in accordance with subdivision one of section ninety-two-e of the state finance law and, subject to agreements with outstanding bond and note holders of the corporation, from the special account established for the corporation in the municipal assistance tax fund, in accordance with subdivision one of section ninety-two-d of the state finance law, including any amount transferred to the municipal assistance tax fund from the stock transfer tax fund pursuant to subdivision four of section ninety-two-b of the state finance law. Any such payment shall be made within thirty days of receipt of the certification or at the time specified in the certification, whichever is later; provided that any such amounts shall have been first appropriated by the state for such purpose or shall have been otherwise made available. Any amount paid to the corporation from such municipal assistance state aid fund shall be deducted from the amount otherwise payable to the city as per capita aid pursuant to sections fifty-four and ninety two-e of the state finance law and shall not obligate the state to make, nor entitle the city to receive, any additional payments of per capita aid. Any amount so paid to the corporation from the municipal assistance tax fund shall, in addition to the amount deducted pursuant to subdivision one of section three thousand thirty-six, be deducted from the amount otherwise payable to the

city from the municipal assistance tax fund and shall not obligate the state to make, nor entitle the city to receive, any additional payments from such municipal assistance tax fund.

4. This act shall take effect immediately.

[Note: Separability clause?]

# MEMORANDUM

Date: 15 January 1991  
To: Felix G. Rohatyn  
From: Quentin B. Spector  
Re: Analysis of First Resolution Refunding, Stretch Out of Debt

MUNICIPAL  
ASSISTANCE  
CORPORATION  
FOR THE CITY  
OF NEW YORK

This analysis, building on the base-case issues outlined in my January 10 memo, examines the effects of stretching out the debt refunding the First Resolution Bonds. Though the deferral of principal payments now scheduled on such debt in the four years between now and and fiscal year 1995 itself generates significant savings for the City, the critical variable influencing the magnitude and timing of the savings is the application of the capital reserve release (approximately \$300 million) enabled by First Resolution defeasance.

The most conservative use of the capital reserve release would be to reduce the size of the refunding issue. This alternative, reflected in the left-hand column of the attached table, would be the most attractive alternative from the standpoint of credit rating agencies; it would preserve the most issuance capacity; it would have the least present value cost; and finally, it has the advantage of posing minimal tax and legal issues. On the other hand minimizing debt size also significantly reduces the benefit to the City.

The middle column on the attached table depicts an alternative that combines high savings with relatively high assurance as to resolution of tax and legal issues. In this case, the City could receive in FY92 approximately \$201 million debt service savings plus an additional \$226 million, which represents, for the most part, the net decrease in the capital reserve requirements of the First Resolution and the 1991 Resolution debt.

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**COMPARISON OF THREE ALTERNATIVES  
FOR STRETCHING OUT FIRST RESOLUTION DEBT REFUNDING**

(\$ millions)

	GOAL		
	MINIMUM ISSUE SIZE	HIGH SAVINGS/ MINIMUM TAX & LEGAL ISSUES	MAXIMUM SAVINGS
ISSUE SIZE	\$665	\$907	\$987
SAVINGS:			
FY92	218	427	496
FY93	209	192	187
FY94	289	273	267
FY95	297	208	275
AVG. FY96-FY08	(80)	(109)	(119)
PV SAVINGS	(6.1)	(8.2)	(8.8)

**ASSUMPTIONS:**

1. All debt retired between FY96 and FY08, level debt service, 7.13% avg. coupon.
2. Refunding bonds issued under 1991 Resolution
3. Present value calculations do not give effect to loss of earnings in reserves.

City Publishing Center  
Rm. 2210 Municipal Building  
New York, New York 10007

Authorization and update of your free listing in

**THE GREEN BOOK**  
**(Official Directory of the City of New York)**

Please return this listing whether or not it contains changes, by 1/16/91

**MUNICIPAL ASSISTANCE CORPORATION**

One World Trade Center, Suite 8901, New York, N.Y. 10048 775-0010

Composed of nine Directors, appointed by the Governor with advice and consent of the Senate; four chosen on written recommendation of the Mayor of the City of New York. Chair appointed by the Governor. Terms: four years; \$100 per diem (not to exceed \$5,000 per year).

*Board of Directors:*

Felix G. Rohatyn, *Chair*, Lazard Freres & Co., 1 Rockefeller Plaza,  
New York, N.Y. 10020

Kenneth J. Bialkin, Skadden, Arps, Slate, Meagher & Flom,  
919 Third Ave., New York, N.Y. 10022

George M. Brooker, Webb & Brooker, Inc., 2534 Adam Clayton Powell Blvd.,  
New York, N.Y. 10039

John P. Campbell, Curtis, Mallet-Prevost, Colt & Mosle, 101 Park Ave.,  
New York, N.Y. 10178

Eugene J. Keilin, Keilin & Bloom, 230 Park Ave., New York, N.Y. 10169

Dr. Dick Netzer, New York University, Urban Research Center, 4 Washington  
Sq. North, New York, N.Y. 10003

Andrew P. Steffan, Smith Barney, Harris Upham & Co., Inc., 1345 Ave. of  
the Americas, New York, N.Y. 10105

Dr. Robert C. Weaver, 215 E. 68th St., New York, N.Y. 10021

Gedale B. Horowitz, Salomon Bros. Inc, 1 New York Plaza, New York,  
N.Y. 10004

Executive Director - Quentin B. Spector

Authorized by Quentin Spector  
(Please print)

Title Exec. Director

Phone No. (212) 775-0010

Signature QBS

Date 1/16/91

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

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

FOR RELEASE: TUESDAY, JANUARY 15, 1991, 3:00 P.M.

CONTACT: QUENTIN B. SPECTOR, EXECUTIVE DIRECTOR

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A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK WILL BE HELD ON FRIDAY, JANUARY 18, 1991, AT 10:00 A.M. AT THE OFFICES OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON, 1285 SIXTH AVENUE, CONFERENCE ROOM 2518 (ENTER ON 26TH FLOOR).

VSJ:WP

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

1/15/91

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

Office of the Mayor, Correspondence Services  
52 Chambers Street, Room 106  
New York, New York 10007

Dear Sir or Madam:

The attached letter from Ms. Edna Thorner and Correspondence Tracking Sheet from your office was forwarded to us inadvertently. I am returning it to you for correct routing.

Sincerely,



Quentin B. Spector

enclosures

# MEMORANDUM

Date: 15 January 1991

To: Felix G. Rohatyn

From: Quentin B. Spector

Re: Analysis of First Resolution Refunding, Stretch Out of Debt

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

This analysis, building on the base-case issues outlined in my January 10 memo, examines the effects of stretching out the debt refunding the First Resolution Bonds. Though the deferral of principal payments now scheduled on such debt in the four years between now and fiscal year 1995 itself generates significant savings for the City, the critical variable influencing the magnitude and timing of the savings is the application of the capital reserve release (approximately \$300 million) enabled by First Resolution defeasance.

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**ASSUMPTIONS:**

1. All debt retired between FY96 and FY08, level debt service, 7.13% avg. coupon.
2. Refunding bonds issued under 1991 Resolution
3. Present value calculations do not give effect to loss of earnings in reserves.

# MEMORANDUM

*Date:* 15 January 1991  
*To:* Board of Directors  
*From:* Quentin B. Spector  
*Re:* 1991 General Bond Resolution

MUNICIPAL  
ASSISTANCE  
CORPORATION  
FOR THE CITY  
OF NEW YORK

Enclosed please find a copy of the proposed 1991 General Bond Resolution for your review. Also enclosed is an outline setting forth the major differences between the 1991 General Bond Resolution and the Second General Bond Resolution. The proposed 1991 Resolution will be discussed at the Board meeting on Friday, January 18th at 10:00 A.M. in preparation for adoption in connection with the first issuance under the 1991 Resolution.

vsj:wp

Draft 1/14/91

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

**THE 1991 GENERAL BOND RESOLUTION**

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**Adopted January \_\_, 1991**

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MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

THE 1991 GENERAL BOND RESOLUTION

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## THE 1991 GENERAL BOND RESOLUTION

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

### ARTICLE I

#### DEFINITIONS AND STATUTORY AUTHORITY

101. Definitions. The following terms shall, for all purposes of this Resolution, except as otherwise defined, have the following meanings:

"Accreted Amount" means with respect to any Discount Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Discount Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Amount on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Amount accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Amounts for such Valuations Dates;

"Act" shall mean the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, as amended to the date of adoption of this 1991 General Bond Resolution.

"Authorized Newspaper" shall mean a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Officer" shall mean any member of the Corporation, its Treasurer, Secretary, any Assistant Secretary, its Executive Director, its Deputy Executive Director and any other person authorized by resolution of the Corporation to perform the act or sign the document in question.

"Board" shall mean the Board of Directors of the Corporation, the members of which are appointed and qualified pursuant to the Act.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

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

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

"Bond Reserve Fund Requirement" shall mean, as of any date of calculation, an amount not less than one-half of the maximum debt service due in any calendar year on all Outstanding Bonds; provided, however, if any such Bonds shall be Variable Rate Bonds, the amount of interest to be payable with respect to such Bonds shall be calculated at the maximum rate permissible with respect to such Bonds for such period as determined with respect to the applicable Series Resolutions; provided, further however, that such Bond Reserve Fund Requirement shall not be such as would subject interest on any Bonds intended, or previously determined, to be exempt from taxation for federal income tax purposes, to taxation for federal income tax purposes.

"Bondowners" or "Owner of Bonds" or "Owner" (when used with reference to Bonds) or any similar term, shall mean any person or party who shall be the registered owner of any Outstanding Bond or Bonds, subject to the provisions of Section 310 hereof.

"Book Entry", when used with respect to Bonds, shall mean those Bonds subject to the provisions of Section 310 hereof.

"Business Day" shall mean any day which is not a Saturday, Sunday or a legal holiday in the State or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

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

"City" shall mean The City of New York.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated or applicable thereunder.

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



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

"Discount Bond" means any Bond so designated in a Series Resolution.

"First General Bond Resolution" shall mean the General Bond Resolution adopted by the Corporation on July 2, 1975 as heretofore and hereafter supplemented in accordance with the terms thereof.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Governor" shall mean the Governor of the State.

"Interest Payment Date" shall mean the date on which interest is to be paid with respect to the Bonds as provided in Section 301 hereof.

"Maturity Amount" with respect to any Discount Bond means the stated Accreted Amount of such Bond at the maturity date thereof.

"Mayor" shall mean the Mayor of the City.

"Operating Expenses" shall mean the Corporation's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, as then in effect, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, amounts owed the United States government and not otherwise provided for, amounts due to any credit or liquidity facility provider with respect to the Bonds and any other expenses required or permitted to be paid by the Corporation under the provisions of the Act, as then in effect, or this Resolution, or, to the extent not otherwise provided for, the First General Bond Resolution, the Second General Bond Resolution or otherwise.

