

Oct 1982

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

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

By Messenger

29 October 1982

Mark Page, Esq.
General Counsel
Office of Management and Budget
CITY OF NEW YORK
1204 Municipal Building
New York, New York 10007

Re: Closing Certificate

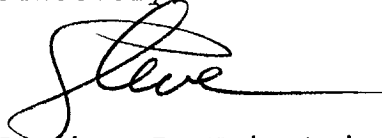
Dear Mark:

I am enclosing, for your records, two conformed copies of the Certificate of the Director of Management and Budget of The City of New York dated October 25, 1982, which incorporate in typewritten form changes to conform it to the language of the certificate as signed and to the language of the Corporation's Official Statements dated October 25, 1982, along with a copy of each of those Official Statements as delivered in final form.

I am also enclosing, for your review, eight copies of a proposed Certificate of the Budget Director for delivery at the Corporation's closing on Thursday, November 4, 1982, along with a copy of the Corporation's Official Statement dated October 14, 1982. The substantive language in the proposed certificate is intended to be identical with that of the October 25, 1982 certificate. The language in the "City Section" in each of the three Official Statements is also intended to be identical.

I would like to receive six executed copies of the new certificate on Monday, November 1, 1982. If you have any questions concerning these documents, please give me a call.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

Enclosure (13)

SJW:bba

Cham

**CERTIFICATE DATED OCTOBER 29, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

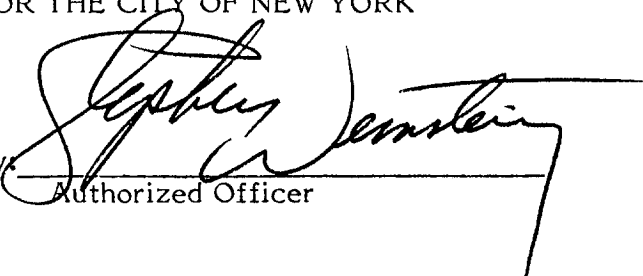
4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

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

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

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

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

W

**CERTIFICATE DATED OCTOBER 29, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

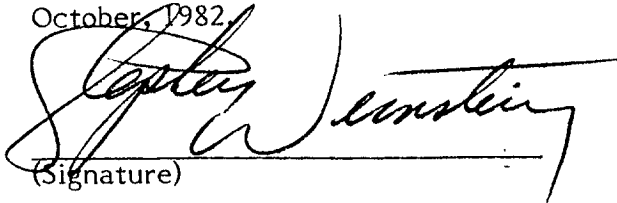
(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material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

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

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

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

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


(Signature)

DEPUTY EXECUTIVE DIRECTOR
(Title)

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

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

October 29, 1982

Mr. Jac. Friedgut
Citibank, N.A.
55 Water Street - 47 Floor
New York, New York 10043

Mr. Rick McCarthy
Manufacturers Hanover Trust Company
44 Wall Street - 9 Floor
New York, New York 10005

Dear Jac and Rick:

Enclosed is what Jac calls the penultimate version of my letter. Hearing no objection to minor changes made in the first paragraph, I will forward a signed version of this to the addressees next week.

Sincerely,



Heather L. Ruth
Executive Director

HLR/tmh
attachment

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New York, New York 10048
Telephone: (212) 775-0010

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

October 29, 1982

Ms. Joan Dunlop
Executive Assistant to the President
New York Public Library
42nd and Fifth Avenue
New York, New York 10018

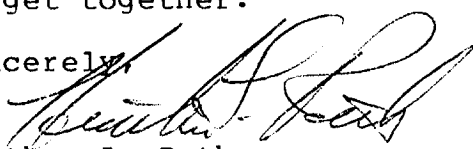
Dear Joan:

First, congratulations on the entirely successful party for Jane. Let's hope she wins! In view of my muttering around the edges about housekeeping/childcare problems, I cannot resist reporting that the first week of my "Jamaican experience" is entirely satisfactory. The house is sufficiently in order to cause me to clean up my desk and Douglass already wants to sleep with her, which is both a very good sign and a bad one! But a direction I welcome in view of recent experiences!

Second and more seriously, I am sending you a resume which may be interesting -- Susan Fisher, whom you may also know, whether through all the criss-crossing Lindsay Administration relationships or more recent population concerns. Jim and I have known Susan mainly socially for the last 12 years. She is the sister of a friend whose entire family we've gotten to know by virtue of a 12-year old arrangement to keep a mass "date" at Tanglewood for the Boston Symphony each year. Thus, it's a little difficult for me to verify the basic impression of Lindsay-era competence at this point.

However, the things I have every reason to believe she's good at (see a copy of her letter to Jim and me) mesh well with some of the things you're looking for, though probably at a level just below the principal targets of your search. The timing may be off, but she's available soon. Do with this whatever is appropriate, and let us hope we continue to have good excuses to get together.

Sincerely,


Heather L. Ruth

HLR:ib
Enclosures

R
Heather (Sally I signed for Paul!)

20 East 9th Street
New York, New York 10003
October 18, 1982

Jim and Heather Ruth
336 Central Park West, Apt. 15A
New York, New York 10025

Dear Jim and Heather:

As I mentioned to Jim when we spoke a few weeks ago, I am leaving my current job at the end of this year and wanted to send you my resume (one for each of you) in the event you know of anything suitable for me.

I feel very ready to run something myself, either as executive director of an organization or as director of a program area within a larger organization. I feel I am a first-rate manager, do well at developing and executing programs, write well, and have had considerable experience in budgeting, financial control, and fund-raising.

If you know or hear of anything I should look into, I'd appreciate your letting me know.

With warm regards,

Sincerely yours,


Susan B. Fisher

SBF:lmm

Enclosures

RESUME

NAME: Susan B. Fisher

ADDRESS: 20 East 9th Street
New York, New York 10003
260-5569 or 677-2053 (Home)
687-6020 (Office)

BIRTH DATE: December 20, 1940

EDUCATION: B.A., English, University of Michigan, Ann Arbor,
Michigan 1963

Part-time study, Economics, School of General Studies,
Columbia University, New York, New York 1964

M.P.A., Public Administration, Graduate School of Public
and International Affairs, University of Pittsburgh,
Pittsburgh, Pennsylvania 1969

Master's Thesis: Study of Housing Code Enforcement
in Pittsburgh, Pennsylvania

EMPLOYMENT: April 1977-Present - Vice President, Population Resource
Center, Inc., New York City

Responsible for organizing seminars, briefings, and
panels on population-related issues for foundations,
corporations, government agencies, and individuals.
Active in management and administration of the
organization, budgeting and financial control, and
fundraising. Participate with the Board and other
officers in policy deliberations.

February 1976-April 1977 - Director of Program Development,
Citizens Committee for New York City, Inc., New York
City

In conjunction with City agencies and private
organizations, responsible for developing and
implementing programs which utilized volunteers
to help fill service gaps. Developed the Sanitation
Lend a Hand Program, the Parks Preservation Program,
and the Self-help Neighborhood Award Program, including
coordination of participating organizations' roles,
planning of media events, purchasing, preparation
of budgets, assistance with fundraising; developed
and obtained funding for a senior citizen project and
coordinated preparation of resource guides for merchants
and businessmen and senior citizens.

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28 October 1982

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

Municipal Division
Fitch Investor Service, Inc.
5 Hanover Square
New York, New York 10004

Ladies and Gentlemen:

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

Since that date, the Corporation has sold over \$1.8 billion of debt, more than any other municipal agency during the period. The Corporation has met the targets in the Financing Plan, developed with the City of New York. In addition, the Corporation has been at the forefront of the development of innovative tax exempt financing, selling bonds with warrants on three occasions and \$100 million of commercial paper for capital purposes.

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

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

The Corporation believes that the peak of the Corporation's involvement with the City's capital financing program has been reached. With many of the earlier uncertainties

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28 October 1982
Fitch Investor's Service, Inc.
Page Two

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

favorably resolved, we believe it is an appropriate juncture for reassessment of the credit-worthiness of the Corporation. In addition, we remain available to answer any questions you may have as to our future plans.

Sincerely,



Heather L. Ruth
Executive Director



Steven J. Kantor
Deputy Executive Director and
Treasurer

INTRODUCTION: STATUS OF THE FINANCING PLAN

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

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

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

THE FINANCING PLAN

Sources of Funds

| | To Be Completed Fiscal Year Ending June 30 | | | | | <u>Total</u> |
|---|---|-------------|-------------|--------------|--------------|--------------|
| | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | |
| City Bond Sales | | | | | | |
| Guaranteed Sales | \$ 600 | \$ ---- | \$ ---- | \$ ---- | \$ ---- | \$ ---- |
| Public Sales | 225 | 300 | 400 | 700 | 1,100 | 2,500 |
| Corporation Bond Sales (MAC) | | | | | | |
| Private Sales | 325 | ---- | ---- | ---- | ---- | ---- |
| Public Sales | 400 | 600 | 350 | 300 | ---- | 1,250 |
| Water and Sewer Financing | ---- | ---- | 150 | 315 | 330 | 795 |
| Transfer from General Fund(1) | 147 | ---- | ---- | ---- | ---- | ---- |
| Changes in General Fund | | | | | | |
| Advances & Restricted Cash | (95) | 60 | 42 | 15 | ---- | 117 |
| Sub-Total | <u>1,627</u> | <u>960</u> | <u>942</u> | <u>1,330</u> | <u>1,430</u> | <u>4,662</u> |
| Reserve for Future Requirements (Deposits)/Withdrawals (2) | (595) | 515 | 300 | ---- | ---- | 815 |
| Total | \$ 1,032 | \$1,475 | \$1,242 | \$1,330 | \$1,430 | \$5,477 |

Uses of Funds

| | | | | | | |
|---|----------|------------|---------|---------|---------|------------|
| City Capital Improvements | \$ 882 | \$1,125 | \$1,192 | \$1,330 | \$1,430 | \$5,077 |
| Corporation Capital Reserve and Guaranty Reserve Funds (MAC) | 150 | 100 | 50 | ---- | ---- | 150 |
| Refunding | ---- | <u>250</u> | ---- | ---- | ---- | <u>250</u> |
| Total | \$ 1,032 | \$1,475 | \$1,242 | \$1,330 | \$1,430 | \$5,477 |

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

(2) A total of \$815 million of MAC bonds proceeds in the 1981 and 1982 fiscal years is expected to be held in escrow for payment to the City in the 1983 and 1984 fiscal years.

\$100 million of the Corporation's sales were shifted from fiscal 1982 to fiscal 1983 to accommodate the delay of the Corporation's commercial paper program until a month after the end of the 1982 fiscal year, with a corresponding shift of \$100 million of refunding from fiscal 1982 to fiscal 1983.

THE CORPORATION'S ACTIVITIES UNDER THE FINANCIAL PLAN

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

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

During fiscal 1983, the Corporation is scheduled to complete \$600 million in new financings. Commercial paper sales to

date have already accounted for \$100 million. The Corporation has signed a commitment letter (enclosed) to enable the Corporation to issue an additional \$150 million of commercial paper notes during this fiscal year. The last date to exercise warrants for Series 28 and 36 is January 18, 1983; if all warrants are exercised, an additional \$150 million bonds will be issued. (To date, \$40 million have been issued.) The Corporation recently completed a refunding of the Series CC Bonds by selling \$275 million of Series 40 and 41 Bonds. This refunding reduced the peak debt service requirement of the Corporation, in addition providing budgetary relief for the City.

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

- (1) To broaden the market for the Corporation's obligations by offering a range of instruments;
- (2) To minimize the chance of duplication or oversaturation in a finite retail market by the Corporation and the City; and
- (3) Most importantly, to finance the City's capital requirements at the lowest possible cost.

The Corporation is investigating the feasibility of offering its obligations tailored for private placement to particular institutions. Under such a program, the Corporation would authorize a large amount of bonds to be issued.

Representatives of large purchasers would be invited to approach the Corporation for specified amounts and maturities. This process would be similar to "shelf registration" in the equity market. The Corporation expects such an arrangement to result both in lower issuance costs and lower interest costs.

COVERAGE

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

The exhibits following the text present projected debt service coverage under several alternative assumptions of revenue growth through 1986 and the interest rate of remaining issuances, respectively. The assumptions about

revenue growth are conservative relative to recent performance. (See Exhibit II.) Assumed interest rates on the remaining debt to be issued under the Plan range from 10 percent to 15 percent, which the Corporation believes to be prudent in view of current market conditions. (See Exhibits I and III.) Exhibit I summarizes the results of these projections for fiscal 1985, the year of maximum debt service.

As shown in Exhibit I, even under the "worst case" combination of 15 percent average interest on all remaining issuances and only 5 percent growth in sales tax revenues, coverage of debt service from all revenues would be 2.34 times, and coverage from sales tax alone would be 1.49 times. The more favorable, though still conservative, assumptions shown yield more favorable coverage projections.