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

"Outstanding", when used with reference to Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) any Bonds for the payment or redemption of which monies equal to the principal amount, the Accreted Amount or the Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, shall be held by the Trustee in trust (whether at or prior to the maturity or Redemption Date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106, and (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401.

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

"Rebate Fund" means the fund by that name established pursuant to Section 602.

"Record Date" means the date fifteen (15) Business Days prior to any Interest Payment Date or, with respect to any Variable Rate Bond, such date as shall be determined in the Series Resolution authorizing such Bonds or, with respect to a payment to be made on a date other than an Interest Payment Date, such date as the Trustee shall determine.

"Redemption Date" shall mean the date or dates upon which Bonds are to be called for redemption.

"Redemption Price" shall mean, with respect to any Bond, other than a Discount Bond, the principal amount thereof, plus the applicable premium, if any, and with respect to any Discount Bond, the Accreted Amount thereof, plus the applicable premium, if any, in each case payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

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

"Resolution" shall mean this 1991 General Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof. The Resolution is

sometimes referred to hereinafter as "this Resolution" or "the Resolution".

"Revenues" shall mean all payments to the Corporation pursuant to Sections 3036, 3036-a and 3036-b of the Act except any payments to the Corporation for credit to the Operating Fund or the Rebate Fund.

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

"Second General Bond Resolution" shall mean the General Bond Resolution adopted by the Corporation on November 25, 1975 as heretofore and hereafter supplemented and amended in accordance with the terms thereof.

"Serial Bonds" shall mean the Bonds so designated in a Series Resolution.

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

"Series Resolution" shall mean a resolution of the Corporation authorizing the issuance of a Series of Bonds in

accordance with the terms and provisions hereof adopted by the Corporation in accordance with Article X.

"Sinking Fund Installment" shall mean as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution, pursuant to which such Bonds were issued, to be paid at all events by the Corporation on a single future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, for the retirement of any Outstanding Bonds of said Series which mature after said future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment.

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

"State" shall mean the State of New York.

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

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

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

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

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

"Valuation Date" shall mean, with respect to any Discount Bond, the date or dates set forth in the Series Resolution authorizing such Bond on which specific Accreted Amounts are assigned to such Discount Bond.

"Variable Rate Bonds" shall mean Bonds designated as such in a Series Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Resolution, refer to this Resolution.

102. Authority for This Resolution. This 1991 General Bond Resolution is adopted pursuant to the provisions of the Act.

103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Corporation and the Owners from time to time of the Bonds; and the pledge made in the Resolution and the covenants and agreements therein



set forth to be performed on behalf of the Corporation shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Resolution.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

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

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

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

202. Provisions for Issuance of Bonds. 1. The issuance of the Bonds shall be authorized by a Series Resolution or Series Resolutions of the Corporation adopted subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall contain an appropriate Series designation.

Each Series Resolution authorizing the issuance of a Series of Bonds shall also specify:

(1) Whether any Bonds are Variable Rate Bonds, Discount Bonds or otherwise and, with respect to Bonds other than Discount Bonds, the authorized principal amount thereof and, with respect to Discount Bonds, the authorized issuance amount thereof;

(2) The purposes for which such Series of Bonds are being issued, which shall be purposes authorized by the Act, as then in effect;

(3) The date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of said Series;

(4) The interest rate or rates of the Bonds other than Discount Bonds, or the manner of determining the rate or rates and the interest rate modes of the Variable Rate Bonds of said Series, and the Interest Payment Dates therefor, and for Discount Bonds the Accreted Amounts and Valuation Dates, which shall include the date such Discount Bonds are issued, therefor; nothing herein is to be interpreted as restricting or otherwise prohibiting the Corporation from issuing any Bond the terms of which provide for the incorporation of any combination of the terms allowed by this Resolution or any Series Resolution or are in addition thereto, but are not inconsistent with

the pledge created by this Resolution with respect to  
Outstanding Bonds;

(5) The denomination or denominations of and the  
manner of numbering and lettering the Bonds of such Series;

(6) The place or places or manner of payment of  
the principal, Accreted Amount, Sinking Fund Installments,  
if any, and Redemption Price, if any, of and interest on  
the Bonds of such Series;

(7) The Redemption Price or Redemption Prices,  
if any, and, subject to Article IV, the redemption terms,  
if any, for the Bonds of such Series;

(8) The establishment of a subaccount within the  
Rebate Fund for amounts to be deposited to the Rebate Fund  
with respect to Bonds issued pursuant to such Series  
Resolution;

(9) If so determined by the Corporation,  
provisions for the sale or exchange of the Bonds of such  
Series and for the delivery thereof;

(10) The form or forms of the Bonds of such Series, including whether the Bonds will be in Book Entry form pursuant to Section 310, and the Trustee's certificate of authentication;

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

(12) The designation of a liquidity or credit facility provider with respect to any Variable Rate Bonds and manner of paying such provider if so determined by the Corporation; and

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

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

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

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

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

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

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

3. No Series of Bonds issued under the Resolution shall be authenticated and delivered by the Trustee except upon receipt by the Trustee of:

(1) A certificate by the New York State Commissioner of Taxation and Finance setting forth the most

recent collections for the 12 consecutive calendar months ended not more than two months prior to the date of such certificate of the Sales Tax, which as of the date of issuance of any such Series of Bonds are levied and collected by the State and are payable into the special account in the Municipal Assistance Tax Fund established for the Corporation.

Where the amount for such 12 consecutive calendar months is greater than the revenue expected by said Commissioner for the next succeeding 12 months from such Sales Tax, the certificate shall set forth the estimated amount which is expected to be levied and collected in such next succeeding 12 months and paid into such special account. Any distortion for any such prior 12 consecutive month period occasioned by a change in payment dates, prepayments or late payments of such Sales Tax shall be taken into account in such certification by increasing or decreasing the estimated amount of Sales Tax to be levied and collected;

(2) A certificate by an Authorized Officer setting forth (a) the maximum amount of aggregate principal and interest maturing or otherwise coming due in any particular Fiscal Year on all outstanding obligations issued pursuant to the First General Bond Resolution and



the Second General Bond Resolution, (b) the aggregate amount of the principal of Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds and Accreted Amounts, not required to be paid from Sinking Fund Installments, and interest on all Outstanding Bonds, including such Series, for each Fiscal Year, and (c) the aggregate amount of Operating Expenses as estimated by an Authorized Officer for the current Fiscal Year; and

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

203. Provisions for Refunding Bonds. (1) All or any part of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund any or all Outstanding Bonds or any principal installment, Accreted Amount or interest payment with respect thereto. Refunding Bonds shall be issued in an amount sufficient, together with other monies available therefor, to accomplish

such refunding and to make such deposits required by the provisions of the Act, this Section and of the Series Resolution authorizing said Series of Refunding Bonds. Nothing in this Section 203 shall be deemed to prohibit the issuance of Bonds under this Resolution for the purpose of refunding bonds issued under the First General Bond Resolution or the Second General Bond Resolution.

(2) A Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 202) of:

(a) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the Redemption Date specified in such instructions;

(b) Either (i) monies in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date, which monies shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (ii) direct obligations of the United States of America in such principal amounts, of such maturities, bearing such interest and otherwise having such

terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1401, and any monies required pursuant to said subsection 2, which direct obligations of the United States of America and monies shall be held in trust and used only as provided in said subsection 2; and

(c) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of subsection 1 and this subsection~2 of this Section 203.

204. Additional Obligations. The Corporation reserves the right to issue bonds, notes or any other obligations under another and separate resolution so long as the same are not entitled to a charge or lien or right prior or equal to the charge or lien created, or prior or equal to the rights of the Corporation and Owners of the Bonds provided, by this Resolution and the Act, or with respect to the monies pledged under the Resolution or with respect to proceeds from the Per Capita Aid, the Sales Tax or the Stock Transfer Tax or the sources set forth in the Act, provided, however, that, except as otherwise provided in Section 908 hereof the foregoing shall not limit any right, including the right to issue additional obligations, which the Corporation has on the date of adoption of this Resolution under the First General Bond Resolution or the Second General Bond Resolution.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

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

The Bonds of each Series shall be issued in the form of fully registered Bonds.

Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof. Bonds issued on or subsequent to the first Interest Payment Date thereof shall be dated as the Trustee shall determine.

For all purposes of the Act relating to or dealing with the date of the Bonds, registered Bonds of any Series shall be deemed to be dated as of the date specified for the Bonds of such Series in the Series Resolution authorizing the issuance thereof.

All Bonds of each Series shall mature on February 1 or August 1, or on such other date or dates as may be set forth in a Series Resolution, of each year in which a maturity is fixed by a Series Resolution. Interest on all Bonds of each Series shall be payable semi-annually on February 1 and August 1 of each year in which an installment of interest becomes due as fixed by a Series Resolution, or on such other date or dates as may be set forth in a Series Resolution.

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

303. Execution and Authentication. (1) The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Chairman or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or a facsimile signature of such officer or employee of the Corporation as shall be authorized and directed pursuant to the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the

officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond of a Series may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

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

duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits of the Resolution.

304. Interchangeability of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or such Owner's attorney duly authorized in writing, may be exchanged, at the option of such Owner, for Bonds of like Series, tenor, interest rate and maturity and in authorized denominations equal in aggregate principal amount, or Maturity Amount-with respect to Discount Bonds, to the Bonds so exchanged.

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

necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

306. Transfer of Bonds. Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the corporate trust office of the Trustee, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Bond, the Corporation shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, or Maturity Amount with respect to a Discount Bond, and Series, tenor, interest rate and maturity as the surrendered Bond.

— The Corporation and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Accreted Amount and Redemption Price, if any, of and interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so



paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Owner.

307. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the

Corporation as an Operating Expense. The Corporation shall not be obliged to make any such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an Interest Payment Date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, next preceding the date of the selection of Bonds to be redeemed.

308. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, tenor, interest rate, maturity and principal amount, or Maturity Amount with respect to a Discount Bond, and other terms as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Corporation evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation.

309. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed, printed or typewritten. Until the definitive Bonds of any Series are prepared, the Corporation may execute, in the same manner as is provided in Section 303, and upon the request of the Corporation, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more temporary Bonds substantially of the tenor of the definitive Bonds in-lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Corporation at its own expense shall prepare and execute and, upon the surrender at the corporate trust office of the Trustee of such temporary Bonds for exchange and cancellation, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, at the corporate trust office of the Trustee, definitive Bonds of the same aggregate principal amount, or Maturity Amount with respect to Discount Bonds, Series, tenor, interest rate and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

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

Section 310. Book Entry System. (1) The Bonds may be initially issued in the form of a single separate fully registered bond for each maturity of the Bonds in the amount of such maturity as may be provided in a Series Resolution. Upon initial issuance, the ownership of the Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name or nominee name of a bond depository approved by the Corporation. With respect to Bonds registered, pursuant to this Section, in the registry books kept by the Trustee in the name or nominee name of the bond depository, the Corporation and the Trustee shall have no responsibility or obligation to any participant or to any beneficial owner of the Bonds. Without limiting the immediately preceding sentence, the Corporation and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the bond depository or any participant with respect to any ownership interest in the Bonds, (ii) the delivery to any participant or any beneficial owner of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than the bond depository, of any amount with respect to the principal amount, Accreted Amount or Redemption

Price of, or interest on, the Bonds. The Trustee shall pay the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds only to or upon the order of the bond depository, and all such payments shall be valid and effective to satisfy fully and discharge the Corporation's obligations with respect to the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than the bond depository shall receive an authenticated Bond evidencing the obligation of the Corporation to make payments of the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds pursuant to the Resolution.

(2) Upon receipt by the Corporation and the Trustee of written notice from the bond depository to the effect that the bond depository is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the bond depository can be found which is able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the registry books of the Corporation kept by the Trustee in the name or nominee name of the bond depository, but may be registered in whatever name or names the Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution and the applicable Series Resolution.

(3) In the event the Corporation determines that beneficial owners should be able to obtain Bond certificates, the Corporation shall notify the bond depository and the Trustee of the availability of Bond certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by the bond depository in appropriate amounts, and, whenever the bond depository requests the Corporation and the Trustee to do so, the Trustee and the Corporation will cooperate with the bond depository in taking appropriate action after reasonable notice (i) to transfer the Bonds to any participant having Bonds credited to its bond depository account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(4) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name or nominee name of the bond depository, all payments with respect to the principal amount, Accreted Amount or Redemption Price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to or on the order of the bond depository.

ARTICLE IV  
REDEMPTION OF BONDS

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

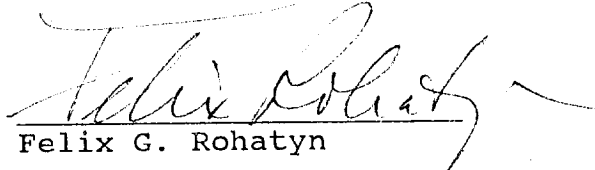
402. Redemption at the Election or Direction of the Corporation. In the case of any redemption of Bonds other than as provided in Section 403, the Corporation shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the Series, of the principal amounts or Accreted Amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts or Accreted Amounts thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Act or this Resolution and any Series Resolution) and of the monies to be applied to the payment of the Redemption Price. Such notice shall be given at least sixty (60) days prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, the


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

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

**RESOLUTION OF THE FINANCE COMMITTEE OF  
THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK**

**RESOLVED**, that Lynnette Kelly be and hereby is appointed Counsel and Secretary of The Municipal Assistance Corporation For The City of New York.

  
Felix G. Rohatyn

  
Eugene J. Keilin

Date: March 29, 1991



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

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

January 15, 1991

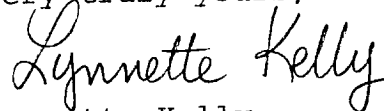
Mr. Jeffrey Rizzo  
Moody's Investors Service  
99 Church Street  
New York, New York 10007

Dear Jeff:

Enclosed please find four (4) copies of the 1991 General Bond Resolution for your internal distribution to the MAC rating group. The enclosed Resolution has been blacklined to reflect all changes from the November 12, 1990 draft. The 1991 Resolution will be discussed by our Board of Directors at their meeting on Friday, January 18, and will be adopted in connection with the first issuance of bonds under the 1991 Resolution.

Please do not hesitate to contact me should you have any questions or comments.

Very truly yours,



Lynnette Kelly

Enclosures

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

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

January 15, 1991

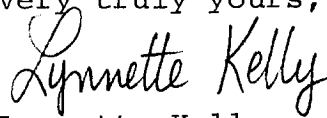
Ms. Claire C. Cohen  
Fitch Investors Service  
State Street Plaza  
35th Floor  
New York, New York 10004

Dear Ms. Cohen:

Enclosed please find four (4) copies of the 1991 General Bond Resolution for your internal distribution to the MAC rating group. The enclosed Resolution has been blacklined to reflect all changes from the November 12, 1990 draft. The 1991 Resolution will be discussed by our Board of Directors at their meeting on Friday, January 18, and will be adopted in connection with the first issuance of bonds under the 1991 Resolution.

Please do not hesitate to contact me should you have any questions or comments.

Very truly yours,

  
Lynnette Kelly

Enclosures

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

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

January 15, 1991

Mr. David Hitchcock  
Standard & Poor's Corporation  
25 Broadway  
New York, New York 10004

Dear Dave:

Enclosed please find four (4) copies of the 1991 General Bond Resolution for your internal distribution to the MAC rating group. The enclosed Resolution has been blacklined to reflect all changes from the November 12, 1990 draft. The 1991 Resolution will be discussed by our Board of Directors at their meeting on Friday, January 18, and will be adopted in connection with the first issuance of bonds under the 1991 Resolution.

Please do not hesitate to contact me should you have any questions or comments.

Very truly yours,

  
Lynnette Kelly

Enclosures

Draft 1/14/91

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

**THE 1991 GENERAL BOND RESOLUTION**

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**Adopted January \_\_, 1991**

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

**THE 1991 GENERAL BOND RESOLUTION**

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## THE 1991 GENERAL BOND RESOLUTION

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

### ARTICLE I

#### DEFINITIONS AND STATUTORY AUTHORITY

101. Definitions. The following terms shall, for all purposes of this Resolution, except as otherwise defined, have the following meanings:

"Accreted Amount" means with respect to any Discount Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Discount Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Amount on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Amount accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve thirty-day months, and (2) the difference between the Accreted Amounts for such Valuations Dates;

"Act" shall mean the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation for the city of New York Act, being Titles I, II and III of Article 10 of the Public Authorities Law, as amended to the date of adoption of this 1991 General Bond Resolution.

"Authorized Newspaper" shall mean a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Officer" shall mean any member of the Corporation, its Treasurer, Secretary, any Assistant Secretary, its Executive Director, its Deputy Executive Director and any other person authorized by resolution of the Corporation to perform the act or sign the document in question.

"Board" shall mean the Board of Directors of the Corporation, the members of which are appointed and qualified pursuant to the Act.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

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

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

"Bond Reserve Fund Requirement" shall mean, as of any date of calculation, an amount not less than one-half of the maximum debt service due in any calendar year on all Outstanding Bonds; provided, however, if any such Bonds shall be Variable Rate Bonds, the amount of interest to be payable with respect to such Bonds shall be calculated at the maximum rate permissible with respect to such Bonds for such period as determined with respect to the applicable Series Resolutions; provided, further however, that such Bond Reserve Fund Requirement shall not be such as would subject interest on any Bonds intended, or previously determined, to be exempt from taxation for federal income tax purposes, to taxation for federal income tax purposes.

"Bondowners" or "Owner of Bonds" or "Owner" (when used with reference to Bonds) or any similar term, shall mean any person or party who shall be the registered owner of any Outstanding Bond or Bonds, subject to the provisions of Section 310 hereof.

"Book Entry", when used with respect to Bonds, shall mean those Bonds subject to the provisions of Section 310 hereof.

"Business Day" shall mean any day which is not a Saturday, Sunday or a legal holiday in the State or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

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

"City" shall mean The City of New York.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated or applicable thereunder.

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

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

"Discount Bond" means any Bond so designated in a Series Resolution.

"First General Bond Resolution" shall mean the General Bond Resolution adopted by the Corporation on July 2, 1975 as heretofore and hereafter supplemented in accordance with the terms thereof.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

"Governor" shall mean the Governor of the State.

"Interest Payment Date" shall mean the date on which interest is to be paid with respect to the Bonds as provided in Section 301 hereof.

"Maturity Amount" with respect to any Discount Bond means the stated Accreted Amount of such Bond at the maturity date thereof.

"Mayor" shall mean the Mayor of the City.

"Operating Expenses" shall mean the Corporation's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, as then in effect, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, amounts owed the United States government and not otherwise provided for, amounts due to any credit or liquidity facility provider with respect to the Bonds and any other expenses required or permitted to be paid by the Corporation under the provisions of the Act, as then in effect, or this Resolution, or, to the extent not otherwise provided for, the First General Bond Resolution, the Second General Bond Resolution or otherwise.

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

"Outstanding", when used with reference to Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) any Bonds for the payment or redemption of which monies equal to the principal amount, the Accreted Amount or the Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, shall be held by the Trustee in trust (whether at or prior to the maturity or Redemption Date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106, and (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401.

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

"Rebate Fund" means the fund by that name established pursuant to Section 602.

"Record Date" means the date fifteen (15) Business Days prior to any Interest Payment Date or, with respect to any Variable Rate Bond, such date as shall be determined in the Series Resolution authorizing such Bonds or, with respect to a payment to be made on a date other than an Interest Payment Date, such date as the Trustee shall determine.

"Redemption Date" shall mean the date or dates upon which Bonds are to be called for redemption.

"Redemption Price" shall mean, with respect to any Bond, other than a Discount Bond, the principal amount thereof, plus the applicable premium, if any, and with respect to any Discount Bond, the Accreted Amount thereof, plus the applicable premium, if any, in each case payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

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

"Resolution" shall mean this 1991 General Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof. The Resolution is



sometimes referred to hereinafter as "this Resolution" or "the Resolution".

"Revenues" shall mean all payments to the Corporation pursuant to Sections 3036, 3036-a and 3036-b of the Act except any payments to the Corporation for credit to the Operating Fund or the Rebate Fund.

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

"Second General Bond Resolution" shall mean the General Bond Resolution adopted by the Corporation on November 25, 1975 as heretofore and hereafter supplemented and amended in accordance with the terms thereof.

"Serial Bonds" shall mean the Bonds so designated in a Series Resolution.

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

"Series Resolution" shall mean a resolution of the Corporation authorizing the issuance of a Series of Bonds in

accordance with the terms and provisions hereof adopted by the Corporation in accordance with Article X.

"Sinking Fund Installment" shall mean as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution, pursuant to which such Bonds were issued, to be paid at all events by the Corporation on a single future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, for the retirement of any Outstanding Bonds of said Series which mature after said future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future February 1 or August 1, or such other date or dates as may be specified in a Series Resolution, is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment.

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

"State" shall mean the State of New York.

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

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

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

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

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

"Valuation Date" shall mean, with respect to any Discount Bond, the date or dates set forth in the Series Resolution authorizing such Bond on which specific Accreted Amounts are assigned to such Discount Bond.

"Variable Rate Bonds" shall mean Bonds designated as such in a Series Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Resolution, refer to this Resolution.

102. Authority for This Resolution. This 1991 General Bond Resolution is adopted pursuant to the provisions of the Act.

103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Corporation and the Owners from time to time of the Bonds; and the pledge made in the Resolution and the covenants and agreements therein

set forth to be performed on behalf of the Corporation shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Resolution.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

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

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

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

202. Provisions for Issuance of Bonds. 1. The issuance of the Bonds shall be authorized by a Series Resolution or Series Resolutions of the Corporation adopted subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall contain an appropriate Series designation.