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

- (1) Issues debt of longer average life than the relatively short debt assumed,

(2) Refunds existing debt which includes amortization in the peak years, or

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

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

MANAGEMENT

Under state statute, the Corporation is administered by a Board of Directors. Most members of the Board, including the Chairman (except for a brief period), have served as directors since the inception of the Corporation in 1975. The Chairman, Felix G. Rohatyn, is Chief Executive Officer

of the Corporation. Other directors who perform major policy functions on a continuing basis include:

| | | |
|-------------------|----|--|
| Edward M. Kresky | -- | Vice Chairman of the Board, Chairman of the Investment Committee |
| Eugene J. Keilin | -- | Chairman, Finance Committee |
| Andrew P. Steffan | -- | Chairman, Audit Committee |
| Robert C. Weaver | -- | Chairman, Administration Committee |
| Dick Netzer | -- | Chairman, City Budget Committee |

The Corporation is managed by 4 senior officers:

| | | |
|----------------------|----|---|
| Heather L. Ruth | -- | Executive Director and Chief Operating Officer |
| Stephen J. Weinstein | -- | Deputy Executive Director and Counsel |
| Steven J. Kantor | -- | Deputy Executive Director and Treasurer |

Maxine Gillman

-- Secretary and Associate Counsel

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

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

Summary

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

EXHIBIT I

Projected Coverage in Fiscal 1985: Various Assumptions

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

| <u>REVENUES</u> | <u>10%</u> | <u>12.5%</u> | <u>15%</u> |
|----------------------------------|------------|--------------|------------|
| <u>State Sales Tax Alone</u> | | | |
| 5% | 1.49 | 1.46 | 1.44 |
| City Assumptions | 1.52 | 1.50 | 1.48 |
| Historical | 1.65 | 1.63 | 1.60 |
| | | | |
| <u>All Revenues (Increase in</u> | | | |
| <u>Sales Tax Only)</u> | | | |
| 5% | 2.42 | 2.38 | 2.34 |
| City Assumptions | 2.45 | 2.42 | 2.38 |
| Historical Average | 2.51 | 2.47 | 2.43 |

EXHIBIT II
REVENUES AVAILABLE TO MAC

Historical Revenues
(In \$ millions)

| <u>Fiscal Year</u> | <u>Sales Tax</u> | <u>% Increase</u> | <u>All Revenues</u> | <u>Increase</u> |
|--------------------------|------------------|-------------------|---------------------|-----------------|
| 1978 | 919 | 7.0 | 1,709 | 8.6 |
| 1979 | 999 | 8.7 | 1,870 | 8.8 |
| 1980 | 1,137 | 13.8 | 2,082 | 12.0 |
| 1981 | 1,294 | 13.9 | 2,409 | 15.7 |
| 1982 | 1,401 | 8.3 | 2,416 | 0.3 |
| Five Year Average Growth | | 10.5% | | 9.1% |
| Compound Growth | | 8.8% | | 7.2% |

Revenue Assumptions
(In \$ Millions)

Sales Tax Alone

| <u>Fiscal Year</u> | <u>5% Growth</u> | <u>City Projection</u> | <u>5-Year¹ Historical Average</u> |
|--------------------|------------------|------------------------|--|
| 1982 | 1,401 | 1,401 | 1,401 |
| 1983 | 1,471 | 1,484 | 1,524 |
| 1984 | 1,544 | 1,569 | 1,658 |
| 1985 | 1,622 | 1,661 | 1,804 |
| 1986 | 1,703 | 1,757 | 1,963 |

All Revenues²

| <u>Fiscal Year</u> | <u>5% Growth</u> | <u>City Projection</u> | <u>5-Year³ Historical Average</u> |
|--------------------|------------------|------------------------|--|
| 1982 | 2,416 | 2,416 | 2,416 |
| 1983 | 2,486 | 2,499 | 2,517 |
| 1984 | 2,560 | 2,584 | 2,625 |
| 1985 | 2,637 | 2,676 | 2,741 |
| 1986 | 2,718 | 2,772 | 2,865 |

¹ 1978-1982 Compound Growth = 8.8%

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

³ 1978-1982 Compound Growth = 7.2%

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BY MESSENGER

28 October 1982

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

CITIBANK, N.A.
55 Water Street/47th Floor
New York, New York 10043

Attention: Mr. Erik Kromann
Vice President

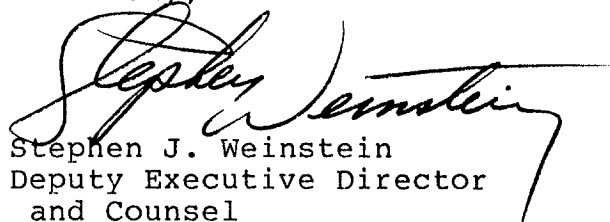
Gentlemen:

I am enclosing for your signature two copies of the Acceptance of Duties as Paying Agent for the Series 40, 41 and 42 Bonds of the Municipal Assistance Corporation.

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

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

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg
Enclosures (2)

ACCEPTANCE OF DUTIES AS PAYING AGENT

The undersigned hereby accepts the duties and obligations of a Paying Agent imposed upon the undersigned by the Second General Bond Resolution adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") on November 25, 1975, as amended and supplemented, and the Series 40, 41 and 42 Resolutions of the Corporation, adopted by the Board of Directors of the Corporation on October 13, 1982. The undersigned has taken all necessary corporate action to authorize its acceptance of the appointment as Paying Agent for the Bonds pursuant to the Resolution referred to above.

CITIBANK, N.A.

By: _____

Title: _____

Attest:

Dated: _____

MEMORANDUM

Date: 27 October 1982
To: Distribution Attached
From: Stephen J. Weinstein
Re: Closing Documents

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK



The closing for the sale of the Corporation's Series 40 and 41 Bonds is scheduled to be held at our offices on Thursday, November 4, 1982, at 9:00 A.M. The pre-closing will be on the preceding afternoon, at 2:00 P.M. on Wednesday, November 3, 1982, also at our offices.

Enclosed is a proposed Table of Contents listing the closing documents. The documents should be prepared by the respective firms as indicated and circulated for review and comment to the others on the attached distribution list:

| <u>Firm</u> | <u>Document Number</u> |
|---|---|
| Paul, Weiss, Rifkind, Wharton & Garrison | 25 |
| Hawkins, Delafield & Wood | 7; 8; 9; 10; 11; 22; 26; 27; 28; 29; 30; 31; 32; 43 |
| Carter, Ledyard & Milburn | 23; 33; 34; 38; 40; 41 |
| White & Case | 35; 36; 42 |

All of the other closing documents not yet in final form will be prepared or obtained by the Corporation.

Attachment

Enclosure

By Messenger

Distribution for Series 40 and 41 Closing Documents

Carter, Ledyard & Milburn
2 Wall Street
New York, New York 10005
Phone 732-3200

Lawrence Remmel

Hawkins, Delafield & Wood
67 Wall Street
New York, New York 10005
Phone 820-9300

John J. Keohane
Anne McClelland
Jack M. Schrager
Donald J. Robinson

Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10154
Phone 644-8000

Ronald Soiefer
James Thornton
Allen L. Thomas

White & Case
14 Wall Street
New York, New York 10005
Phone 732-1040

David H. Blair
Rosaleen Manzi

Municipal Assistance Corporation
One World Trade Center, Suite 8901
New York, New York 10048
Phone 775-0010

Maxine H. Gillman
Stephen J. Weinstein

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

\$175,000,000 Series 40 Bonds

and

\$100,000,000 Series 41 Bonds

with

Warrants to Purchase

\$100,000,000 Series 42 Bonds

TABLE OF CONTENTS

Basic Documents and Certifications of the Corporation

1. Copy of the final Official Statement of the Municipal Assistance Corporation For The City of New York (the "Corporation") relating to the Series 40 Bonds and the Series 41 Bonds with Warrants (the "Official Statement").
2. Copy of the preliminary Official Statement of the Corporation dated October 11, 1982 relating to the Series 40 Bonds and the Series 41 Bonds with Warrants.
3. Conformed copy of the Bond Purchase Agreement dated October 15, 1982 executed by the Corporation and Salomon Brothers Inc for the Representatives (the "Representatives") of the Underwriters named therein (the "Underwriters").
4. Conformed copy of the Warrant Agreement dated as of October 1, 1982 between the Corporation and the United States Trust Company of New York (the "Trust Company"), as Warrant Agent.
5. Extract of the Minutes of the Board of Directors Meeting held on October 13, 1982 showing (a) adoption of the Series 40, 41, and 42 Resolutions authorizing the issuance, sale and delivery of the Series 40, 41 and 42 Bonds and other matters related thereto; and (b) adoption of the Warrant Resolution authorizing execution of the Warrant Agreement and execution and delivery of the Warrants.
6. Copy of the Second General Bond Resolution.
7. Copy of the Series 40 Resolution.
8. Copy of the Series 41 Resolution.
9. Copy of the Series 42 Resolution.
10. Copy of the Warrant Resolution.
11. Certificate of Determination of the Corporation.

12. Approval of the terms of the sale by the Comptroller of the State of New York (the "State").
13. Order of the Corporation as to the authentication, countersignature and delivery to the Underwriters of the Series 40 and 41 Bonds and the Warrants.
14. Order of the Corporation as to the authentication and delivery of the Series 42 Bonds.
15. Certificate of the Director of the Budget of the State with respect to the Official Statement.
16. Certificate of the Commissioner of Taxation and Finance of the State with respect to the Official Statement.
17. Certificate of the Mayor of The City of New York (the "City") or an appropriate Deputy with respect to the Official Statement.
18. Certificate of the Comptroller of the City or an appropriate Deputy with respect to the Official Statement.
19. Certificate of the Commissioner of Taxation and Finance of the State with respect to the amounts of sales and stock transfer taxes.
20. Certificate of the Director of the Budget of the State with respect to the amount of Per Capita Aid.
21. Certificate of the Corporation as to members, officers, terms of office and other details of the Corporation, including by-laws, minutes, certain resolutions, specimen bonds and warrants, litigation, signatures and certificates.
22. Arbitrage Certificate of the Corporation.

Trustee, Warrant Agency and Paying Agency Documents

23. Certificate as to acceptance of duties of Trustee and Warrant Agent by the Trust Company and showing authority for Authorized Officers to authenticate the Series 40 and 41 Bonds, and to countersign the Warrants.
24. Acceptance of the office of Paying Agent from Citibank, N.A. for the Series 40, 41 and 42 Bonds.

Opinions

25. Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, addressed to the Representatives, together with reliance opinion addressed to the Trust Company.
26. Approving Opinion as to the Series 40 Bonds of Hawkins, Delafield & Wood, Bond Counsel to the Corporation, addressed to the Corporation.
27. Approving Opinion as to the Series 41 Bonds of Hawkins, Delafield & Wood, addressed to the Corporation.

28. Approving Opinion as to the Warrants of Hawkins, Delafield & Wood, addressed to the Corporation.
29. Reliance Opinion of Hawkins Delafield & Wood, addressed to the Trust Company and the Underwriters.
30. Opinion of Hawkins Delafield & Wood, addressed to the Underwriters, as to the Official Statement.
31. Opinion of Hawkins Delafield & Wood, addressed to the Corporation, as to arbitrage.
32. Opinion of Hawkins Delafield & Wood, addressed to the Corporation, as to the 1978 State Covenant.
33. Opinion of Carter, Ledyard & Milburn, Counsel to the Trust Company, addressed to the Corporation, with respect to the Trust Company's authority to act as Trustee, and authentication of the Series 40 and 41 Bonds, together with reliance opinion addressed to the Underwriters.
34. Opinion of Carter, Ledyard & Milburn, addressed to the Corporation, with respect to the Trust Company's authority to act as Warrant Agent, and countersignature of the Warrants together with reliance opinion addressed to the Underwriters.
35. Opinion of White & Case, Counsel to the Underwriters, addressed to the Underwriters.
36. Blue Sky Memorandum of White & Case, addressed to the Underwriters.

Proceeds

37. Order as to Deposit and Investment of the Proceeds of Sale of the Series 40 and 41 Bonds and the Warrants.
38. Certificate of the Trust Company as to Receipt of Proceeds of Sale of the Series 40 and 41 Bonds and the Warrants.
39. Irrevocable instructions of the Corporation to the Trust Company as to the provision for payment of the 1976 Series CC Bonds of the Corporation.
40. Certificate of the Trust Company as to provision for payment of the 1976 Series CC Bonds of the Corporation.
41. Receipt of the Underwriters for the Series 40 and 41 Bonds, the Warrants and the Closing Documents.

Miscellaneous

42. Copy of Advertisement.
43. Memorandum of Closing.

Chen

**CERTIFICATE DATED OCTOBER 27, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

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

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 

Authorized Officer

11/1/82

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

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

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

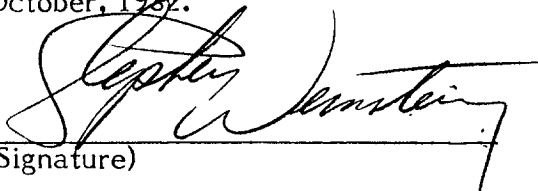
(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material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

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

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

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


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


(Signature)

DEPUTY EXECUTIVE DIRECTOR
(Title)

MEMORANDUM

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 27 October 1982
To: Distribution Below
From: Stephen J. Weinstein 
Re: State Financial Plan

Enclosed for your information is a copy of the letter referred to in today's front page New York Times story concerning the State of New York, which I obtained this morning from the State Budget Division.

It appears that this letter, which is dated October 20, 1982, contains no information in addition to that contained in the October 1982 State Financial Plan revision released on October 18, 1982. Therefore, it should not alter our conclusions with regard to disclosure.

Please let me have your views.

Enclosure

Distribution

David H. Blair
Lawrence Rimmel
Donald J. Robinson
Allen L. Thomas

By Messenger



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
ALBANY, NEW YORK
12238

To: Steve Weinstein
From Bruce Ball

EDWARD V. REGAN
STATE COMPTROLLER

October 20, 1982

(To the Underwriters of the 1982 State Tax and Revenue Anticipation Notes)

Dear Sirs:

This is a report on the cash flow of the General Fund of the State of New York for September, 1982, the sixth month of the State's 1982-83 fiscal year. In the interest of timely reporting of the below described financial plan update, delivery of this letter has been delayed from the required date of October 15.

The attached table shows the cash flow transactions for the month and for the first six months of the fiscal year and compares them with the revised 1982-83 General Fund cash flow sent to you in August 1982. Footnotes, prepared by the Division of the Budget, explain the main differences between the actual figures and the projections.

The Governor has released as of October 18 a revised financial plan for the 1982-83 fiscal year that shows an imbalance in the General Fund in such year of \$579 million. A revised cash flow consistent with these new estimates is being prepared by the Division of the Budget.

The increase in the projected imbalance from the July revision derives from a downward adjustment in projected disbursements which is more than offset by a reduction in the receipts projected to be available. The Governor's revised figure suggests that, based on disbursement projections and both lower-than-projected cash balances entering the third quarter of the fiscal year and reduced receipts expectations for that quarter, the General Fund will be unable to meet its cash needs during the quarter without short-term external financing. No decision has yet been made on the timing or the amount of such financing or whether other actions, such as deferring certain payments or accelerating certain receipts, will be taken to reduce cash outgo during the quarter. Pursuant to the impoundment statute, sufficient receipts will be set aside during the balance of the fiscal year to redeem the Notes.

We certify that this report is accurate to the best of our knowledge.

Sincerely,

EDWARD V. REGAN
State Comptroller

C. MARK LAWTON
Director of the Budget

Attachment


MEMORANDUM

HLR

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 27 October 1982

To: Beatrice Gilling

From: Steven J. Kantor 

Re: Distribution of Proceeds of Series 28 and Series 36 on October 25, 1982.

Series 28

| | |
|------------------|------------------|
| Principal | \$ 685,000.00 |
| Accrued Interest | <u>23,047.51</u> |

| | |
|-------|------------|
| Total | 708,047.51 |
|-------|------------|

| | |
|--------------------------|-----------------|
| Plus investment earnings | <u>1,198.43</u> |
|--------------------------|-----------------|

| | |
|-----------------------------------|-------------------|
| Total on deposit in 065140 | 709,245.94 |
|-----------------------------------|-------------------|

Distribution

| | |
|------------------------|-------------------|
| 016753 (Bond Proceeds) | \$ 582,250.00 |
| 016687 (Bond Service) | 24,245.94 |
| 016686 (Capital Res.) | <u>102,750.00</u> |

| | |
|-------|---------------|
| Total | \$ 709,245.94 |
|-------|---------------|

Series 36

| | |
|--------------------------------|-------------------|
| Principal (\$15,900,000 x 995) | \$5,870,500.00 |
| Accrued Interest | <u>238,206.60</u> |

| | |
|-------|---------------------|
| Total | <u>6,108,706.60</u> |
|-------|---------------------|

| | |
|--------------------------|-----------------|
| Plus investment earnings | <u>8,698.52</u> |
|--------------------------|-----------------|

| | |
|-----------------------------------|-----------------------|
| Total on Deposit in 065141 | \$6,117,405.12 |
|-----------------------------------|-----------------------|

Distribution

| | |
|------------------------|-------------------|
| 016753 (Bond Proceeds) | 5,015,000.00 |
| 016687 (Bond Service) | 246,905.12 |
| 016686 (Capital Res.) | <u>855,500.00</u> |

| | |
|-------|----------------|
| Total | \$6,117,405.12 |
|-------|----------------|

cc:FNH

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

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

By Messenger

26 October 1982

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

Dear Sirs:

In various letters, the most recent dated July 29, 1982, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on October 28, 1982, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated July 29, 1982, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

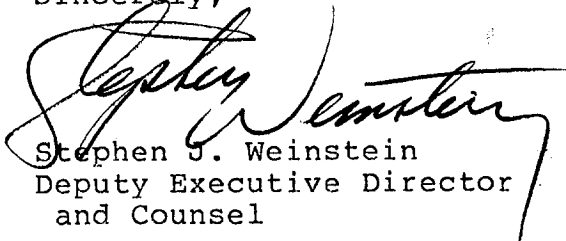
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

Hawkins, Delafield & Wood
26 October 1982
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,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

cc: Mr. S. E. Kober
Price Waterhouse
153 East 53rd Street (#3966)
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**

By Messenger

26 October 1982

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

Dear Sirs:

In various letters, the most recent dated July 29, 1982, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on October 28, 1982, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated July 29, 1982, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

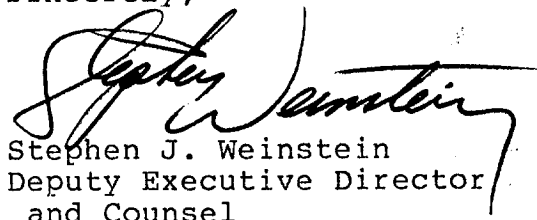
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
26 October 1982
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,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

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

Chon

**CERTIFICATE DATED OCTOBER 25, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

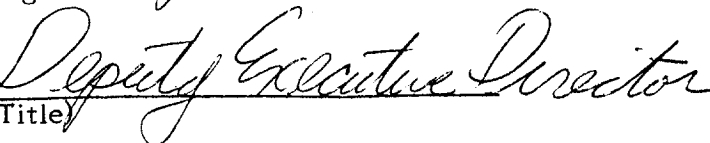
(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of October, 1982.


(Signature)


(Title)

Chon

**CERTIFICATE DATED OCTOBER 25, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: Steven J. Kantor
Authorized Officer

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 October 1982

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

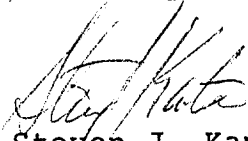
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 26, 1982, \$17,000.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivaschi
Administrative Files

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 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

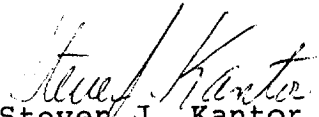
Gentlemen:

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

You were instructed to transfer on October 25, 1982, \$19,253.32 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$18,333.32 of this amount was used to pay interest on commercial paper coming due and \$920.00 was used to pay principal.


Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

MEMORANDUM

Date: October 22, 1982
To: City Distribution
From: Heather L. Ruth, Executive Director 
Re: Proposed expansion of the Corporation's Commercial Paper Program.

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

As you know, the Corporation has executed a Letter of Commitment with Citibank, N.A., and Manufacturers Hanover Trust Company for a credit facility permitting the Corporation to market an additional \$150 million of commercial paper, up to a total of \$250 million in commercial paper outstanding. This is the maximum contemplated by the Corporation as well as the maximum permitted under the existing Waiver Upon Consent dated as of April 30, 1982, with regard to the Bond Purchaser Agreement dated on November 15, 1978.

The principal differences between the new credit facility and the current one are the addition of a new bank (Manufacturers Hanover) in a lead position and a reduction in on-going fees by one-quarter of one per cent. Market conditions, in particular the continued steep differential between short and long-term rates, continue to provide strong justification for expansion of the program as planned in the Corporation's view. It is our intent and hope to establish the new, larger market position as soon as possible in order to capture the debt service savings which accrue to the City.

The expansion of the program as planned is subject to the approval of the Mayor and City Comptroller. Draft documents are likely to be available in a few weeks. In the meantime, Steve Kantor and I expect to meet with all or some of you Tuesday afternoon on this and other budget-related matters. I am forwarding a copy of the Letter of Commitment to those of you who have not already received a copy.

Attachment:

Distribution:

OMB

Alair Townsend
Lou Friedrich
Steve Levine
Mark Page

Law Department

Sandy Altman
Leslie Buch*

City Comptroller

John Ciccattelli
Joe Moss*

*Recipients of October 21 memorandum from Steve Weinstein re notification under the Waiver with Private Purchasers.

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

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

October 22, 1982

Mr. Michael Del Giudice, First Vice President
Shearson/American Express Company
150 Floor
Two World Trade Center
New York, New York 10048

Dear Mike:

As we discussed on the phone yesterday, I am forwarding four documents to assist you and your colleagues in determining whether some part of your organization might be interested in providing a line of credit to the Corporation to support our tax-exempt commercial paper program. If, based on a review of the materials, you think further discussion is worthwhile, we would welcome the opportunity to meet with whomever you think is appropriate in order to explore the possibilities. To be quite frank, I do not know enough about what Shearson/American Express (and its various subsidiaries) encompasses to judge the prospects. Hence, the preliminary inquiry.

I do know that what the Corporation needs is a major commercial bank or a large and highly rated financial institution which can act like a bank in providing the Corporation with a letter of credit (or functional equivalent) enabling us to obtain the highest commercial paper ratings from Moody's and Standard and Poor's.

We know there are 8 to 10 U.S. commercial banks who are "eligible" to be lead players in a credit facility or set of facilities to support our \$250 million commercial paper program. We have approached virtually all of these. Two are leading our current credit facilities (Citibank and Manufacturers Hanover); a third is a participant in the first Citibank agreement (Mellon).

Further, there are perhaps a similar number of foreign banks that can provide the desired ratings, of which we have directly approached only the Japanese. Three Japanese banks (Mitsubishi, Fuji and DKB) are expected to be participants in our second \$150 million Citibank-MHT facility.

Finally, there are "other financial institutions" of which we have approached only one, General Electric Credit Corporation. Is some component of Shearson/American Express

Page 2

another--either because it is or may be construed as a foreign bank or because it is "other"? That is the threshold question. If we can get over that hurdle, then it is worth discussing whether you have any interest.

The materials, together with some additional background, are as follows:

1. Commercial Paper Memorandum: The offering document distributed by the dealers who place our current \$100 million commercial paper program: First Boston, Salomon Brothers and Citibank, N.A.. The Corporation currently has \$100 million Commercial Paper outstanding, all supported by the Citibank Loan Agreement (see number two, below). We anticipate that the same three dealers will place the Corporation's Commercial Paper under the new, expanded program (see number three, below). The paper supported by the Citibank Loan Agreement will become "Series A" Commercial Paper, and paper sold under the new facility will become "Series B" Commercial Paper.

2. The Citibank Loan Agreement: This document reflects twenty-two months of negotiations, including outside approvals, required to meet the Corporation's objectives in constructing a commercial paper program which would include a unique five year take-out in the worst imaginable circumstances. The commitment is in the form of a so-called "irrevocable line of credit", a rather unusual construction designed to serve our need for a "bankruptcy-proof" letter of credit while permitting Citibank, N.A. (with comfort from their counsel, Shearman and Sterling) to avoid construing the commitment as a current contingent liability of the bank.

This structure has some disadvantages to the Corporation. We currently feel we must limit the maturity of our commercial paper to a maximum of forty-five days in order to obtain an unqualified bankruptcy opinion from our General Counsel, Paul, Weiss. A different type of credit facility --e.g., a letter of credit permitting co-collateralization of the Lenders and Commercial Paper Purchasers or, alternatively, permitting a "direct pay" mechanism--could solve the ninety-day preference problem which we now address by imposing the forty-five day maximum maturity on the paper. However, Citibank (and, possibly, any other major New York City Bank with comparable holdings of MAC Bonds, City Bonds and other New York securities) is not willing to consider those alternatives.

If, as I indicated on the phone, any of your bank-like colleagues are tempted to turn to their counsel for assistance in figuring out the rationale behind the Citibank structure,

Page 3

I urge you or them to get in touch with us first to provide some guidance. (Start with Steve Weinstein at MAC, Deputy Executive Director and Counsel.) In any case, the Corporation does not have a vested interest in this particular structure. However, Citibank and, now, Manufacturers Hanovers Trust Company, do.

Note that, to extend this \$100 million credit facility, the agreement must be renegotiated by the end of May 1983. The current total of "ongoing" fees (ignoring commitment and cancellation fees) is 1-5/8 percent--steeper than the fees anyone has ever heard of on anything remotely comparable. (Our problem: there is nothing directly comparable and no one but Citibank stepped up on the initial round.) It is fair to assume that, even in the absence of competition, Citibank's going-in price for May will be 1-3/8 percent as they (and Manufacturers) have proposed on the second credit facility.

3. Commitment Letter on the Next \$150 Million: This is virtually self-explanatory! It will lead, hopefully by December, to a second credit agreement for \$150 million with Citibank and Manufacturers Hanover Trust, structured on the Citibank model. The fees are lower, as indicated above, at 1-3/8 percent. The time for renegotiation will probably be December 1983.

4. Solicitation Memorandum, Dated September, 1982: This document is, at least temporarily, defunct. It was prepared to solicit interest in the second, \$150 million line, and to explore the possibility of freeing ourselves from the constraints of the Citibank structure. Accordingly, it is much more general in stating our objectives. Had the potential of your organization as a "bank" occurred to me in September, you would have been approached then!

At present, this document is relevant because it suggests a possible approach we will take leading up to May, 1983, in seeking competitive offers for renewing the \$100 million Citibank Loan Agreement.

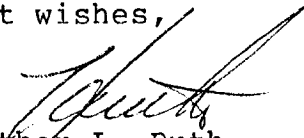
Our highest immediate priority is finalizing documents on the Citibank-Manufacturers Hanover Loan Agreement for \$150 million so that the Corporation can get into the market as soon as possible and establish our program at the maximum of \$250 million commercial paper outstanding. Thus, there is no need for great speed in your response at the present time.

Page 4

At the same time, it seems worth addressing what I have termed the "threshold question" sooner rather than later, as we are anxious to avoid dragging your people (and ours!) through a drawn-out and eventually unproductive effort. Is Shearson/American Express or any of its components or subsidiaries in a position to play? Your good offices in sorting out how that question is answered would be most appreciated. If you have any questions, don't hesitate to call.

Thanks once more for a terrific dinner with Senator Dole Thursday night!