Each Series Resolution authorizing the issuance of a Series of Bonds shall also specify:

(1) Whether any Bonds are Variable Rate Bonds, Discount Bonds or otherwise and, with respect to Bonds other than Discount Bonds, the authorized principal amount thereof and, with respect to Discount Bonds, the authorized issuance amount thereof;

(2) The purposes for which such Series of Bonds are being issued, which shall be purposes authorized by the Act, as then in effect;

(3) The date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of said Series;

(4) The interest rate or rates of the Bonds other than Discount Bonds, or the manner of determining the rate or rates and the interest rate modes of the Variable Rate Bonds of said Series, and the Interest Payment Dates therefor, and for Discount Bonds the Accreted Amounts and Valuation Dates, which shall include the date such Discount Bonds are issued, therefor; nothing herein is to be interpreted as restricting or otherwise prohibiting the Corporation from issuing any Bond the terms of which provide for the incorporation of any combination of the terms allowed by this Resolution or any Series Resolution or are in addition thereto, but are not inconsistent with

the pledge created by this Resolution with respect to  
Outstanding Bonds;

(5) The denomination or denominations of and the  
manner of numbering and lettering the Bonds of such Series;

(6) The place or places or manner of payment of  
the principal, Accreted Amount, Sinking Fund Installments,  
if any, and Redemption Price, if any, of and interest on  
the Bonds of such Series;

(7) The Redemption Price or Redemption Prices,  
if any, and, subject to Article IV, the redemption terms,  
if any, for the Bonds of such Series;

(8) The establishment of a subaccount within the  
Rebate Fund for amounts to be deposited to the Rebate Fund  
with respect to Bonds issued pursuant to such Series  
Resolution;

(9) If so determined by the Corporation,  
provisions for the sale or exchange of the Bonds of such  
Series and for the delivery thereof;



(10) The form or forms of the Bonds of such Series, including whether the Bonds will be in Book Entry form pursuant to Section 310, and the Trustee's certificate of authentication;

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

(12) The designation of a liquidity or credit facility provider with respect to any Variable Rate Bonds and manner of paying such provider if so determined by the Corporation; and

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

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

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

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

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

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

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

3. No Series of Bonds issued under the Resolution shall be authenticated and delivered by the Trustee except upon receipt by the Trustee of:

(1) A certificate by the New York State Commissioner of Taxation and Finance setting forth the most

recent collections for the 12 consecutive calendar months ended not more than two months prior to the date of such certificate of the Sales Tax, which as of the date of issuance of any such Series of Bonds are levied and collected by the State and are payable into the special account in the Municipal Assistance Tax Fund established for the Corporation.

Where the amount for such 12 consecutive calendar months is greater than the revenue expected by said Commissioner for the next succeeding 12 months from such Sales Tax, the certificate shall set forth the estimated amount which is expected to be levied and collected in such next succeeding 12 months and paid into such special account. Any distortion for any such prior 12 consecutive month period occasioned by a change in payment dates, prepayments or late payments of such Sales Tax shall be taken into account in such certification by increasing or decreasing the estimated amount of Sales Tax to be levied and collected;

(2) A certificate by an Authorized Officer setting forth (a) the maximum amount of aggregate principal and interest maturing or otherwise coming due in any particular Fiscal Year on all outstanding obligations issued pursuant to the First General Bond Resolution and

the Second General Bond Resolution, (b) the aggregate amount of the principal of Serial Bonds, the Sinking Fund Installments, maturities of Term Bonds and Accreted Amounts, not required to be paid from Sinking Fund Installments, and interest on all Outstanding Bonds, including such Series, for each Fiscal Year, and (c) the aggregate amount of Operating Expenses as estimated by an Authorized Officer for the current Fiscal Year; and

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

203. Provisions for Refunding Bonds. (1) All or any part of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund any or all Outstanding Bonds or any principal installment, Accreted Amount or interest payment with respect thereto. Refunding Bonds shall be issued in an amount sufficient, together with other monies available therefor, to accomplish

such refunding and to make such deposits required by the provisions of the Act, this Section and of the Series Resolution authorizing said Series of Refunding Bonds. Nothing in this Section 203 shall be deemed to prohibit the issuance of Bonds under this Resolution for the purpose of refunding bonds issued under the First General Bond Resolution or the Second General Bond Resolution.

(2) A Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 202) of:

(a) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the Redemption Date specified in such instructions;

(b) Either (i) monies in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date, which monies shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (ii) direct obligations of the United States of America in such principal amounts, of such maturities, bearing such interest and otherwise having such

terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1401, and any monies required pursuant to said subsection 2, which direct obligations of the United States of America and monies shall be held in trust and used only as provided in said subsection 2; and

(c) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of subsection 1 and this subsection~2 of this Section 203.

204. Additional Obligations. The Corporation reserves the right to issue bonds, notes or any other obligations under another and separate resolution so long as the same are not entitled to a charge or lien or right prior or equal to the charge or lien created, or prior or equal to the rights of the Corporation and Owners of the Bonds provided, by this Resolution and the Act, or with respect to the monies pledged under the Resolution or with respect to proceeds from the Per Capita Aid, the Sales Tax or the Stock Transfer Tax or the sources set forth in the Act, provided, however, that, except as otherwise provided in Section 908 hereof the foregoing shall not limit any right, including the right to issue additional obligations, which the Corporation has on the date of adoption of this Resolution under the First General Bond Resolution or the Second General Bond Resolution.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

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

The Bonds of each Series shall be issued in the form of fully registered Bonds.

Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof. Bonds issued on or subsequent to the first Interest Payment Date thereof shall be dated as the Trustee shall determine.

For all purposes of the Act relating to or dealing with the date of the Bonds, registered Bonds of any Series shall be deemed to be dated as of the date specified for the Bonds of such Series in the Series Resolution authorizing the issuance thereof.



All Bonds of each Series shall mature on February 1 or August 1, or on such other date or dates as may be set forth in a Series Resolution, of each year in which a maturity is fixed by a Series Resolution. Interest on all Bonds of each Series shall be payable semi-annually on February 1 and August 1 of each year in which an installment of interest becomes due as fixed by a Series Resolution, or on such other date or dates as may be set forth in a Series Resolution.

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

303. Execution and Authentication. (1) The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Chairman or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or a facsimile signature of such officer or employee of the Corporation as shall be authorized and directed pursuant to the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the

officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond of a Series may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

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

duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits of the Resolution.

304. Interchangeability of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or such Owner's attorney duly authorized in writing, may be exchanged, at the option of such Owner, for Bonds of like Series, tenor, interest rate and maturity and in authorized denominations equal in aggregate principal amount, or Maturity Amount-with respect to Discount Bonds, to the Bonds so exchanged.

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

necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

306. Transfer of Bonds. Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the corporate trust office of the Trustee, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Bond, the Corporation shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, or Maturity Amount with respect to a Discount Bond, and Series, tenor, interest rate and maturity as the surrendered Bond.

— The Corporation and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Accreted Amount and Redemption Price, if any, of and interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so

paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Owner.

307. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the

Corporation as an Operating Expense. The Corporation shall not be obliged to make any such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an Interest Payment Date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, next preceding the date of the selection of Bonds to be redeemed.

308. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, tenor, interest rate, maturity and principal amount, or Maturity Amount with respect to a Discount Bond, and other terms as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Corporation evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation.

309. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed, printed or typewritten. Until the definitive Bonds of any Series are prepared, the Corporation may execute, in the same manner as is provided in Section 303, and upon the request of the Corporation, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more temporary Bonds substantially of the tenor of the definitive Bonds in-lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Corporation at its own expense shall prepare and execute and, upon the surrender at the corporate trust office of the Trustee of such temporary Bonds for exchange and cancellation, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, at the corporate trust office of the Trustee, definitive Bonds of the same aggregate principal amount, or Maturity Amount with respect to Discount Bonds, Series, tenor, interest rate and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

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

Section 310. Book Entry System. (1) The Bonds may be initially issued in the form of a single separate fully registered bond for each maturity of the Bonds in the amount of such maturity as may be provided in a Series Resolution. Upon initial issuance, the ownership of the Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name or nominee name of a bond depository approved by the Corporation. With respect to Bonds registered, pursuant to this Section, in the registry books kept by the Trustee in the name or nominee name of the bond depository, the Corporation and the Trustee shall have no responsibility or obligation to any participant or to any beneficial owner of the Bonds. Without limiting the immediately preceding sentence, the Corporation and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the bond depository or any participant with respect to any ownership interest in the Bonds, (ii) the delivery to any participant or any beneficial owner of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than the bond depository, of any amount with respect to the principal amount, Accreted Amount or Redemption



Price of, or interest on, the Bonds. The Trustee shall pay the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds only to or upon the order of the bond depository, and all such payments shall be valid and effective to satisfy fully and discharge the Corporation's obligations with respect to the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than the bond depository shall receive an authenticated Bond evidencing the obligation of the Corporation to make payments of the principal amount, Accreted Amount or Redemption Price of, and interest on, the Bonds pursuant to the Resolution.

(2) Upon receipt by the Corporation and the Trustee of written notice from the bond depository to the effect that the bond depository is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the bond depository can be found which is able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the registry books of the Corporation kept by the Trustee in the name or nominee name of the bond depository, but may be registered in whatever name or names the Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution and the applicable Series Resolution.

(3) In the event the Corporation determines that beneficial owners should be able to obtain Bond certificates, the Corporation shall notify the bond depository and the Trustee of the availability of Bond certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by the bond depository in appropriate amounts, and, whenever the bond depository requests the Corporation and the Trustee to do so, the Trustee and the Corporation will cooperate with the bond depository in taking appropriate action after reasonable notice (i) to transfer the Bonds to any participant having Bonds credited to its bond depository account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(4) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name or nominee name of the bond depository, all payments with respect to the principal amount, Accreted Amount or Redemption Price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to or on the order of the bond depository.

ARTICLE IV  
REDEMPTION OF BONDS

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

402. Redemption at the Election or Direction of the Corporation. In the case of any redemption of Bonds other than as provided in Section 403, the Corporation shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the Series, of the principal amounts or Accreted Amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts or Accreted Amounts thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Act or this Resolution and any Series Resolution) and of the monies to be applied to the payment of the Redemption Price. Such notice shall be given at least sixty (60) days prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, the

Corporation, shall, prior to the Redemption Date, pay to the Trustee an amount in cash which, in addition to other monies, if any, available therefor held by the Trustee, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, together with interest accrued to the Redemption Date, all of the Bonds to be redeemed.