Best wishes,



Heather L. Ruth
Executive Director

cc: Steven Kantor
Steven Weinstein

HLR/tmh
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**

22 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

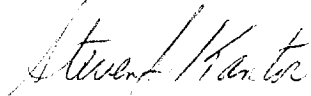
Gentlemen:

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

You were instructed to transfer on October 22, 1982, \$89,591.68 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$84,791.68 of this amount was used to pay interest on commercial paper coming due and \$4,800.00 was used to pay principal.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

James

**CERTIFICATE DATED OCTOBER 22, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

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

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: _____

Stacy Kantor
Authorized Officer

71

**CERTIFICATE DATED OCTOBER 22, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

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

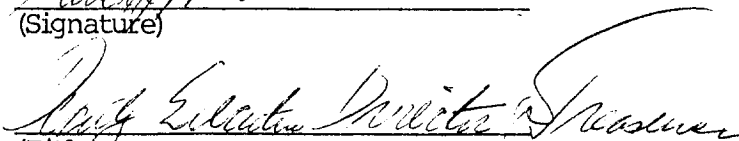
(d) that (i) there has been no change in existing law with respect to the matters covered by the most recent opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation (the "Bond Counsel") since the date of issuance of such opinion, (ii) the Corporation has complied with the covenants, conditions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

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

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



(Signature)



(Title)

MEMORANDUM

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

Date: 21 October 1982
To: Distribution Below
From: Steve Weinstein
Re: Official Statements Dated October 25, 1982

Enclosed is a marked copy of a portion of the "State Section" from the drafts circulated earlier of the Corporation's Official Statements to be delivered on October 25, 1982, in connection with the issuances of certain Series 28 and Series 36 Bonds on that date. The changes on Pages 27 and 28 reflect the language which Bruce Balle of the State Budget Division and I have agreed upon in order to present certain changes in the State's 1983 Financial Plan revision released on October 18, 1982.

Distribution

Anne McClelland
Lawrence Rimmel
Donald J. Robinson
Jack M. Schragger
Ronald Soifer
Allen L. Thomas

Enclosure

When reported in accordance with GAAP, the State's governmental funds group shows a net operating deficit of \$328 million for fiscal year 1982. This net operating deficit reflects operating deficits in the General Fund and Capital Projects Funds of \$339 million and \$82 million, respectively, which were offset by operating surpluses of \$55 million and \$38 million in Debt Service Funds and Special Revenue Funds, respectively.

The State's combined balance sheet as of March 31, 1982 reflects an accumulated deficit in the State's governmental funds in the amount of \$2.071 billion. This deficit includes an accumulated deficit in the General Fund of \$2.697 billion and a net accumulated surplus of \$626 million in the other three governmental fund types.

For its 1981 fiscal year, the State reported a restated GAAP operating deficit for its governmental funds of \$239 million. This governmental funds operating deficit included a restated operating deficit of \$278 million in the General Fund and \$4.4 million in the Debt Service Fund Group, partially offset by operating surpluses of \$43 million in the Capital Projects Fund Group and \$416,000 in the Special Revenue Fund Group.

Program for the 1983 Fiscal Year

Until the 1983 fiscal year the State maintained its financial records and reported the results of its operations on a cash basis. The Accounting, Financial Reporting and Budget Accountability Reform Act of 1981 provides for a phased changeover of the State's financial reporting systems from a cash basis to a system which will conform with GAAP. In preparation for the presentation of the financial plan of the State in accordance with GAAP beginning with the 1985 fiscal year, the financial plan for the State's 1983 fiscal year, although presented on a cash basis, incorporates the fund classifications required by GAAP. Therefore, the 1983 State Financial Plan includes considerably more transactions than plans of prior years, which included transactions in only one fund, the general fund. The major operating of the State remains the General Fund (as restructured). Therefore, this section summarizes the 1983 State Financial Plan (as defined below), with particular emphasis on the General Fund.

The State's financial plan for the 1983 fiscal year, promulgated on May 13, 1982 projects receipts and disbursements of \$17.580 billion in the General Fund, an increase of \$1.441 billion (8.9%) over the level of disbursements in the 1982 fiscal year.

On July 15, 1982, the Governor submitted a revised financial plan for the State's 1983 fiscal year (the "1983 State Financial Plan") to the Legislature. The 1983 State Financial Plan reflects an excess of disbursements over receipts in the General Fund of \$362 million, resulting largely from legislative actions and inaction since the May 13, 1982 State financial plan was developed. On August 27, 1982, the Governor announced a program designed to minimize the size of the projected deficit. Among the measures put into place are a state-wide freeze on hiring, the curtailment or elimination of all non-personal service contracts entered into by State agencies, increased monitoring of agencies providing substantial assistance programs to individuals or localities or both, and the curtailment of certain capital construction. This program is estimated to reduce disbursements during the 1983 fiscal year by approximately \$37 million.

RIDER-A

RIDER-B

~~The projection of receipts in the General Fund (which receives approximately 97% of total State tax revenues) assumes that the national and state economies will remain relatively unchanged during the second quarter of the State's 1983 fiscal year and recover during the final two quarters of the fiscal year. The projection of disbursements in the General Fund include grants to local governments (\$10.710 billion); State operations (\$4.648 billion); general State charges (\$1.181 billion); and transfers to other funds, principally for capital and debt service purposes (\$1.287 billion).~~

In addition to the General Fund, the 1983 State Financial Plan includes Special Revenue Funds, Capital Projects Funds and Debt Service Funds. The total operations in these three governmental fund types aggregate ~~\$12.508~~ billion in receipts and ~~\$12.660~~ billion in disbursements, resulting in a net decrease in fund balances of \$152 million.

12.541

12.389

The 1983 State Financial Plan reflects the issuance of approximately \$368 million of additional State obligations for capital purposes during the 1983 fiscal year. In addition, the State will refinance \$172 million of bond anticipation notes issued during the 1982 fiscal year. On May 26, 1982, the State issued \$3.5 billion of tax and revenue anticipation notes to finance disbursements made during the first quarter of the 1983 fiscal year. The 1983 State Financial Plan also reflects the issuance of \$313 million in short-term debt to finance the projected imbalance in the General Fund.

363

530

On April 21, 1982, debt issues of the State and certain Authorities, not including the Corporation, were placed on a "Credit Watch" by Standard and Poor's Corporation. On May 14, 1982, Standard and Poor's Corporation announced that it had removed the "Credit Watch" and affirmed the bond rating of the State and certain Authorities. Standard and Poor's Corporation conducts an ongoing review of the fiscal condition of the State and its authorities. Any action taken by Standard and Poor's to lower the credit rating on outstanding indebtedness of the State may have an adverse impact on the market for the Corporation's bonds.

Problems of Authorities and Localities

The fiscal stability of the State is related, at least in part, to the fiscal stability of its localities and Authorities. Various Authorities have issued bonds secured, in part, by non-binding statutory provisions for State appropriations to maintain various debt service reserve funds established for such bonds (commonly referred to as "moral obligation" provisions).

At June 30, 1982, there was outstanding \$16.2 billion aggregate principal amount of bonds issued by Authorities which are either guaranteed by the State or supported by the State through lease-purchase arrangements or moral obligation provisions. Debt service on outstanding Authority obligations is normally paid out of revenues generated by the Authorities' projects, but in recent years the State has provided special financial assistance, in some cases of a recurring nature, to certain Authorities for operating and other expenses and for debt service pursuant to moral obligation indebtedness provisions or otherwise. Additional assistance is expected to be required in the State's 1983 fiscal year and future years.

, of which \$3.25 billion remain outstanding.

RIDERS STATE SECTION

RIDER-A (P.27)

On July 15, 1982, the Governor submitted a revised financial plan for the State's 1983 fiscal year to the Legislature that reflected an excess of disbursements over receipts in the General Fund of \$362 million.

On October 18, 1982, the Governor submitted a second revision of the financial plan for the State's 1983 fiscal year to the Legislature (the "1983 State Financial Plan"). The 1983 State Financial Plan reflects an excess of disbursements over receipts in the General Fund of \$579 million. The increase in the projected imbalance from July 1982 results from a \$157 million downward adjustment in disbursements, which is more than offset by a \$374 million downward adjustment in anticipated receipts. The downward revision in receipts is primarily reflected in the level of receipts expected from the personal income tax (down \$200 million) the corporation franchise tax (down \$95 million) and the sales and use tax (down \$45 million).

RIDER-B (P.28)

The projection of receipts in the General Fund (which receives approximately 97% of total State tax revenues) assumes that the National economy will grow in the current quarter and throughout 1983 but that the current weakness in the State's economy will continue during the remainder of the current fiscal year. The projection of disbursements in the General Fund includes grants to local governments (\$10.628 billion); State operations (\$4.609 billion), general State charges (\$1.196 billion), and transfers to other funds principally for capital and debt service purposes (\$1.236 billion). The projection of receipts continues to include transfers from certain security funds, totalling \$255 million. The validity of these transfers is currently being challenged in court.

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

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

21 October 1982

Leslie N. Buch, Esq.
Law Department
CITY OF NEW YORK
100 Church Street
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ARONSOHN & BERMAN
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Joseph F. Moss, Esq.
Counsel for Finance
OFFICE OF THE COMPTROLLER
Municipal Building
One Centre Street
New York, N.Y. 10007

Richard B. Smith, Esq.
DAVIS, POLK & WARDWELL
Chase Manhattan Plaza
New York, N. Y. 10005

Re: Commercial Paper Program

Under the Waiver Upon Consent dated as of April 30, 1982 (the "Waiver") with regard to the Bond Purchase Agreement dated as of November 15, 1978 (the "Agreement"), the Purchasers under the Agreement consented to the waiver of certain covenants of the Corporation contained in the Agreement so that the Corporation could commence one or more commercial paper programs not exceeding an aggregate of \$250 million and conforming to certain other criteria contained in the Waiver. As you know, on July 26, 1982, the Corporation began a \$100 million commercial paper program utilizing a credit facility provided by Citibank, N.A.

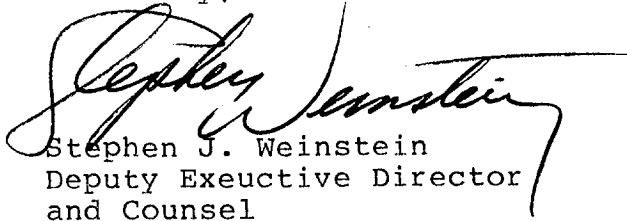
21 October 1982
Page 2

This letter is to inform you that on October 8, 1982, the Corporation entered into a Letter of Commitment with Citibank, N.A. and Manufacturers Hanover Trust Company for an additional commercial paper program of \$150 million. Each bank will provide \$75 million of the total credit facility for that program. We expect to begin to issue the \$150 million of additional commercial paper in December 1982.

The terms of this second credit facility will be essentially the same as those of the first credit facility, except that the aggregate fee schedule is lower and the mechanism for providing collateral necessarily takes account of the collateral requirements under the first credit facility. Accordingly, the provisions of the additional commercial paper program will be consistent with the terms and conditions of the Waiver. A copy of the Letter of Commitment of October 8, 1982 is enclosed for your information.

The documents necessary for the additional program are currently being drafted. Upon execution of the agreements related to this program, which we expect to be in early December, we will notify the Purchasers under the Agreement as required by the Waiver.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

Enclosure

SJW:bba

October 8, 1982

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

Dear Heather:

We are pleased to confirm to you our willingness to provide a credit facility substantially according to the terms and conditions outlined below. This will be in addition to the credit facility established pursuant to the Revolving Credit and Term Loan Agreement dated as of June 3, 1982 between Citibank, N.A. and Municipal Assistance Corporation For The City of New York (the "Citibank Loan Agreement").

| | |
|------------------------|---|
| Borrower: | Municipal Assistance Corporation For The City of New York ("MAC"). |
| Lenders: | Citibank, N.A. ("Citibank") \$75,000,000; Manufacturers Hanover Trust Co. ("MHT") \$75,000,000. |
| Agent for the Lenders: | Citibank, as agent (in such capacity, the "Agent"). |
| Facility: | Two-year irrevocable revolving credit/five-year term loan. |
| Participants: | At the option of Citibank and MHT, with the understanding that participation agreements are between Citibank and MHT and the participating bank(s). |
| Amount: | \$150,000,000. |

Purpose:

To assure refunding of MAC's tax-exempt commercial paper Series B. (MAC's tax-exempt commercial paper sold in connection with the Citibank Loan Agreement shall after establishment of this facility be designated as Series A and shall not be refunded in whole or part by the proceeds of this facility.)

Availability:

a) Revolving credit will be available for two years to assure that maturities of MAC's Series B commercial paper notes will be paid. The facility will not be available for discretionary borrowing. The facility will be renewable annually by mutual agreement (to be reached thirty days prior to the anniversary date), in the form of a one-year extension of all terms.

b) Outstanding loans at the termination date of the revolving period will fund into a five-year term loan with twenty equal quarterly installments prepayable without penalty.

c) At any time after the termination of the revolving period, the Agent may request that any term loan made hereunder be converted to MAC Bonds issued under MAC's Second General Bond Resolution ("Second Resolution Bonds"). The Second Resolution Bonds shall mature serially or shall be amortized by operation of substantially equal mandatory sinking fund payments. The Second Resolution Bonds shall have an average life from their date of issue calculated as follows: If such date of issue is on the termination date of the revolving period, such average life shall be approximately, but not less than, five years. If such date of issue is after the termination date of the revolving period, such average life shall be approximately five years minus one-half of the number of whole years from the termination date of the revolving period. The Lenders shall be free to sell such MAC Bonds at any time.

d) In some cases the Agent, on behalf of the Lenders, may make an automatic loan which will be a five-year term loan with twenty equal quarterly installments prepayable without penalty. The Agent may require immediate conversion of such loan into MAC Bonds or substitution of collateral. See "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below. Such rights shall be in addition to the rights described in paragraph c) above.

e) Upon the occurrence of an event of default, the Agent, on behalf of the Lenders, may make an automatic loan, and declare all amounts outstanding under this facility immediately due and payable. See "Events of Default", below.

Interest Rate:

Revolving Period - Citibank fluctuating Base Rate + 1/2% p.a.
 Term Period - Citibank fluctuating Base Rate + 1% p.a. during the first two years
 - Citibank fluctuating Base Rate + 1-1/2% p.a. during the last three years
 In default - Citibank fluctuating Base Rate + 2% p.a.
 Citibank Base Rate means the greater of a) Base or b) Alternate Base III (definition attached). Interest is payable quarterly in arrears.

Commitment Fee:

3/8% p.a. from date of acceptance of this written proposal to the date being the earlier of the date of signing legal documentation for this facility and the date of termination of negotiations (such earlier date being the "Last Due Date"), payable quarterly and on the Last Due Date in arrears.

Facility Fee: 1/2% p.a. of the total revolving commitment, payable at closing and thereafter annually in advance (prorata reimbursement permitted in event of total or partial cancellation of commitment).

Activity Fee: 3/4% p.a. of the average daily outstanding Series B commercial paper, payable quarterly in arrears.

Management Fee: 1/8% flat fee, payable at closing and annually thereafter.

Rate and Fee Basis: Calculated on a 360 day year for the actual number of days elapsed. To the extent any fees cannot be paid out of proceeds of Series B commercial paper as costs of issuance, payment will be made, together with interest at the appropriate rate (see "Interest Rate", above), after MAC's next regular certification of revenues and receipt of funds.

All fees shall be paid to the Agent for the account of both Lenders.

Commercial Paper Issuance: Citibank will be issuance and paying agent for the MAC Series B commercial paper.

Payments: Advances and repayments will be made in same day funds upon notification to the Agent by 3:00 p.m. the previous day.

Cancellation or Reduction of Commitment: Upon five business days' notice, MAC may terminate in whole or ratably in part the unused portion of this facility in integral multiples of \$1,000,000, with a penalty fee of 1/2% flat on any amount terminated during the first year of the revolving credit (as extended by mutual agreement). (See "Facility Fee", above.)

Substitution of Lender or Termination of All or Part of Commitment: MAC may at any time prior to the termination of the revolving period require the termination of the unused portion of this facility, or the substitution of another bank or banks

for Citibank or MHT in the event that Standard & Poor's or Moody's Investors Service reduces its rating on any outstanding debt obligations of either Lender and as a result the rating for MAC's Series B commercial paper is reduced by such rating agency. In the event of such termination or substitution the penalty fee referred to in "Cancellation or Reduction of Commitment" shall not be payable to the Lender whose rating has been reduced or which is being replaced.

Collateral
Definition:

MAC will pledge bonds of The City of New York (the "Bonds") to secure advances under this facility. MAC and the Lenders agree that a second lien will be created on the collateral pledged under the Security Agreement dated June 3, 1982 by MAC to Citibank (the "Citibank Security Agreement") to secure advances by the Lenders under this facility. This second lien will cease to exist if and when the Citibank Loan Agreement is terminated. Citibank and MHT agree to enter into an intercreditor agreement to the effect that proceeds received on realization on the collateral pledged under the Citibank Security Agreement and under this facility will be allocated ratably among the Citibank Loan Agreement and this facility in proportion to the aggregate amount outstanding under both. In certain circumstances, the Agent may require MAC to substitute cash and/or United States governmental/agency obligations (see "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below). Such Bonds will be the Bonds with the shortest maturity held by MAC, but in no event shall such Bonds have maturities less than one year or greater than ten years. Any Bonds released from the pledge established under the Citibank Security Agreement in the event of a

termination or reduction of the commitment under the Citibank Loan Agreement shall be made available for selection by the Lenders to secure advances under this facility. The Bonds will be in negotiable form and secure the full amount of the Lenders' commitments hereunder, throughout their revolving and term periods. The Bonds will be held on behalf of the Lenders by United States Trust Company (or other trustee bank acceptable to MAC and the Agent).

Amount and
Valuation:

The Bonds pledged at the closing date must have a Value (as defined below) of not less than 130% of this commitment. The Value of Bonds with maturities of five years or less shall be the market value of such Bonds. The Value of Bonds with maturities of more than five years but not exceeding ten years shall be 87% of the market value of such Bonds. Market value will be determined monthly, or more frequently at the Agent's option, and will be at MAC's expense. The valuation method will be defined by mutual agreement. In the event that the aggregate value of the pledged Bonds falls below 120% of this commitment, MAC will immediately pledge additional Bonds to increase the aggregate Value of the pledged Bonds to not less than 130% of this commitment. In the event that the aggregate Value of the pledged Bonds exceeds 140% of this commitment, the Agent will, at the request of MAC, release sufficient Bonds (being Bonds with the longest maturities) to reduce the aggregate Value of the pledged Bonds to not less than 130% of this commitment. If MAC has substituted cash and/or United States government/agency obligations as collateral in place of Bonds, (i) the Value of such cash shall be its face value, (ii) the Value of such obligations shall be their market value, determined as above, and (iii) an

amount equal to the aggregate Value of such cash and obligations shall be deducted from the amount of this commitment for the purposes of calculating the respective percentages of 120%, 130% and 140% above. No collateral shall be required in the event and to the extent that any loan made hereunder is converted to MAC Bonds.

Right to Require
Conversion or
Substitution and
Terminate the
Revolving Credit:

Should an extraordinary situation occur which gives reasonable grounds to conclude, in the judgment of the Lenders, that MAC may not, or will be unable to, perform or observe in the normal course its obligations under this facility, the Agent may, by notice to MAC, make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, terminate the revolving credit and immediately require MAC, at MAC's option (i) to convert any such loan, together with any other loan then outstanding, into MAC Bonds as defined in paragraph c) on page 2 above, or (ii) to substitute "cash collateral" for any collateral then pledged. If MAC shall choose to substitute "cash collateral", such "cash collateral" shall be cash and/or United States government/agency obligations. During the revolving period, such United States government/agency obligations will have maturities no greater than five years, and during the term loan, shall mature serially or amortize over the then-remaining life of the loan. If MAC elects to sell any Bonds pledged as collateral to enable MAC to substitute cash for such Bonds, such Bonds must be sold the same day as such notice is received by MAC from the Agent, and the cash received from such sale must be pledged as cash collateral within five business days after such sale; in all other cases such substitution shall be

made on the same day as such notice is received by MAC from the Agent, provided that if MAC elects to convert such loans into MAC Bonds, such MAC Bonds shall be delivered to the Agent within three days (provided that one such day will be a business day) of MAC's receipt of such notice from the Agent. If MAC shall fail to make such conversion or substitution, then Citibank, as agent for MAC, may sell Bonds and hold the proceeds as cash collateral. If a bill shall be filed in the Legislature with the acquiescence of MAC and/or the Governor of the State of New York permitting MAC to file a petition in bankruptcy, then without limiting the right of the Lenders to treat any other event as an extraordinary event, the Lenders may treat such filing as an extraordinary event. The rights hereunder may be exercised during the revolving period and the term loan period and shall be independent of any rights of the Agent under paragraph c) on page 2 above.

Representations and Warranties:

Representations and warranties will be substantially those in the Citibank Loan Agreement.

Covenants:

Covenants will be substantially those in the Citibank Loan Agreement and will include, while not being limited to, the following:

1) Upon borrowing from Citibank and MHT, MAC will not increase its existing combined outstandings of commercial paper and bank loans, other than under the Citibank Loan Agreement, without the Agent's written consent.

2) MAC will not sell Series B commercial paper with maturities in excess of the shorter of 270 days or the remaining tenor of the revolving period under this facility.

3) MAC will not have outstanding Series B commercial paper with a maturity value in excess of the unused portions of this commitment.

4) There will be no increase in MAC's statutory debt limitation and MAC will not incur any new indebtedness in excess of an aggregate total of \$3,000,000 at any time outstanding, except (1) under this facility (including the related sale of Series B commercial paper), (2) under the Citibank Loan Agreement (including the related sale of Series A commercial paper), (3) First Resolution Bonds and Second Resolution Bonds, including refundings thereof, (4) short-term indebtedness permitted under Section 4.02(d) of the Citibank Loan Agreement, or (5) as may otherwise be authorized by MAC for the purpose of refunding outstanding indebtedness, provided that the rights of the holders of such refunding obligations are not prior to the rights of the Lenders under this facility.

5) Negative pledge of Bonds of City of New York not pledged to the Agent under this facility or to Citibank under the Citibank Loan Agreement.

6) There will be no increase in authorized debt limitations or changes in covenants of other debt agreements, except such changes as are required under the Citibank Loan Agreement to permit this facility.

7) MAC will be required to include in its coverage computations under its Second General Bond Resolution debt service on MAC'S bonds issuable to the Lenders under this commitment, as if issued in the full amount of this commitment, whether or not so issued.

8) Financial and other covenants in the Bond Purchase Agreement dated November 15, 1978 and in the Citibank Loan Agreement will be incorporated into the loan documentation.

9) Financial statements and other reports will be provided to each of the Lenders in accordance with the terms of the Bond Purchase Agreement dated November 15, 1978 and the Citibank Loan Agreement.

10) If MAC has pledged to the Agent cash and/or United States government/agency obligations for the full amount of Series B commercial paper outstanding, any covenants prohibiting the sale of commercial paper under a different bank facility (including the negative pledge of Bonds) will cease to be in effect.

Events of Default:

To include the failure to pay when due to Citibank and MHT any amount of principal, interest or fees; failure to perform or observe any other term, covenant or agreement in the legal documentation (subject to agreed upon notice and cure periods); any representation or warranty being incorrect or misleading when made; the Agent for the ratable benefit of Citibank and MHT ceases to have a pledge of the Bonds prior to all liens thereon or MAC, The City of New York or the State of New York shall so state in writing; the Events of Default in the First and Second Bond Resolutions; the Events of Default in the Citibank Loan Agreement; cross-default with other debt obligations; MAC's inability to pay its debts generally; any bankruptcy proceeding is instituted by or against MAC (following any legislative change); any necessary governmental authorization or approval necessary to enable MAC to comply with its obligations under this

facility ceases to be in full force and effect for any reason; failure to deliver or substitute collateral; failure to deliver MAC Bonds at the Agent's request for all or part of the amount of the term loan. If an event of default shall occur, the Lenders may, by notice to MAC (i) make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, such loan to be deposited into a payment account with the issuing and paying agent held for holders of Series B commercial paper, (ii) terminate the Lenders' obligations to make additional advances, and (iii) declare all amounts payable to the Lenders under this facility immediately due and payable, including the amount of such automatic loan, whereupon MAC shall forthwith pay all such amounts to the Lenders.

Amendments:

Amendments may be required to be made to certain documents and agreements delivered in connection with the Citibank Loan Agreement.

Direction to Agent:

Decisions to be taken by the Agent, including calling of an event of default or requiring conversion or action under "Right to Require Conversion or Substitution and Terminate the Revolving Credit" above, will require the concurrence of both Lenders; provided, however, that if Citibank has declared an event of default under the Citibank Loan Agreement, MHT may decide, without the concurrence of Citibank, to declare an event of default under this facility.

Legal and Transaction Expenses:

Upon such documentation as MAC may reasonably request, all reasonable costs and expenses incurred by the Agent relating to the preparation and execution of appropriate documentation will be paid by MAC, including all reasonable fees and out-of-pocket expenses of Messrs. Shearman & Sterling, special counsel to the Lenders.

The terms and conditions of this commitment are not limited to the above terms and conditions. Those matters which are not covered by or made clear in the above outline are subject to mutual agreement of the parties. This commitment is conditional upon preparation, execution and delivery of legal documentation in form and substance satisfactory to Citibank and MHT and to their counsel incorporating substantially the terms and conditions outlined above.

Please evidence your acceptance of the foregoing by signing and returning to us the enclosed copy of this letter on or before October 8, 1982, the date this commitment (if not accepted on or prior thereto) will expire.

Sincerely,

CITIBANK, N.A.

By: *[Signature]*
Title: *(Vice President)*

MANUFACTURERS HANOVER TRUST COMPANY

By: *[Signature]*
Title: *(Vice President)*

Accepted: October 8, 1982

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By: *[Signature]*
Executive Director

Alternate
Base
Rate III

ABR III is defined as the greater of the Base Rate or "the sum (adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent) of (i) 1/2 of one percent per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 365 days) being determined weekly by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Federal Reserve Board for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for Citibank in respect of liabilities consisting of or including (among other liabilities) three-month nonpersonal time deposits each at least \$100,000, plus (iii) the average during such three-week period of the daily net annual assessment rates estimated by Citibank for determining the current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation for insuring three-month time deposits.

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

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

21 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

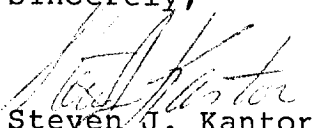
This is to confirm oral instructions issued to you regarding the investment of monies available in the Bond Proceeds Account established under the Second General Bond Resolution.

You were instructed on Oct. 18, 1982, for settlement on Oct. 19, 1982, to purchase from Citibank \$5,000,000 par value of United States Treasury Bills due April 20, 1983, at a discount of 8.10%.

You were instructed on Oct. 19, 1982, for settlement on Oct. 20, 1982, to purchase from Bear Stearns & Co. \$10,000,000 par value of United States Treasury Bills due April 7, 1983, at a discount of 7.72%.

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

Sincerely,


Steven J. Kantor
Treasurer

SJK/bjw

cc: Frances N. Higgins
Lawrence Rimmel, Esq.
Pat Santivaschi
Rochelle Siegel

Chrono

Heather L. Ruth

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

October 21, 1982

To: Felix
Welcome Back!

There are two items enclosed:

- (1) A draft of your letter for the Corporation's Quarterly Financial Report for the period ending September 30, 1982. The final letter should be approved by you on or before Friday, October 29. Note that the growth of Stock Transfer Tax has picked up considerably at +25% (as compared with -19% in the last quarter, ending June 30, 1982). The rate of growth of Sales Tax has slowed down significantly at +2.7% this quarter (as compared with +5.7% last quarter).