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

404. Selection of Bonds to Be Redeemed by Lot. In the event of redemption of less than all of the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such Outstanding Bond of the Series and maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond, or Maturity Amount with respect to a Discount Bond, equal to the lowest denomination of the Bonds of such Series and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers of all such Bonds then Outstanding as many numbers as,

at such unit amount equal to the lowest denomination of Bonds of such Series for each number, shall equal the total principal amount or Maturity Amount, as applicable, of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (a) individually or (b) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination or Maturity Amount of more than the lowest denomination of the Bonds of such Series, by the numbers assigned thereto as in this Section 404 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount and Accreted Amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination of the Bonds of such Series shall be redeemed as shall equal the lowest denomination of the Bonds of such Series for each number assigned to it and so selected.

405. Notice of Redemption. When the Trustee shall receive notice from the Corporation of its election or direction to redeem Bonds pursuant to Section 402, and when

redemption of Bonds is required by this Resolution pursuant to Section 403, the Trustee shall give notice, in the name of the Corporation, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount or Accreted Amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount or Accreted Amount thereof in the case of Bonds to be redeemed in part only, together with interest, if any, accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable and, with respect to Discount Bonds, the accretion of amounts thereon shall cease. The Trustee shall mail a copy of such notice, postage prepaid, not less than thirty (30) days, and, with respect to Variable Rate Bonds, as shall be set forth in the applicable Series Resolution, before the Redemption Date to the Owners of any Bonds, or portions of Bonds, which are to be redeemed, at their last addresses, if any, appearing upon the registry

books. Such mailing shall not be a condition precedent to such redemption, and failure so to mail any such notice to a Bondowner shall not affect the validity of the proceedings for the redemption of Bonds with respect to other Bondowners.

406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and in the manner specified in such notice. If there shall be drawn for redemption less than all of a Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount or Maturity Amount of the Bond so surrendered a Bond or Bonds of like Series and maturity in any of the authorized denominations. With respect to any Discount Bond redeemed in part, the Trustee shall make a pro rata allocation of the Accreted Amount for such Bond to the portion so redeemed and the portion retained. If, on the Redemption Date, monies for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been provided as aforesaid, then, from and after the

Redemption Date, interest on the Bonds, or portions thereof, of such Series and maturity so called for redemption shall cease to accrue, or with respect to Discount Bonds, amounts shall cease to accrete. If said monies shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest or accrete amounts until paid at the same rate as they would have borne had they not been called for redemption.

#### ARTICLE V

##### CUSTODY AND APPLICATION OF CERTAIN PROCEEDS OF BONDS

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

(2) Accrued interest, if any, received upon the delivery of such Series of Bonds shall be deposited in the Bond Payment Fund unless such amount is to be otherwise applied as provided in the Series Resolution authorizing such Series. The amount received as a premium over the principal amount (or Initial Purchase Price, as applicable,) of such Series of Bonds, if any, upon the delivery of such Series shall be applied as provided in the Series Resolution authorizing such Series.



ARTICLE VI

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

601. The Pledge Effected by the Resolution. The proceeds of sale of the Bonds, the Revenues, and all Funds established by the Resolution, and other monies and securities referred to herein (other than monies and securities in the Operating Fund or the Rebate Fund) are hereby pledged for the payment of the principal or Accreted Amount of and interest on the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The pledge created by this Resolution, insofar as it relates to revenues, monies and securities and funds pledged either under the First General Bond Resolution or the Second General Bond Resolution is, and is hereby expressly declared to be, subordinate in all respects to the pledge of such revenues, monies and securities and funds created by the First General Bond Resolution and the Second General Bond Resolution. This pledge shall be valid and binding from and after the time of adoption of this Resolution, and the proceeds of sale of the Bonds, the Revenues as received by the Corporation, all funds and other monies and securities herein pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this

pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof.

602. Establishment of Funds. The following Funds are hereby established:

- (1) Rebate Fund, to be held by the Trustee;
- (2) Bond Payment Fund, to be held by the Trustee; and
- (3) Bond Reserve Fund, to be held by the Trustee.

603. Application of Payments. The payments received in accordance with subdivision 1 of Section 3036-b of the Act shall be applied to the Rebate Fund (unless previously or otherwise provided for), the Bond Reserve Fund, to the Bond Payment Fund and to the Operating Fund in accordance with certificates of the Chairman pursuant to which the payment is made; provided, however, that if the amount of the payment is less than the amount certified, the payment shall be applied first to the Rebate Fund, second to the Bond Payment Fund, third to the Bond Reserve Fund, and last to the Operating Fund on the basis of the respective amounts certified.

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

605. Bond Payment Fund. (1) The Trustee shall on or before the Business Day preceding each Interest Payment Date for any of the Bonds pay, out of the amounts then held in the Bond Payment Fund, the amounts respectively required for the payment of principal, Accreted Amounts, Sinking Fund Installments, if any, and Redemption Price of, if any, and interest on any Bonds due and payable on such date, and such amounts so paid out shall be irrevocably pledged to and applied to such payments.

(2) In the event that on the Business Day preceding any Interest Payment Date, the amount in the Bond Payment Fund shall be less than the amounts respectively required for payment of interest on the Outstanding Bonds and for the payment of the principal, Accreted Amounts and Sinking Fund Installments of the Outstanding Bonds of any Series due and payable on such Interest Payment Date, the Trustee shall withdraw from the Bond Reserve Fund and deposit into the Bond Payment Fund such amounts as will increase the amount in the Bond Payment Fund to an amount sufficient to make such payment or payments.

(3) As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to Section 403 hereof on such due date, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount or Accreted Amount specified for such Sinking Fund Installment of the Term Bonds of such Series and maturity. The Trustee shall so call such Term Bonds for redemption whether or not it then has monies in the Bond Payment Fund sufficient to pay the applicable principal amount or Accreted Amount thereof, together with interest thereon, if any, to the Redemption Date.

(4) The Corporation may, at any time during the twelve month period prior to a date on which a Sinking Fund Installment is to be made, but in no event less than forty-five (45) days prior to the next succeeding Sinking Fund Installment date if such purchase is to be credited against the next succeeding Sinking Fund Installment, direct the Trustee to purchase with monies in the Bond Payment Fund at a price not in excess of par plus unpaid interest accrued to the date of such purchase, or, where applicable, the Accreted Amount, Term Bonds payable from such Sinking Fund Installment, and any Term Bonds so purchased shall be cancelled by the Trustee and evidence of such cancellation shall be given to the Corporation, and the

aggregate principal amount or Accreted Amount of the Term Bonds so purchased shall be credited against a Sinking Fund Installment to be made within such twelve month period. Notwithstanding the foregoing, nothing herein shall be construed to prohibit the Corporation from purchasing Bonds for cancellation with other available monies not held under this Resolution at any price and from directing the Trustee to credit such purchased and cancelled Bonds against any Sinking Fund Installment applicable to such Bonds and for which notice of such Sinking Fund Installment has not been given.

606. Bond Reserve Fund. (1) The Corporation shall deposit into the Bond Reserve Fund: (i) such portion of the proceeds of sale of Bonds, if any, as shall be prescribed by Series Resolution; and (ii) any other monies which may be made available to the Corporation for the purposes of the Bond Reserve Fund from any other source or sources.

(2) Monies and securities held for the credit of the Bond Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Bond Payment Fund at the times and in the amounts required to comply with the provisions of paragraph 2 of Section 605. At any time, monies and securities in the Bond Reserve Fund in excess of the Bond Reserve Fund Requirement may be withdrawn, upon direction of the Corporation, by the Trustee and deposited to the credit of the

Rebate Fund, to the extent of any deficiency therein, and otherwise to the Bond Payment Fund.

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

607. Rebate Fund. There shall be deposited into the Rebate Fund all amounts required to be paid to the United States Treasury Department pursuant to the rebate provisions of the Code and any applicable Treasury Regulations as a condition of the continuing exclusion for federal income tax purposes from gross income of the interest on obligations issued hereunder (with regard to which the Corporation has determined at the time of issuance of such obligations the interest on which should be excluded from gross income for federal income tax purposes). Amounts in the Rebate Fund not required for the Corporation to pay its rebate liability to the United States Treasury Department may be transferred from such Fund as the Corporation directs: otherwise, amounts in the Rebate Fund will be paid to the United States Treasury Department as directed by the Corporation in order to comply with the

requirements of the Code and the Treasury Regulations applicable thereto.

608. Certificate to the State Comptroller and to the Mayor of The City of New York. In order to assure the maintenance of the Operating Fund, the Bond Payment Fund and the Bond Reserve Fund, not less than one hundred and twenty days before the beginning of each Fiscal Year (but prior to February 12 in each calendar year), the Chairman shall certify to the State Comptroller and to the Mayor (with a copy to the Trustee) a schedule setting forth the cash requirements of the Corporation for such Fiscal Year and the time or times when such cash is required, which certification shall be revised from time to time as required. The total amount so certified by such Chairman for such Fiscal Year shall be equal to: (i) the amounts which are required to be deposited in the Bond Reserve Fund during such Fiscal Year in order to maintain the Bond Reserve Fund at the Bond Reserve Fund Requirement; (ii) the amounts required to be deposited in the Bond Payment Fund to pay all interest on and all payments of principal, Accreted Amounts, Sinking Fund Installments, if any, and Redemption Price, if any, of Bonds maturing or otherwise coming due during such Fiscal Year; and (iii) the amounts required to be deposited in the Operating Fund as determined by the Corporation, to meet the Operating Expenses of the Corporation during such Fiscal Year. In order further to secure the obligations of the Corporation, including the Bonds, each

quarterly payment (to be made on or before April 12, June 25, October 12 and January 12) by the State Comptroller to the Corporation in accordance with such certification, shall be an amount, after taking into account monies then in the Bond Payment Fund and available for the purposes of such Fund during such Fiscal Year, not less than the sum of (A) 50% of the interest on all Outstanding Bonds the interest on which is payable from the Bond Payment Fund of the Corporation payable within six months after the end of the quarterly period for which such payment is made plus (B) 25% of the principal, Accreted Amounts and premium, if any, on all Bonds and Sinking Fund Installments of the Corporation payable within one year after the end of the quarterly period for which such payment is made and such amount, if any, as may be required to be paid into the Bond Reserve Fund during the Fiscal Year of which such quarterly period is a part. Notwithstanding the foregoing, the Corporation hereby covenants to make the certifications referred to in this Section at such times and in such amounts as shall be necessary to coincide with the State procedures for payment of Per Capita Aid or other sources of revenues and as shall be necessary to make the deposits required herein and to pay the principal and Accreted Amounts of, Redemption Price, if any, and interest on the Bonds when due. If any increase shall occur in the cash requirements specified above, or if payments are required at a time or times earlier than previously certified or if the City shall for any reason fail to make timely payment of the principal and accrued interest due on any



obligation issued by the City to the Corporation and maturing within the same Fiscal Year, the Chairman shall certify a revised schedule of cash requirements for such Fiscal Year to the State Comptroller and to the Mayor (with a copy to the Trustee). The schedule accompanying each certification (or revision thereof) shall provide for such payment dates as the Corporation deems appropriate to assure that sufficient funds will be available to meet the obligations of the Corporation as they become due. The Chairman shall exclude from consideration in making any such certification with respect to the funds required by the Corporation for payment of principal or Accreted Amount of or interest on the Bonds, any amounts due to be received as payment of principal of or interest on obligations of the City held by the Corporation.

## ARTICLE VII

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

701. Security for Deposits. All monies held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Corporation and the Owners of the Bonds by direct obligations of the State or of the United States of America or obligations the principal and interest of which are guaranteed by the State or the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such monies is not permitted by applicable

law, then in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee to give security for the deposit of any monies with them held in trust for the payment of the principal, Accreted Amount or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any monies which shall be represented by obligations purchased under the provisions of this Resolution as an investment of such monies.

702. Investment of Funds and Accounts Held by the Trustee. (1) Monies in the Bond Payment Fund and the Bond Reserve Fund shall, as nearly as may be practicable, be invested by the Trustee upon direction of the Corporation in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Corporation in issuing such direction shall take into consideration the dates and times when monies in such Fund will be required for the purposes of this Resolution) in (a) direct obligations of the United States of America, direct obligations of the State or obligations the principal and interest of which are guaranteed by the United States of America or the State, (b) any bond, debenture, note, participation or other similar obligation issued by any of the following federal agencies:

Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, Farmers' Home Administration, Resolution Funding Corporation and Export-Import Bank, (c) if permitted by law, any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association, (d) any other obligation of the United States of America or any federal agencies which may then be purchased with funds belonging to the State of New York or held in the State treasury, and (e) to the extent permitted by law, any obligation the interest on which is not included in gross income for federal income tax purposes and which is payable, as to both principal and interest, from the principal of and interest paid on obligations of the United States of America. The maturity or Redemption Date at the option of the holder of any such investment shall coincide as nearly as practicable with but in no event later than the times at which monies in the Bond Payment Fund and Bond Reserve Fund will be required for the purposes in this Resolution provided.

(2) Obligations purchased as an investment of monies in any fund or account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits

realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(3) In computing the amount in any fund or account held by the Trustee under the provisions of this Resolution, excepting the Bond Reserve Fund, obligations purchased as an investment of monies therein shall be valued at the cost or market price thereof, whichever is lower, inclusive of accrued interest. In computing the amount of the Bond Reserve Fund, obligations purchased as an investment of monies therein shall be valued at par if purchased at par or at Amortized Value if purchased at other than par. Amortized Value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining on such obligation after such purchase and deducting the amount thus calculated for each Interest Payment Date after such purchase from the purchase price in the case of an obligation purchased at a premium and adding the amount thus calculated for each Interest Payment Date after such purchase to the purchase price in the case of an obligation purchased at a discount. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any monies or investments in the Bond Reserve Fund.

(4) Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Resolution whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the Corporation in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

(5) In lieu of the investments of monies in obligations authorized in paragraph (1) above, the Trustee shall, to the extent permitted by the Act then in effect, upon direction of the Corporation in writing, signed by an Authorized Officer, deposit monies from any fund or account held by the Trustee under the terms of this Resolution, in interest-bearing time deposits, or shall make other similar investment arrangements, including, but not limited to, repurchase agreements covering obligations of issuers enumerated as authorized for investments pursuant to the provisions of paragraph (1) above, with itself or a member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation or securities dealers approved by an Authorized Officer;

provided, that each such interest-bearing time deposit or other similar investment arrangement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies; and provided, further, that all monies in each such interest-bearing time deposit or other similar investment arrangement shall be continuously and fully secured by obligations of issuers enumerated as authorized for investments pursuant to the provisions of paragraph (1) above, of a market value equal at all times to the amount of the deposit or of the other similar investment arrangement:

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

## ARTICLE VIII

### THE TRUSTEE

801. Appointment and Acceptance of Duties of Trustee. The Trustee shall be appointed by the Corporation on or prior to the date of the initial issuance of Bonds under this Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution

by written instrument of acceptance deposited with the Corporation.

The corporate trust office of the Trustee is hereby designated as the agency of the Corporation for the payment of the interest on and principal, Accreted Amount or Redemption Price of the Bonds. The Trustee agrees to maintain such an office in the Borough of Manhattan, City and State of New York.

802. Responsibilities of Trustee. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Trustee shall not be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or in respect of the security afforded by this Resolution, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any monies paid to the Corporation. The Trustee shall be under no obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own monies, unless properly indemnified. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or default.

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

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



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

804. Compensation. The Corporation shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Resolution. The Corporation further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or default.

805. Permitted Acts and Functions. The Trustee may become the owner of any Bonds with the same rights it would have if it were not such Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the

enforcement of the Bonds or this Resolution whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

807. Removal of Trustee. The Trustee shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. The Corporation may remove the Trustee at any time for cause, as shall be determined in the sole discretion of the Corporation, arising from the negligence, default or wilfull misconduct of the Trustee.

808. Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Trustee. The Corporation shall mail notice to Bondowners within twenty (20) days of such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Corporation written notice, as provided in Section 806, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 808 in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York, or a national banking association doing business and

having its principal office in such State, and having capital and surplus aggregating at least One Hundred Million Dollars (\$100,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

809. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all monies, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Corporation, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed,

conveyance or instrument in writing from the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

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

ARTICLE IX

COVENANTS OF THE CORPORATION

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

901. Payment of Bonds. The Corporation shall duly and punctually pay or cause to be paid the principal, Accreted Amount or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds. All such payments, to the extent not paid when due and payable, shall continue to be due and payable and, accordingly, shall be deemed to be becoming due until the same shall be paid.

All such payments of interest with respect to any Bonds shall be made by check mailed to the Owner thereof, as of the Record Date for such payment, to the address of such Owner as it appears on the registry kept by the Trustee for such purpose. Presentation of any Bond shall not be a requirement for any such payment of interest.

902. Extension of Payment of Bonds. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Resolution, to the benefit of this Resolution or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest or Accreted Amount, as applicable, on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Refunding Bonds as provided in Section 203 and such issuance shall not be deemed to constitute an extension of maturity of Bonds or the time of payment of any of the claims for interest.

903. Offices for Registration of Bonds. The Corporation shall maintain at all times an office or agency in the Borough of Manhattan, City and State of New York, where

Bonds may be presented for registration, transfer or exchange and the Trustee, and its successors and assigns, is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

904. Further Assurances. At any and all times the Corporation shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and effecting all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Corporation may hereafter become bound to pledge or assign. The Corporation further covenants that it shall cause the Chairman to make and deliver the certificates referred to in sub-section 3 of Section 606 and Section 607 hereof at the times required therein and shall cause the amounts received to be deposited in the appropriate funds, respectively.

905. Power to Issue Bonds and Make Pledges. The Corporation is duly authorized pursuant to law to create and issue the Bonds and to adopt this Resolution and to pledge the Revenues and other monies, securities and funds purported to be pledged by this Resolution in the manner and to the extent



provided in this Resolution. Except to the extent otherwise provided in Section 601, the Revenues and other monies, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other monies, securities and funds pledged under this Resolution and all the rights of the Bondowner, under this Resolution against all claims and demands of all persons whomsoever.

906. Agreement of the State. In accordance with the provisions of Section 3015 of the Act, the Corporation hereby includes in this Resolution the pledge of and agreement with the Owners of the Bonds that the State will not limit or alter the rights vested pursuant to the Act in the Corporation to fulfill the terms of any agreements made with Bondowners, or in any way impair the rights and remedies of such Owners until the Bonds, together with the interest, thereon, with interest on any unpaid installments of interest, and all costs and expenses

in connection with any action or proceeding by or on behalf of such Owners, are fully paid and discharged.

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

908. Accounts and Reports. The Corporation shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made for its transactions relating to all Funds established by this

Resolution which shall be subject to, at all reasonable times, the inspection of the Owners of an aggregate of not less than five percent (5%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

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

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

If the Corporation shall exercise its power to limit the implementation of the conditions set forth in Section 3038 of the Act or thereafter to permit such conditions to be further limited, any such action shall be taken by resolution of the Board. When so acting the Board shall make a determination that any such limitation is not so substantial as

effectively to constitute a waiver of any of the conditions in Section 3038, or shall make a determination that the conditions shall impose a further condition on the City which determination shall be conclusive and binding upon the holders of the Bonds and the Trustee. A copy of such resolution shall promptly be delivered to the Trustee and to the Governor, the State Legislature, the State Comptroller, the Mayor, the City Council and the City Comptroller and promptly be published by the Corporation.

Subject to the rights of holders of obligations issued pursuant to the First General Bond Resolution or the Second General Bond Resolution, the Corporation shall not modify or amend the First General Bond Resolution or the Second General Bond Resolution in any manner that would have a material adverse effect on the owners thereof, provided, however, that nothing herein shall prevent the Corporation from amending or supplementing the First General Bond Resolution or the Second General Bond Resolution to provide for the issuance of Bonds, Notes or Other Obligations (as such terms may be defined in the First General Bond Resolution or the Second General Bond Resolution) as provided in the First General Bond Resolution or the Second General Bond Resolution. No such Bonds, Notes or Other Obligations shall be issued in accordance with Article II of the First General Bond Resolution or Article II of the Second General Bond Resolution if such issuance would cause the

amounts stated in paragraph (1) of Subsection 3 of Section 202 with respect to Sales Tax after making the deductions provided in subparagraphs 2(a) and 2(c) to be less than 2 times such aggregate amount set forth in paragraphs 2(a) and 2(b) of subsection 3 of Section 202 for each Fiscal Year set forth pursuant to said paragraphs 2(a) and 2(b) if such certifications required to be made pursuant to such Subsection 3 had been made at the time of, and gave effect to, the issuance of such Bonds, Notes or Other Obligations.

#### ARTICLE X--

#### SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

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

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

(2) To add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Corporation contained in this Resolution;

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

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

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

(6) To modify any of the provisions of this Resolution or any previously adopted Series Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions; or

(7) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution as theretofore in effect.

1002. Supplemental Resolutions Effective With Consent of Bondowners. The provisions of this Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondowners in accordance with and subject to the provisions of Article XI hereof, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer.

1003. General Provisions Relating to Series Resolutions and Supplemental Resolutions. This Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the rights or obligations of the Corporation to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 904 or the right or obligation of the Corporation to execute and deliver to the Trustee any instrument elsewhere in this Resolution provided or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Corporation when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Corporation and enforceable in accordance with its terms.

The Trustee is hereby authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and



stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

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

#### ARTICLE XI

##### AMENDMENTS OF RESOLUTIONS

1101. Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Corporation and of the Owners of the Bonds hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Owners of at least two-thirds in the aggregate principal amount and Accreted Amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least two-thirds in aggregate principal amount and Accreted Amount of the Bonds of each Series so affected and Outstanding at the

time such consent is given, or (c) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Owners of at least two-thirds in aggregate principal amount and Accreted Amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal or Accreted Amount of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount, the Accreted Amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with

the foregoing provisions Bonds of any particular Series or maturity would be affected by any modification or amendment of this Resolution and any such determination shall be binding and conclusive on the Corporation and all Owners of Bonds. The Trustee may receive an opinion of counsel, including Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of this Resolution.