- (2) The "Gubernatorial Decision Paper" requested by the Governor's Office. As I indicated when we discussed this on the telephone a while ago, I did one paper only and emphasized the State Budget as an issue of concern to us. I have put both you and me down as "contacts" (last item on page five). The format of the paper was dictated by the Governor's Office request, as was the nine month time frame.



HLR/tmh
Enclosure

cc: E. Keilin

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

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

(Gubernatorial Decision Paper)

1. **Summary:** The Municipal Assistance Corporation ("The Corporation"), established at the height of New York City's fiscal crisis in 1975, has provided the bulk of the financing required to maintain the City's solvency during the transition to a GAAP-balanced budget (adopted for the first time for the 1981 fiscal year) and, since then, for the City's capital program. The Corporation and the City are currently well into a Financing Plan which foresees the end of the Corporation's debt issuances (except for refunding purposes) by December 31, 1984, as required by current statutory authorization, and the attainment by the City of full financing self-sufficiency on its own in the public markets after that time.

When the new Governor is inaugurated, the Corporation's new-debt issuance authority will have only two years remaining. During this period the City of New York must demonstrate its ability to access the public markets for vital capital funds at an annual rate increasing from \$250 million in bonds sold during last fiscal year (1982) to \$700 million in the 1985 fiscal year, and more than \$1 billion annually thereafter. In the same period, the Corporation must raise up to an additional \$1 billion for the City's capital program. While the City's accomplishments in re-entering the public market for long-term debt are impressive thus far, the Corporation believes the City's goals remain ambitious and, thus, quite sensitive to any adverse change.

Any action or event which might undermine the actual or perceived creditworthiness of the Corporation or which jeopardizes the City's attainment of recurring expense budget balance threatens the success of this Plan, the ultimate objective to which provide adequate capital financing to preserve the infrastructure of New York City. Within the ensuing nine months, the over-riding issue facing the new Governor will be the condition of the State's budget. Whatever action is taken on the State Budget will have significant and profound impact on the capacity of both Corporation and the City to achieve the objectives of the Plan.

2. **Program Implications:** The level of capital spending contemplated by the current Financing Plan for the City of New York represents the minimum amount believed to be required to maintain the infrastructure of the City. To the extent sources of capital fall significantly below those planned and alternative sources are not secured, accelerated deterioration of the City's infrastructure can be expected, with inevitable negative consequences for the economy of the City and the State. (Even under the current Plan, it is assumed that the City will develop a means which permits the sale of revenue bonds for water and sewer capital purposes. This will probably require State action, possibly the establishment of a State financing agency servicing all localities for this purpose, as Governor Carey has proposed in the last two sessions of the Legislature.)

3. **Fiscal and Budget Implications:** The manner in which the Governor and Legislature deal with State budget problems this fall, and in the spring, will impact on the financing objectives of the Corporation and the City of New York in two ways: first, through the credit perception of New York State itself and, second, through the impact on New York City's budgetary problems which are particularly difficult for the upcoming City 1984 fiscal year.
 - a. The credit ratings of the State's general obligations have generally been thought to be a ceiling on the ratings of most State issuing authorities, including the Corporation. Standard & Poor's has put New York State on notice that its current rating on NYS general obligation bonds of "AA-" may be lowered if the governor and legislature do not "reach a consensus in a timely fashion to correct whatever financial problems develop and provide a fiscally responsible solution that does not include short-term deficit notes, increases in deferral of obligations into the next fiscal year, or an increase in the accumulated deficit under generally accepted accounting principles (GAAP)".* Our own

* Standard, & Poor's, "Creditweek," August 23, 1983.

discussions with the rating agency suggest that Standard & Poor's is very serious about these concerns and that failure of the State to meet any of the articulated standards is likely to result in a down-grading of the State's credit. (While the Corporation has no similarly specific information about Moody's attitude, we have no reason to believe their concerns are not similar to Standard and Poor's.)

If State debt is down-graded by one or both of the rating agencies, it is likely that other state agencies dependent upon the State will be reviewed and that many will be down-graded. It is possible that the Corporation, whose Second Resolution Bonds are rated "A-" by Standard & Poor's ("Baa¹", by Moody's), would be spared as evidenced by the fact that the Corporation (together with the New York State Power Authority) was not put on "credit watch" this spring by Standard & Poor's when the State and other State issuing authorities were.

In any case, a reduction of rating on the State's credit by either rating agency will cast a cloud on all credits bearing the New York State name and will surely preclude prospects of up-grading the Corporation's bonds in the near future, a hope which we believe would otherwise be justified based on the strength of the Corporation's revenue streams. A reduction of rating or perceived creditworthiness would be expected to increase the cost of borrowing of all entities affected.

- b. For many of the same reasons the State is presently encountering serious budget difficulties - including but not limited to the recession - New York City's budget is also in jeopardy. The Corporation continues to believe that fiscal 1983 is manageable. But the gap to be closed for fiscal 1984 exceeds \$1 billion, and the City's current approved "interim" Financial Plan (now outdated by conclusion of City labor negotiations and other developments) shows the expectation that a very significant portion of the budget gap will be closed by increased assistance from the State. Precise assessment of the City's budget situation must await submission to the Financial Control

Board (FCB) of the City modification of its Plan, expected by the end of October.

In the meantime, the experience of the last seven years since the City's fiscal crisis has proven incontestably that the City's capacity to gain and maintain access to the credit markets is critically limited to achievement of recurring operating budget balance: not merely balanced budgets from year to year, but also good prospects that expenditures are within the revenue resources available to the City in the long run. As the Chairman of the Corporation has urged over the last two years, we believe this requires not only a solution to the City's approaching gap for the next fiscal year but also a commitment by the State to take over the entire cost of Medicaid over a period of years.

In short, the City's budget situation is highly sensitive to actions to be taken on the State budget, not only with respect to short-run budget balance as required by law, but also with respect to the level of services provided and local taxes required which, in turn, impact upon the City's long-run economic prospects.

4. **Action Required:** Generally, the Corporation urges that the Governor and Legislature move to resolve current uncertainties about the State's budget as soon as possible, and do so in a manner which addresses the following:
 - a. High standards of fiscal responsibility such as those articulated by Standard & Poor's - i.e., without issuance of short-term deficit notes, increases in deferrals of obligations into the next fiscal year, or an increase in the accumulated deficit as reported under GAAP;
 - b. Increased budgetary assistance to New York City for the next fiscal year, preferably including an assumption by the State of an increased share of Medicaid cost and a commitment to complete the take-over in the next few years, thereby contributing to the City's long-run recurring budget balance.

- c. Minimum reliance on increases of State taxes which can be expected to threaten the long-run economic prospects of the City and the State
- d. More generally, avoidance of any action which would threaten the credibility or effectiveness of the mechanisms put in place during the City's fiscal crisis, including the Financial Control Board and the Corporation

5. Agencies and Interest Groups Involved:

Generally, the elected officials of New York City (and of other jurisdictions similarly situated), the municipal employees unions, the banks, and other business interests. The position of each will evolve in response to the specific solutions under active consideration.

6. Program Area/Contact:

Generally, all activities of the Municipal Assistance Corporation are affected. The prime agency contacts are Heather L. Ruth, Executive Director, and Felix G. Rohatyn, Chairman.

During the quarter ended September 30, 1982, the Corporation issued \$__,000 principal amount of Second General Resolution Series 28 Bonds and issued \$__,000 of Second General Resolution Series 36 Bonds. The Corporation previously issued Series 27 Bonds with warrants to purchase \$100 million Series 28 Bonds, and Series 35 Bonds with warrants to purchase \$59.505 million Series 36 Bonds. As of September 30, 1982, \$25,000 Series 28 Bonds and \$33,600 Series 36 Bonds have been issued. On October 25, 1982, the Corporation issued \$685,000 Series 28 Bonds and issued \$5,900,000 of Series 36 Bonds. Exhibit III includes a pro forma presentation which assumes that all of the remaining Warrants have been exercised and that the full authorized principal amount of \$100 million of Series 28 Bonds, \$59.505 million of Series 36 Bonds and \$100 million of Series 42 Bonds have been issued.

At September 30, 1982, the Corporation had on deposit in its Capital Reserve Fund approximately \$1,069.8 million, comprising approximately \$366.0 million relating to the First General Resolution Bonds and \$703.8 million relating to Second General Resolution Bonds. Such amounts equalled or exceeded the required funding levels.

The combined net revenues from the New York State Sales and Stock Transfer Taxes which were deposited in the

Municipal Assistance Tax Fund and available to the Corporation during the three and twelve month periods ended September 30, 1982, amounted to approximately \$502.4 million and \$1,973.6 million, respectively, an increase of 9.0% and 1.3% over the comparable period ended September 30, 1981. Sales Tax revenues during the three and twelve month periods ended September 30, 1982, amounted to \$338.7 million and \$1,410.1 million, respectively, an increase of 2.7% and 6.0% over comparable periods ended September 30, 1981. Stock Transfer Tax revenues during the similar periods amounted to \$163.7 million and \$563.5 million, respectively, an increase of 25.0% and a decrease of 8.5% over the comparable periods of the prior year. During the twelve months ended September 30, 1982, approximately \$484 million of New York State Per Capita Aid was deposited in the Municipal Assistance State Aid Fund and available to the Corporation.

Felix G. Rohatyn
Chairman

Heather L. Ruth
Executive Director

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

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

21 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 21, 1982, \$38,467.19 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$37,201.09 of this amount was used to pay interest on commercial paper coming due and \$1,266.10 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

October 21, 1982

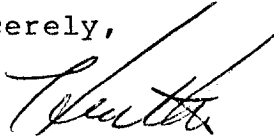
Mr. Jac Friedgut, Vice President
Citibank, N.A.
55 Water Street - 47 Floor
New York, New York 10043

Mr. Richard McCarthy
Manufacturers Hanover Trust Company
44 Wall Street - 9 Floor
New York, New York 10005

Dear Jac and Rick:

Attached is a draft letter expressing our intent for usage of the two credit facilities for the Corporation's tax-exempt Commercial Paper. Let me know if you would like to see revisions before a final draft.

Sincerely,



Heather L. Ruth
Executive Director

P.S.

Sorry it took so long to provide this draft. The refunding of our Series CC Bonds diverted us "momentarily".

H. Ruth

HLR/tmh
attachment

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

C/R/W

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

21 October 1982

Leslie N. Buch, Esq.
Law Department
CITY OF NEW YORK
100 Church Street
New York, N. Y. 10007

Beverly Ross Campbell, Esq.
FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON
One New York Plaza
New York, N. Y. 10004

Edward Lowenthal, Esq.
ROBINSON, SILVERMAN, PEARCE,
ARONSOHN & BERMAN
230 Park Avenue
New York, New York 10017

Joseph F. Moss, Esq.
Counsel for Finance
OFFICE OF THE COMPTROLLER
Municipal Building
One Centre Street
New York, N.Y. 10007

Richard B. Smith, Esq.
DAVIS, POLK & WARDWELL
Chase Manhattan Plaza
New York, N. Y. 10005

Re: Commercial Paper Program

Under the Waiver Upon Consent dated as of April 30, 1982 (the "Waiver") with regard to the Bond Purchase Agreement dated as of November 15, 1978 (the "Agreement"), the Purchasers under the Agreement consented to the waiver of certain covenants of the Corporation contained in the Agreement so that the Corporation could commence one or more commercial paper programs not exceeding an aggregate of \$250 million and conforming to certain other criteria contained in the Waiver. As you know, on July 26, 1982, the Corporation began a \$100 million commercial paper program utilizing a credit facility provided by Citibank, N.A.

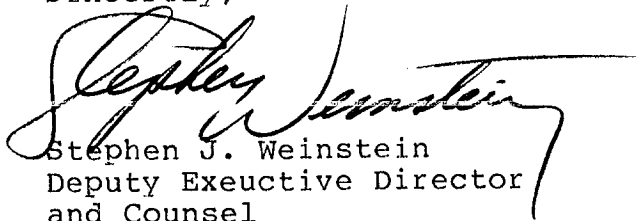
21 October 1982
Page 2

This letter is to inform you that on October 8, 1982, the Corporation entered into a Letter of Commitment with Citibank, N.A. and Manufacturers Hanover Trust Company for an additional commercial paper program of \$150 million. Each bank will provide \$75 million of the total credit facility for that program. We expect to begin to issue the \$150 million of additional commercial paper in December 1982.

The terms of this second credit facility will be essentially the same as those of the first credit facility, except that the aggregate fee schedule is lower and the mechanism for providing collateral necessarily takes account of the collateral requirements under the first credit facility. Accordingly, the provisions of the additional commercial paper program will be consistent with the terms and conditions of the Waiver. A copy of the Letter of Commitment of October 8, 1982 is enclosed for your information.

The documents necessary for the additional program are currently being drafted. Upon execution of the agreements related to this program, which we expect to be in early December, we will notify the Purchasers under the Agreement as required by the Waiver.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

Enclosure

SJW:bba

October 8, 1982

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

Dear Heather:

We are pleased to confirm to you our willingness to provide a credit facility substantially according to the terms and conditions outlined below. This will be in addition to the credit facility established pursuant to the Revolving Credit and Term Loan Agreement dated as of June 3, 1982 between Citibank, N.A. and Municipal Assistance Corporation For The City of New York (the "Citibank Loan Agreement").

| | |
|------------------------|---|
| Borrower: | Municipal Assistance Corporation For The City of New York ("MAC"). |
| Lenders: | Citibank, N.A. ("Citibank") \$75,000,000; Manufacturers Hanover Trust Co. ("MHT") \$75,000,000. |
| Agent for the Lenders: | Citibank, as agent (in such capacity, the "Agent"). |
| Facility: | Two-year irrevocable revolving credit/five-year term loan. |
| Participants: | At the option of Citibank and MHT, with the understanding that participation agreements are between Citibank and MHT and the participating bank(s). |
| Amount: | \$150,000,000. |

Purpose: To assure refunding of MAC's tax-exempt commercial paper Series B. (MAC's tax-exempt commercial paper sold in connection with the Citibank Loan Agreement shall after establishment of this facility be designated as Series A and shall not be refunded in whole or part by the proceeds of this facility.)