1102. Consent of Bondowners. The Corporation may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1101 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondowners for their consent thereto in form satisfactory to the Trustee shall be mailed promptly after adoption by the Corporation to Bondowners. Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (i) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 1101 and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Corporation in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the Corporation and enforceable

in accordance with its terms. Any such consent shall be binding upon the Owner of the Bonds giving such consent and, anything in Section 1301 to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof), unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing such a revocation with the Trustee prior to the time when the written statement of the Trustee, hereinafter provided for in this Section 1102, is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Corporation and the Trustee a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondowners by the

Corporation by mailing such notice to Bondowners (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in this Section 1102). The Corporation shall file with the Trustee proof of the mailing of such notice. A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee and the Owners of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the proof of the mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation and the Trustee during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

1103. Modifications by Unanimous Consent. The terms and provisions of this Resolution, and the rights and obligations of the Corporation and of the Owners of the Bonds

thereunder, may be modified or amended in any respect upon the adoption and filing with the Trustee by the Corporation of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Owners of all of the Bonds then Outstanding, such consent to be given as provided in Section 1102, except that no notice to Bondowners either by mailing or publication shall be required.

1104. Mailing and Publication. Any provision in this Article for the mailing of a notice or other document to Bondowners shall be fully complied with if it is mailed postage prepaid only to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Corporation and to the Trustee.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Resolution, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the Corporation shall furnish the Trustee with a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X or this Article XI provided may, and if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Corporation to conform to such action shall be prepared and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII  
DEFAULTS AND REMEDIES

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

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

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

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

(c) the Corporation shall fail or refuse to comply with the provisions of subdivision 1 of Section 3036-b of the Act, or the State Comptroller shall fail to pay to the Corporation, as and when required by such Section, for deposit in the Bond Payment Fund or the Rebate Fund any amount or amounts as shall be certified by the Chairman pursuant to such provisions of the Act, or the Corporation shall fail or refuse to deposit in the Bond Reserve Fund, the Rebate Fund or the Bond Payment Fund the amount or amounts received by the Corporation for deposit in such Funds, respectively; or



(d) the Corporation shall fail or refuse to comply with the provisions of the Act, other than as provided in (c) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Resolution, any Series Resolution, any Supplemental Resolution or in the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Owners of not less than five per centum (5%) in aggregate principal amount and Accreted Amount of the Outstanding Bonds; or

(e) the State shall for any reason fail or refuse to continue the imposition of either the Sales Tax imposed by Section 1107 of Article 28 of the Tax Law as the same may be amended from time to time or the Stock Transfer Tax imposed by Section 270 of Article 12 of such Law as the same may be amended from time to time or if the rates of such taxes shall be reduced to rates less than those in effect on July 2, 1975; or

(f) the State shall fail to maintain the existence of either the special account for the Corporation in the municipal assistance tax fund established pursuant to Section 92-d of the State Finance Law or the stock transfer tax fund established by Section 92-b of said Law; or

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

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

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

(b) by bringing suit upon the Bonds;

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

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

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

(2) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Corporation for principal, Accreted Amount, Redemption Price, interest or otherwise, under any provision of this Resolution, a Series Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified

in such Bonds, or the rate at which amounts accrete with respect to Discount Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

1204. Priority of Payments After Default. In the event that the funds held by the Trustee shall be insufficient for the payment of interest and principal, Accreted Amounts, Sinking Fund Installments or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of their respective duties under this Resolution, shall be applied as follows:

(a) Unless the principal of or Accreted Amounts on all of the Bonds shall become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, Accreted Amounts, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal, Accreted Amounts, or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

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

Whenever monies are to be applied by the Trustee pursuant to the provisions of this Section, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional money becoming available for such application in the future; setting aside such monies in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Bondowner or to any other person for any delay in applying any such monies,

so long as the Trustee acts with reasonable diligence, having due regard for the circumstances and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such monies, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and Accreted Amounts to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date.

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

1206. Bondowners' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Owners of the majority in aggregate principal amount and Accreted Amount of the Bonds then Outstanding shall have the right, by

an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction.

1207. Limitation on Rights of Bondowners. No Owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Resolution or any right under law unless such Owner shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than twenty-five per centum (25%) in aggregate principal amount and Accreted Amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall



have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or under law. It is understood and intended that no one or more Owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section or any other provisions of this Article XII, the obligation of the Corporation shall be absolute and unconditional to pay the principal, Accreted Amount and Redemption Price of and interest on the Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owner to enforce such payment.

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

1208. Possession of Bonds by Trustee Not Required.

All rights of action under this Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it

without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Owners of such Bonds, subject to the provisions of this Resolution.

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

1210. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

1211. Notice of Event of Default. The Trustee shall give to the Bondowners notice of each event of default hereunder known to the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such event of

default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the principal, Accreted Amount, Sinking Fund Installment or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Operating Fund, the Bond Payment Fund [the Rebate Fund] or the Bond Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners. Each such notice of event of default shall be given by the Trustee by mailing written notice thereof: (1) to all registered Owners of Bonds, as the names and addresses of such Owners appear upon the books for registration and transfer of Bonds as kept by the Trustee and (2) to such other persons as may be required by law.

#### ARTICLE XIII

##### EXECUTION OF INSTRUMENTS BY BONDOWNERS AND PROOFS OF OWNERSHIP OF BONDS

1301. Evidence of Signatures of Bondowners and Ownership of Bonds. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondowners may be in any number of concurrent instruments of

similar tenor, and may be signed or executed by such Bondowners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Bondowner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company, or other depository, or of any notary public, or other officer authorized to take acknowledgements. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds shall be proved by the registry books kept by the Trustee under the provisions of this Resolution.

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

#### ARTICLE XIV

##### DEFEASANCE-

#### 1401. Defeasance.

1. If the Corporation shall pay or cause to be paid to the Owners of all Bonds then Outstanding, the principal and interest, Accreted Amount and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Corporation, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Corporation to the Bondowners shall be discharged and satisfied; provided that, in addition to certain other covenants, any covenants made with respect to maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes shall

survive. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Corporation all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds.

2. Bonds, any principal portion thereof or interest installments for the payment or redemption of which monies shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. All Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish as provided in Article IV of the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or direct obligations of the United States of America the principal of and the interest on which

when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient, to pay, when due, the principal, Accreted Amount or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to mail notice to the Owners of such Bonds, that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal, Accreted Amount or Redemption Price, if applicable, on said Bonds. Neither direct obligations of the United States of America or monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Accreted Amount or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such direct obligations of the United States of America deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in direct obligations of the



United States of America maturing at times and in amounts sufficient to pay when due the principal, Accreted Amount or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestment, to the extent not required to be deposited in the Rebate Fund, shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

3. Anything in the Resolution to the contrary notwithstanding, any monies held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for three years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such monies were held by the Trustee at such date, or for three years after the date of deposit of such monies if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid, at the written request of the Corporation, by the Trustee to the Corporation, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Corporation for the payment of such Bonds; provided, however, that before being required to make any such payment to the Corporation, the Trustee shall have made, at the expense of the Corporation, a reasonable attempt to mail to those Bondowners

that had not presented for payment, or as may otherwise be required by law, a notice that said monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice, the balance of such monies then unclaimed will be returned to the Corporation.

## ARTICLE XV

### MISCELLANEOUS

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

1502. Parties of Interest. Nothing in this Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Corporation, Trustee and the Owners of the Bonds any rights, remedies or claims under or by reason of this

Resolution or any Series Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, Trustee and the Owners from time to time of the Bonds.

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

1504. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution on the part of the Corporation or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be

deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

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

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

1507. Effective Date. This Resolution shall take effect immediately upon its adoption.

15.08. Governing Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

6656m/6653m

# MEMORANDUM

Date: January 12, 1991  
To: Quentin B. Spector  
From: Frances H. Jacobs  
Re: Sales Tax Certificate

MUNICIPAL  
ASSISTANCE  
CORPORATION  
FOR THE CITY  
OF NEW YORK

The required level of funding for Second Resolution Bonds after the 1/12/91 certification is:

1/2 interest due 7/01/91:	\$ 116,728,000
1/2 principal due 7/01/91:	<u>100,174,000</u>
	\$ 216,902,000

Holdings in the Bond Service Fund as of 1/08/91:

016687	p:	\$ 107,330,000
	i:	429,000
Sr. 60	p:	405,000
	i:	-0-
Sr. 61	p:	500,000
	i:	-0-
Sr. 62	p:	1,240,000
	i:	6,000
Sr. 63	p:	130,000
	i:	-0-
Sr. 64	p:	1,144,000
	i:	23,000
Sr. 65	p:	225,000
	i:	-0-
Sr. 66	p:	29,945,000
	i:	112,000
Sr. 67	p:	1,980,000
	i:	-0-
Sr. 68	p:	1,405,000
	i:	<u>-0-</u>
	Total	\$ 144,874,000

1/12/91 Certification: \$ 76,500,000

vsj:wp

# MEMORANDUM

MUNICIPAL  
ASSISTANCE  
CORPORATION  
FOR THE CITY  
OF NEW YORK

*Date:* January 12, 1991  
*To:* Quentin B. Spector  
*From:* Frances H. Jacobs  
*Re:* Sales Tax Certificate

The required level of funding for First Resolution Bonds after the 1/12/91 certification is:

Full p 2/01/91	\$ 210,000,000
Full i 2/01/91	<u>45,178,000</u>
	\$ 255,178,000

Holdings in the Debt Service Fund as of 1/08/91

p	\$ 222,745,000
i	<u>9,408,000</u>

Certification: \$ 23,500,000

vsj:wp

# MEMORANDUM

Date: 10 January 1991  
 To: Felix G. Rohatyn  
 From: Quentin B. Spector  
 Re: Analysis of First Resolution Refunding, Fixed Rate

MUNICIPAL  
 ASSISTANCE  
 CORPORATION  
 FOR THE CITY  
 OF NEW YORK

This analysis provides the base case fixed-rate refunding of First Resolution debt under the 1991 Resolution, and an estimate of the order of magnitude of the savings. Of course there are variations which alter the costs, benefits and risks of this base case. For example, a stretch out of debt repayment provides greater cash benefit in the near term but, without a significant drop in interest rates, at the cost of present value losses and possible rating impact. It is also possible to generate greater near term cash relief by a more backloaded repayment structure on the refunding bonds. However, this will reduce present value savings and would certainly increase issue size. Variable rate refunding is likely to provide significantly greater cash and present value savings but also greater exposures.

(\$ millions)

**Size of Refunding**

Outstanding 1st Res. Debt (2/1/91)	\$ 1,000
Less Capital Reserve 1st Res.	(300)
Plus Cap. Rsv. 1991 Res.	108
Less equity to solve tax problems <sup>(1)</sup>	<u>(65)</u>
Issue Size	<u>\$ 743</u>

**Sources & Uses**

<u>Sources</u>		<u>Uses</u>	
Borrowed proceeds	\$ 743	Defeasance 1st Res.	\$ 1,000
Capital Rsv. 1st Res.	300	Capital Rsv. 1991 Res.	108 <sup>(2)</sup>
Tot. equity contrib. <sup>(3)</sup>	<u>81</u>	Cost of issuance & call premium	<u>16<sup>(4)</sup></u>
	<u>\$ 1,124</u>		<u>\$ 1,124</u>

**Savings**

<u>FY</u>	<u>1st Res. Debt Svc.</u>	<u>1991 Res.<sup>(2)</sup> Debt Svc.</u>	<u>Debt Svc. Savings</u>	<u>Net Loss of Earnings<sup>(5)</sup></u>	<u>Net Total Savings</u>
92	\$ 265	\$ 216	\$ 49	\$ 13	\$ 36
93	255	216	39	13	26
94	336	216	120	13	106
95	344	216	<u>128</u>	<u>13</u>	<u>115<sup>(6)</sup></u>
			\$336	\$ 52	\$284

**Savings on Present Value Basis**

Present Value of debt service savings after giving effect to the cash contributed to the issuance is only \$9 million or 1.2% of issue size. This calculation does not give effect to the loss of earnings, which, if deducted, would result in an overall present value loss of \$35 million.

10 January 1991

Page 2

**NOTES:**

- (1) Reflects non-borrowed resources needed to redeem portions of 1st Res. that cannot be refunded with tax exempt debt, i.e. obviates tax problems.
- (2) Cap. Rsv. on 1991 Res. is 50% max. debt service. Assumes level debt service at 6 1/2%, 4-year debt retirement.
- (3) Total equity equals cash needed to solve tax problems plus cost of issuance and call premium. For illustration purposes, it is assumed here that the Corporation can assemble \$81 million cash from uncommitted surpluses, including the \$50 million reserve held to ensure commitments can be fulfilled, plus "loaning" surpluses now available but committed in FY96 & FY97. To the extent additional cash resources may be identified, borrowing can be reduced with concomitant increases in cash relief.
- (4) Call premium 1% on refunded bonds plus 1% issuance costs on refunding bonds.
- (5) Reflects net loss of earnings on capital reserves and equity, including effects of federal rebate requirements.
- (6) From the City's perspective, the apparent savings of \$115 million in FY95 are reduced by \$192 million to \$-77 million, to reflect the net effect of its earlier receipt of the 1st Res. Cap. Rsv. release.

vsj:wp



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

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

8 January 1991

Honorable David N. Dinkins, Mayor  
ATT: Philip R. Michael, Director  
OFFICE OF MANAGEMENT AND BUDGET  
1210 Municipal Building  
One Centre Street  
New York, New York 10007

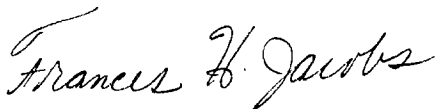
Honorable Edward V. Regan, Comptroller  
ATT: William McCormick, Supervisor of State Revenues  
Revenues Section/Bureau of Accounting  
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL  
A. E. Smith Office Building  
Albany, New York 12225-310

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 86 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated January 8, 1991.

Certificate Number 86 relates to the cash needs of the Corporation for the 1991 fiscal year with respect to the Series EE and Series HH Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,



Frances H. Jacobs  
Treasurer

Enclosures

cc: Attached

vsj:fjwp

*Municipal Assista Corporation  
For The City of New York*

8 January 1991  
Honorable David N. Dinkins, Mayor  
Honorable Edward V. Regan, Comptroller  
Page Two

cc: Alexandra Altman, Esq.  
Ms. Darcy Bradbury  
Mr. Michael Gibbons  
Maxine H. Hirt, Esq.  
Robert R. Grew, Esq.  
Donald J. Robinson, Esq.  
Mr. Rudy Runko  
Mr. Pat Santivaschi  
Mr. Quentin B. Spector  
Mr. Alan L. Anders  
Allen L. Thomas, Esq.

:fjwp

MUNICIPAL ASSISTANCE CORPORATION  
SCHEDULE A

	<u>Amount</u>	<u>Date Required on or before</u>
Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975	\$ 23,500,000 66,151,000 <u>66,151,000</u>	01/12/91 04/12/91 06/30/91
TOTAL (Fiscal Year 1991)	<u>\$ 155,802,000</u>	
Operating Fund Under Section 3036 of the Public Authorities Law	\$ -0- <u>-0-</u>	01/12/91
TOTAL (Fiscal Year 1991)	<u>-0-</u>	

8 January 1991

Certificate Number 86

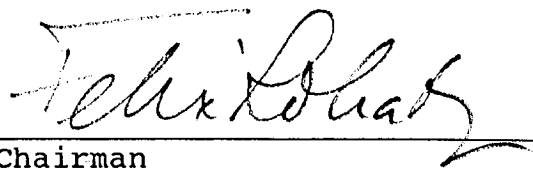
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CERTIFICATE NUMBER 86 OF THE CHAIRMAN  
OF THE BOARD OF DIRECTORS OF  
THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK TO THE COMPTROLLER  
OF THE STATE OF NEW YORK AND TO  
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation.

The Certificate and Schedule A hereto which is incorporated herein expressly revise any and all certifications heretofore made pursuant to said Section 3036 in respect of bonds issued pursuant to the First General Bond Resolution to the aforesaid Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Corporation this 8th day of January 1991.

  
Chairman

vsj:fjwp

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

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

8 January 1991

Honorable David N. Dinkins, Mayor  
ATT: Philip R. Michael, Director  
OFFICE OF MANAGEMENT AND BUDGET  
1210 Municipal Building  
One Centre Street  
New York, New York 10007

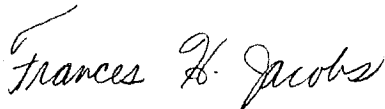
Honorable Edward V. Regan, Comptroller  
ATT: William McCormick, Supervisor of State Revenues  
Revenues Section/Bureau of Accounting  
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL  
A. E. Smith Office Building  
Albany, New York 12225-310

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 88 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated January 8, 1991.

Certificate Number 88 relates to the cash needs of the Corporation for fiscal year 1991 with respect to the Series 5 through 68 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,



Frances H. Jacobs  
Treasurer

Enclosures

cc: Attached

vsj:wp

*Municipal Assistant Corporation  
For The City of New York*

8 January 1991

Honorable David N. Dinkins, Mayor

Honorable Edward V. Regan, Comptroller

Page Two

cc: Alexandra Altman, Esq.  
Ms. Darcy Bradbury  
Mr. Michael Gibbons  
Maxine H. Hirt, Esq.  
Robert R. Grew, Esq.  
Donald J. Robinson, Esq.  
Mr. Rudy Runko  
Mr. Pat Santivaschi  
Mr. Quentin B. Spector  
Mr. Alan L. Anders  
Allen L. Thomas, Esq.

:fjwp

MUNICIPAL ASSISTANCE CORPORATION  
SCHEDULE A

	<u>Amount</u>	<u>Date Required on or before</u>
Bond Service Fund Under Section 3036-a of the Public Authorities Law, Established Pursuant to the Second General Bond Resolution Adopted November 25, 1975*	\$ 76,500,000 158,538,000 <u>154,354,000</u>	01/12/91 04/12/91 06/25/91**
TOTAL (Fiscal Year 1991)	<u>\$ 389,392,000</u>	

NOTES:

\* Any payment or payments on January 12, April 12, or June 25, 1991 from revenues derived from the sales and compensating use taxes imposed pursuant to Section 1107 and 1108 of the Tax Law and stock transfer tax imposed pursuant to Article 12 of the Tax Law are subject and subordinate to and after payments required on or about such dates under certificates of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

\*\* To the extent payments made to the Corporation for the 1991 fiscal year on or before June 25, 1991 are less than the amount certified as set forth above, the deficiency shall required to be made up from the June 30, 1991 payment to the Corporation subject and subordinate to the payments referred to in the prior footnote.

8 January 1991

Certificate Number 88

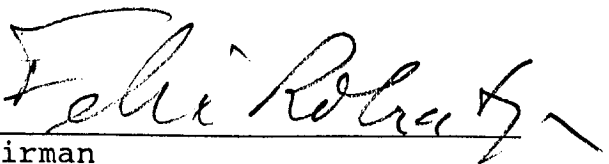
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CERTIFICATE NUMBER 88 OF THE CHAIRMAN  
OF THE BOARD OF DIRECTORS OF  
THE MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK TO THE COMPTROLLER  
OF THE STATE OF NEW YORK AND TO  
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation.

This Certificate and Schedule A hereto which is incorporated herein expressly revise any and all certifications heretofore made pursuant to said Section 3036-a in respect of bonds issued pursuant to the Second General Bond Resolution to the aforesaid Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 8th day of January 1991.

  
Chairman

vrw: (wp)



# MEMORANDUM

Date: 8 January 1991  
To: Felix G. Rohatyn  
From: Quentin B. Spector  
Re: DEBT CAPACITY ON 1991 RESOLUTION DEBT

MUNICIPAL  
ASSISTANCE  
CORPORATION  
FOR THE CITY  
OF NEW YORK

## Assumptions

Sales Tax: \$2,400 million/year (conservative).

Level debt service, 2008 final maturity.

Maximum First and Second Resolution Debt Service: \$890 million (FY92).

Operating Expense: \$10 million/year.

All debt issued in CY 1991 or CY 1992.

## Debt Issuable (\$ millions)

<u>Interest</u> <u>Rate</u>	<u>No Growth Sales Tax</u> <u>18 Yr.</u>	<u>2% Growth</u> <u>17 Yr.</u>	<u>4% Growth</u> <u>17 yr</u>
7 1/2%	7,280	7,075	7,302
8	7,029	6,841	7,060
8 1/2	6,792	6,619	6,831
9	6,567	6,408	6,613

vsj:wp

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

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

4 January 1991

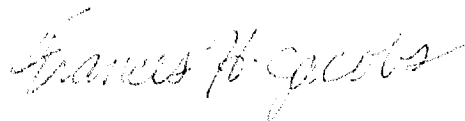
Mr. Richard S. Tolhurst  
83 Forest Ave.  
Albany, N.Y. 12208

Dear Mr. Tolhurst:

The Series 29 Bonds have had an active sinking fund since July of 1983. Our trustee, The United States Trust Company, maintains the record of all called bonds. Their toll free number is 1-800-225-2398.

In the event your bonds have not been previously called, the Series 29 Bonds will be called in their entirety on July 1, 1991.

Sincerely,



Frances H. Jacobs  
FHJ:vsj:wp