Availability:

a) Revolving credit will be available for two years to assure that maturities of MAC's Series B commercial paper notes will be paid. The facility will not be available for discretionary borrowing. The facility will be renewable annually by mutual agreement (to be reached thirty days prior to the anniversary date), in the form of a one-year extension of all terms.

b) Outstanding loans at the termination date of the revolving period will fund into a five-year term loan with twenty equal quarterly installments prepayable without penalty.

c) At any time after the termination of the revolving period, the Agent may request that any term loan made hereunder be converted to MAC Bonds issued under MAC's Second General Bond Resolution ("Second Resolution Bonds"). The Second Resolution Bonds shall mature serially or shall be amortized by operation of substantially equal mandatory sinking fund payments. The Second Resolution Bonds shall have an average life from their date of issue calculated as follows: If such date of issue is on the termination date of the revolving period, such average life shall be approximately, but not less than, five years. If such date of issue is after the termination date of the revolving period, such average life shall be approximately five years minus one-half of the number of whole years from the termination date of the revolving period. The Lenders shall be free to sell such MAC Bonds at any time.

d) In some cases the Agent, on behalf of the Lenders, may make an automatic loan which will be a five-year term loan with twenty equal quarterly installments prepayable without penalty. The Agent may require immediate conversion of such loan into MAC Bonds or substitution of collateral. See "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below. Such rights shall be in addition to the rights described in paragraph c) above.

e) Upon the occurrence of an event of default, the Agent, on behalf of the Lenders, may make an automatic loan, and declare all amounts outstanding under this facility immediately due and payable. See "Events of Default", below.

Interest Rate:

Revolving Period - Citibank fluctuating Base Rate + 1/2% p.a.
 Term Period - Citibank fluctuating Base Rate + 1% p.a. during the first two years
 - Citibank fluctuating Base Rate + 1-1/2% p.a. during the last three years
 In default - Citibank fluctuating Base Rate + 2% p.a.
 Citibank Base Rate means the greater of a) Base or b) Alternate Base III (definition attached). Interest is payable quarterly in arrears.

Commitment Fee:

3/8% p.a. from date of acceptance of this written proposal to the date being the earlier of the date of signing legal documentation for this facility and the date of termination of negotiations (such earlier date being the "Last Due Date"), payable quarterly and on the Last Due Date in arrears.

Facility Fee: 1/2% p.a. of the total revolving commitment, payable at closing and thereafter annually in advance (prorata reimbursement permitted in event of total or partial cancellation of commitment).

Activity Fee: 3/4% p.a. of the average daily outstanding Series B commercial paper, payable quarterly in arrears.

Management Fee: 1/8% flat fee, payable at closing and annually thereafter.

Rate and Fee Basis: Calculated on a 360 day year for the actual number of days elapsed. To the extent any fees cannot be paid out of proceeds of Series B commercial paper as costs of issuance, payment will be made, together with interest at the appropriate rate (see "Interest Rate", above), after MAC's next regular certification of revenues and receipt of funds.

All fees shall be paid to the Agent for the account of both Lenders.

Commercial Paper Issuance: Citibank will be issuance and paying agent for the MAC Series B commercial paper.

Payments: Advances and repayments will be made in same day funds upon notification to the Agent by 3:00 p.m. the previous day.

Cancellation or Reduction of Commitment: Upon five business days' notice, MAC may terminate in whole or ratably in part the unused portion of this facility in integral multiples of \$1,000,000, with a penalty fee of 1/2% flat on any amount terminated during the first year of the revolving credit (as extended by mutual agreement). (See "Facility Fee", above.)

Substitution of Lender or Termination of All or Part of Commitment: MAC may at any time prior to the termination of the revolving period require the termination of the unused portion of this facility, or the substitution of another bank or banks

for Citibank or MHT in the event that Standard & Poor's or Moody's Investors Service reduces its rating on any outstanding debt obligations of either Lender and as a result the rating for MAC's Series B commercial paper is reduced by such rating agency. In the event of such termination or substitution the penalty fee referred to in "Cancellation or Reduction of Commitment" shall not be payable to the Lender whose rating has been reduced or which is being replaced.

Collateral
Definition:

MAC will pledge bonds of The City of New York (the "Bonds") to secure advances under this facility. MAC and the Lenders agree that a second lien will be created on the collateral pledged under the Security Agreement dated June 3, 1982 by MAC to Citibank (the "Citibank Security Agreement") to secure advances by the Lenders under this facility. This second lien will cease to exist if and when the Citibank Loan Agreement is terminated. Citibank and MHT agree to enter into an intercreditor agreement to the effect that proceeds received on realization on the collateral pledged under the Citibank Security Agreement and under this facility will be allocated ratably among the Citibank Loan Agreement and this facility in proportion to the aggregate amount outstanding under both. In certain circumstances, the Agent may require MAC to substitute cash and/or United States governmental/agency obligations (see "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below). Such Bonds will be the Bonds with the shortest maturity held by MAC, but in no event shall such Bonds have maturities less than one year or greater than ten years. Any Bonds released from the pledge established under the Citibank Security Agreement in the event of a

termination or reduction of the commitment under the Citibank Loan Agreement shall be made available for selection by the Lenders to secure advances under this facility. The Bonds will be in negotiable form and secure the full amount of the Lenders' commitments hereunder, throughout their revolving and term periods. The Bonds will be held on behalf of the Lenders by United States Trust Company (or other trustee bank acceptable to MAC and the Agent).

Amount and
Valuation:

The Bonds pledged at the closing date must have a Value (as defined below) of not less than 130% of this commitment. The Value of Bonds with maturities of five years or less shall be the market value of such Bonds. The Value of Bonds with maturities of more than five years but not exceeding ten years shall be 87% of the market value of such Bonds. Market value will be determined monthly, or more frequently at the Agent's option, and will be at MAC's expense. The valuation method will be defined by mutual agreement. In the event that the aggregate value of the pledged Bonds falls below 120% of this commitment, MAC will immediately pledge additional Bonds to increase the aggregate Value of the pledged Bonds to not less than 130% of this commitment. In the event that the aggregate Value of the pledged Bonds exceeds 140% of this commitment, the Agent will, at the request of MAC, release sufficient Bonds (being Bonds with the longest maturities) to reduce the aggregate Value of the pledged Bonds to not less than 130% of this commitment. If MAC has substituted cash and/or United States government/agency obligations as collateral in place of Bonds, (i) the Value of such cash shall be its face value, (ii) the Value of such obligations shall be their market value, determined as above, and (iii) an

amount equal to the aggregate Value of such cash and obligations shall be deducted from the amount of this commitment for the purposes of calculating the respective percentages of 120%, 130% and 140% above. No collateral shall be required in the event and to the extent that any loan made hereunder is converted to MAC Bonds.

Right to Require
Conversion or
Substitution and
Terminate the
Revolving Credit:

Should an extraordinary situation occur which gives reasonable grounds to conclude, in the judgment of the Lenders, that MAC may not, or will be unable to, perform or observe in the normal course its obligations under this facility, the Agent may, by notice to MAC, make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, terminate the revolving credit and immediately require MAC, at MAC's option (i) to convert any such loan, together with any other loan then outstanding, into MAC Bonds as defined in paragraph c) on page 2 above, or (ii) to substitute "cash collateral" for any collateral then pledged. If MAC shall choose to substitute "cash collateral", such "cash collateral" shall be cash and/or United States government/agency obligations. During the revolving period, such United States government/agency obligations will have maturities no greater than five years, and during the term loan, shall mature serially or amortize over the then-remaining life of the loan. If MAC elects to sell any Bonds pledged as collateral to enable MAC to substitute cash for such Bonds, such Bonds must be sold the same day as such notice is received by MAC from the Agent, and the cash received from such sale must be pledged as cash collateral within five business days after such sale; in all other cases such substitution shall be

made on the same day as such notice is received by MAC from the Agent, provided that if MAC elects to convert such loans into MAC Bonds, such MAC Bonds shall be delivered to the Agent within three days (provided that one such day will be a business day) of MAC's receipt of such notice from the Agent. If MAC shall fail to make such conversion or substitution, then Citibank, as agent for MAC, may sell Bonds and hold the proceeds as cash collateral. If a bill shall be filed in the Legislature with the acquiescence of MAC and/or the Governor of the State of New York permitting MAC to file a petition in bankruptcy, then without limiting the right of the Lenders to treat any other event as an extraordinary event, the Lenders may treat such filing as an extraordinary event. The rights hereunder may be exercised during the revolving period and the term loan period and shall be independent of any rights of the Agent under paragraph c) on page 2 above.

Representations
and Warranties:

Representations and warranties will be substantially those in the Citibank Loan Agreement.

Covenants:

Covenants will be substantially those in the Citibank Loan Agreement and will include, while not being limited to, the following:

1) Upon borrowing from Citibank and MHT, MAC will not increase its existing combined outstandings of commercial paper and bank loans, other than under the Citibank Loan Agreement, without the Agent's written consent.

2) MAC will not sell Series B commercial paper with maturities in excess of the shorter of 270 days or the remaining tenor of the revolving period under this facility.

3) MAC will not have outstanding Series B commercial paper with a maturity value in excess of the unused portions of this commitment.

4) There will be no increase in MAC's statutory debt limitation and MAC will not incur any new indebtedness in excess of an aggregate total of \$3,000,000 at any time outstanding, except (1) under this facility (including the related sale of Series B commercial paper), (2) under the Citibank Loan Agreement (including the related sale of Series A commercial paper), (3) First Resolution Bonds and Second Resolution Bonds, including refundings thereof, (4) short-term indebtedness permitted under Section 4.02(d) of the Citibank Loan Agreement, or (5) as may otherwise be authorized by MAC for the purpose of refunding outstanding indebtedness, provided that the rights of the holders of such refunding obligations are not prior to the rights of the Lenders under this facility.

5) Negative pledge of Bonds of City of New York not pledged to the Agent under this facility or to Citibank under the Citibank Loan Agreement.

6) There will be no increase in authorized debt limitations or changes in covenants of other debt agreements, except such changes as are required under the Citibank Loan Agreement to permit this facility.

7) MAC will be required to include in its coverage computations under its Second General Bond Resolution debt service on MAC'S bonds issuable to the Lenders under this commitment, as if issued in the full amount of this commitment, whether or not so issued.

8) Financial and other covenants in the Bond Purchase Agreement dated November 15, 1978 and in the Citibank Loan Agreement will be incorporated into the loan documentation.

9) Financial statements and other reports will be provided to each of the Lenders in accordance with the terms of the Bond Purchase Agreement dated November 15, 1978 and the Citibank Loan Agreement.

10) If MAC has pledged to the Agent cash and/or United States government/agency obligations for the full amount of Series B commercial paper outstanding, any covenants prohibiting the sale of commercial paper under a different bank facility (including the negative pledge of Bonds) will cease to be in effect.

Events of Default:

To include the failure to pay when due to Citibank and MHT any amount of principal, interest or fees; failure to perform or observe any other term, covenant or agreement in the legal documentation (subject to agreed upon notice and cure periods); any representation or warranty being incorrect or misleading when made; the Agent for the ratable benefit of Citibank and MHT ceases to have a pledge of the Bonds prior to all liens thereon or MAC, The City of New York or the State of New York shall so state in writing; the Events of Default in the First and Second Bond Resolutions; the Events of Default in the Citibank Loan Agreement; cross-default with other debt obligations; MAC's inability to pay its debts generally; any bankruptcy proceeding is instituted by or against MAC (following any legislative change); any necessary governmental authorization or approval necessary to enable MAC to comply with its obligations under this

facility ceases to be in full force and effect for any reason; failure to deliver or substitute collateral; failure to deliver MAC Bonds at the Agent's request for all or part of the amount of the term loan. If an event of default shall occur, the Lenders may, by notice to MAC (i) make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, such loan to be deposited into a payment account with the issuing and paying agent held for holders of Series B commercial paper, (ii) terminate the Lenders' obligations to make additional advances, and (iii) declare all amounts payable to the Lenders under this facility immediately due and payable, including the amount of such automatic loan, whereupon MAC shall forthwith pay all such amounts to the Lenders.

Amendments:

Amendments may be required to be made to certain documents and agreements delivered in connection with the Citibank Loan Agreement.

Direction to Agent:

Decisions to be taken by the Agent, including calling of an event of default or requiring conversion or action under "Right to Require Conversion or Substitution and Terminate the Revolving Credit" above, will require the concurrence of both Lenders; provided, however, that if Citibank has declared an event of default under the Citibank Loan Agreement, MHT may decide, without the concurrence of Citibank, to declare an event of default under this facility.

Legal and Transaction Expenses:

Upon such documentation as MAC may reasonably request, all reasonable costs and expenses incurred by the Agent relating to the preparation and execution of appropriate documentation will be paid by MAC, including all reasonable fees and out-of-pocket expenses of Messrs. Shearman & Sterling, special counsel to the Lenders.

The terms and conditions of this commitment are not limited to the above terms and conditions. Those matters which are not covered by or made clear in the above outline are subject to mutual agreement of the parties. This commitment is conditional upon preparation, execution and delivery of legal documentation in form and substance satisfactory to Citibank and MHT and to their counsel incorporating substantially the terms and conditions outlined above.

Please evidence your acceptance of the foregoing by signing and returning to us the enclosed copy of this letter on or before October 8, 1982, the date this commitment (if not accepted on or prior thereto) will expire.

Sincerely,

CITIBANK, N.A.

By:

Title:

W. J. F. Kern
(Vice President)

MANUFACTURERS HANOVER
 TRUST COMPANY

By:

Title:

W. J. F. Kern
(Vice President)

Accepted: October 8, 1982

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By:

Executive Director

William J. F. Kern

Alternate
Base
Rate III

ABR III is defined as the greater of the Base Rate or "the sum (adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent) of (i) 1/2 of one percent per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 365 days) being determined weekly by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Federal Reserve Board for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for Citibank in respect of liabilities consisting of or including (among other liabilities) three-month nonpersonal time deposits each at least \$100,000, plus (iii) the average during such three-week period of the daily net annual assessment rates estimated by Citibank for determining the current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation for insuring three-month time deposits.

chronos

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

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

October 21, 1982

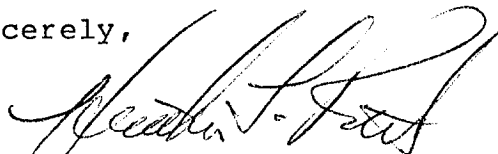
Ms. Suzette M. Brooks
213 King's College
Cambridge University
CB2 1ST Cambridge, England

Dear Suzette:

It was a pleasure meeting with you before you left for school. As you learned from our conversation, it is difficult for the Corporation to articulate a particular need for the summer this far in advance. A lot will depend upon what happens to our permanent staffing pattern between now and then.

While I do not believe things will have "firmed up" by Christmas, you are welcome to give us a call if you are back in the States. In the meantime, have fun at Cambridge.

Sincerely,



Heather L. Ruth

HLR/tmh

Chono

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

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

October 21, 1982

Mr. John C. Burton, Dean
Graduate School of Business
First Floor, Uris Hall
Columbia University
New York, New York 10027

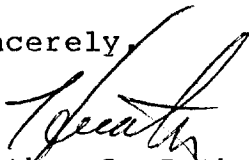
Dear Sandy:

Thanks so much for taking my class this Tuesday, October 19, 1982. As I said at the end of the class, I learned a great deal, and I am sure by the response of the students that they did too. Quite an honor to have the Dean of the School as a professor, even for one day!

Oops, sorry I didn't bring the class list. But the class did finally "warm up" very effectively under your tutelage.

Thanks once more.

Sincerely,



Heather L. Ruth

HLR/tmh

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

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

October 21, 1982

The Honorable Norman Steisel
Commissioner of Sanitation
New York City Department of Sanitation
125 Worth Street
New York, New York 10013

Dear Norman:

Enclosed is the resume of Steve Howard, one of the students in my "Financial Management in the Public Sector" class at Columbia Business School. He is graduating in January and looking now for a position. As I said on the phone, even if there seem to be no possibilities at the Department of Sanitation, he would very much benefit from your insights into the bankers in the field.

As you can see, he has a very interesting background. We haven't had an exam or paper in the course yet, but my guess is Steve will prove to be an impressive student as well.

Best of luck with your own projects, and on handling the opposition!

Cheers,



Heather L. Ruth

HLR/tmh
Enclosure

STEPHEN E. HOWARD
878 West End Avenue
New York, New York 10025
(212) 662-6341

PROFESSIONAL

OBJECTIVE Management Position in Finance

EDUCATION

1981 - 1982 COLUMBIA UNIVERSITY GRADUATE SCHOOL OF BUSINESS
MBA - Finance/Accounting - December 1982
Member, American Finance Association

1970 - 1974 UNIVERSITY OF NEW HAMPSHIRE
B.S. - Business Administration with Honors - June 1974
Started business to market waste recovery processing equipment.

EXPERIENCE

Spring 1982 CHEMICAL BANK, New York, New York
Intern - Assisted in the formation of Chemical Bank's Capital Syndication Finance Group:

- Studied the growth and financing needs of the limited partnership syndication industry;
- Identified and established relationships with potential new lending customers.
- Developed program recommendations for the Metropolitan Division's executive vice president;

1979 - 1981 INDEPENDENT CONSULTANT, Washington, D.C.
Consulted to Owens-Illinois, Inc., The Continental Group, and other corporations and trade associations in the packaging industry:

- Prepared legislative strategies and responses to promulgation of state and federal air emission and solid waste regulations;
- Planned the financing and implementation of company sponsored resource recovery systems;
- Structured transactions among municipalities, waste haulers, and secondary materials markets.

1977 - 1979 STEARNS, CONRAD AND SCHMIDT, CONSULTING ENGINEERS, INC.,
Los Angeles, California
Project Director - Managed preparation of cost studies on solid waste handling and disposal systems:

- Clients included federal and local governments and private companies;
- Authored successful project proposals worth over \$750,000;
- Lectured on resource recovery technology development.

1975 - 1977 U.S. ENVIRONMENTAL PROTECTION AGENCY, Washington, D.C.
Program Manager - Managed a \$1,000,000 resource recovery technology development program:

- Supervised private engineering and research consultants;
- Developed a national seminar program on resource recovery.

1974 - 1975 MIDWEST RESEARCH INSTITUTE, St. Louis, Missouri
Cost Analyst - Developed a cost accounting system for the Union Electric-City of St. Louis Resource Recovery Demonstration Project.

ADDITIONAL

INFORMATION Alumnus of the Pomfret School in Connecticut. Extensive business travel throughout the United States. Enjoy long distance running, skiing, racquet sports, and boating. Accomplished carpenter and mechanic.

Chino

**CERTIFICATE DATED OCTOBER 21, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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


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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 1982.



(Signature)

Executive Director
21 October 1982

(Title)

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

Chover

21 October 1982

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

Mr. Jonathan Plutzik, V.P.
Public Finance
First Boston Corporation
Park Avenue Plaza
55 E. 52nd Street/39th Floor
New York, New York 10005

Mr. Richard Kezer, Sr. V.P.
Citibank, N.A.
55 Water Street
New York, New York 10004

Mr. Robert Mabon
Salomon Brothers, Inc
One New York Plaza
New York, New York 10004

Gentlemen:

Pursuant to paragraph twelve of the Dealer Agreement dated June 3, 1982, among the Municipal Assistance Corporation For The City of New York, The First Boston Corporation, Salomon Brothers Inc, and Citibank, N.A., we are furnishing you with copies of: (1) the Corporation's most recent Official Statement, dated October 14, 1982; (2) the October 1982 revision of the New York State Financial Plan for its General Fund released by the Governor and the State Budget Director on October 18, 1982.

While we have not yet had a chance to review this State Financial Plan revision, we are forwarding it to you at this time for your information.

Please do not hesitate to call if I can be of any further assistance.

Sincerely,

Larry Flood

Larry Flood
Finance Specialist

LF/lg

Enclosures (2)

Chrone

**CERTIFICATE DATED OCTOBER 21, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

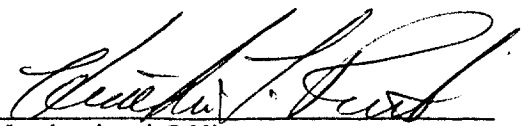
4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

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

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

20 October 1982

BY MESSENGER

Joseph F. Moss, Esq.
Counsel for Finance
Office of the Comptroller
518 Municipal Building
New York, New York 10007

Mark Page, Esq.
General Counsel
Office of Management
& Budget
1204 Municipal Building
New York, New York 10007

Re: Series 28 and 36 Closing Documents

Dear Joe and Mark:

Enclosed are three copies of each of the documents which require execution by the City for the closing on the sale of \$685,000 of the Corporation's Series 28 Bonds and \$5,900,000 of the Corporation's Series 36 Bonds on Monday, October 25, 1982:

- (1) Certificate of the First Deputy Comptroller as to the official statements;
- (2) Certificate of the Director of Management & Budget as to the official statements; and
- (3) Letters of the City as to use of proceeds from Series 28 and Series 36, respectively.

The official statements to be delivered at this closing are still in preparation. However, the section concerning the City will be identical to that contained in the Official Statement dated October 14, 1982, regarding the offering of the Corporation's Series 40 and 41 Bonds, a copy of which is enclosed for your reference.

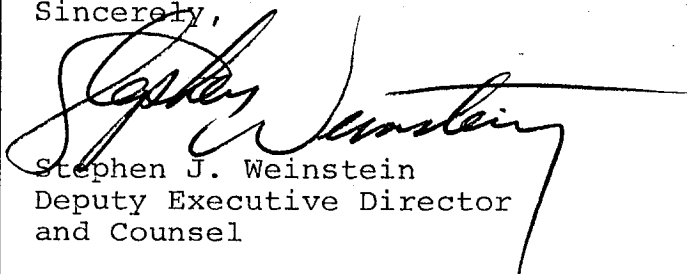
*Municipal Assistance Corporation
For The City of New York*

Joseph F. Moss, Esq.
Mark Page, Esq.
October 20, 1982
Page Two

As we have discussed, I would appreciate receiving two signed copies of each of these documents as soon as possible, so that we can have everything in place for Monday's closing by the end of this week.

Thanks very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Weinstein". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

Enclosures (13)

MEMORANDUM

Date: 20 October 1982
To: Distribution Below
From: Stephen J. Weinstein, Counsel
Re: State Financial Plan

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK



Enclosed is a copy of the October 1982 Revision of the Financial Plan for the State's General Fund for 1982-1983, released on Monday by the Governor and State Budget Director.

In addition, I am enclosing a copy of yesterday's submission by Heather to the Governor's office, in response to their request for a report to use in connection with the upcoming transition of State administrations, which report discusses the financial condition of both the State and the City. Also enclosed is a copy of the Standard and Poor's Corporation publication which is referred to in that submission.

Clearly, we all have to review these documents as soon as possible so that we may determine what additional information, if any, is necessary or desirable for inclusion in the Corporation's official statements in the sections concerning the State and the City.

Enclosures (3)


Distribution

David H. Blair, Esq.
John J. Keohane, Esq.
Lawrence Rimmel, Esq.
Donald J. Robinson, Esq.
Allen L. Thomas, Esq.

BY MESSENGER

MEMORANDUM

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 20 October 1982
To: Distribution Below
From: Stephen J. Weinstein 
Re: Series 28 and 36 Closing Documents

Enclosed are drafts of certain of the documents which I have prepared for the closings on the Series 28 Bonds and Series 36 Bonds to be delivered on Monday, October 25, 1982.

Warrants have been exercised for \$685,000 principal amount of the Series 28 Bonds and \$5,900,000 principal amount of the Series 36 Bonds for delivery on that date. The closing is scheduled for 12:00 P.M. at the office of Pat Santivaschi at the United States Trust Company, 45 Wall Street, 21st Floor.

Drafts of the documents listed on the enclosed Table of Contents as numbers 2, 4, 5, 12, 13, 14, 16 and 17 are enclosed. Documents number 4, 14, 16 and 17 have been prepared to serve the closings for both Series 28 and Series 36. I will be forwarding an official statement draft later today. Documents number 3 and 15 are being prepared by the State Department of Taxation and Finance.

I would appreciate it if you would prepare the following documents: Carter, Ledyard & Milburn--6 and 7; Hawkins, Delafield & Wood--8, 9 and 10; Paul, Weiss, Rifkind, Wharton & Garrison--11. Separate documents should be prepared for each of the two closings.

In addition, I welcome any corrections on the documents being circulated with this Memorandum.

Enclosures

Distribution: Anne McClelland, Esq.
Lawrence Rimmel, Esq.
Jack M. Schraeger, Esq.
Allen L. Thomas, Esq.

BY MESSENGER

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

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

20 October 1982

BY MESSENGER

Joseph F. Moss, Esq.
Counsel for Finance
Office of the Comptroller
518 Municipal Building
New York, New York 10007

Mark Page, Esq.
General Counsel
Office of Management
& Budget
1204 Municipal Building
New York, New York 10007

Re: Series 28 and 36 Closing Documents

Dear Joe and Mark:

Enclosed are three copies of each of the documents which require execution by the City for the closing on the sale of \$685,000 of the Corporation's Series 28 Bonds and \$5,900,000 of the Corporation's Series 36 Bonds on Monday, October 25, 1982:

- (1) Certificate of the First Deputy Comptroller as to the official statements;
- (2) Certificate of the Director of Management & Budget as to the official statements; and
- (3) Letters of the City as to use of proceeds from Series 28 and Series 36, respectively.

The official statements to be delivered at this closing are still in preparation. However, the section concerning the City will be identical to that contained in the Official Statement dated October 14, 1982, regarding the offering of the Corporation's Series 40 and 41 Bonds, a copy of which is enclosed for your reference.

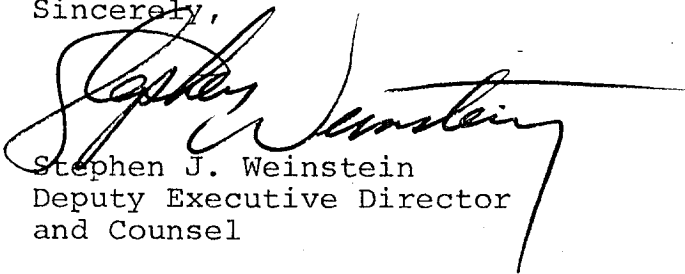
*Municipal Assistance Corporation
For The City of New York*

Joseph F. Moss, Esq.
Mark Page, Esq.
October 20, 1982
Page Two

As we have discussed, I would appreciate receiving two signed copies of each of these documents as soon as possible, so that we can have everything in place for Monday's closing by the end of this week.

Thanks very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Weinstein". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

Enclosures (13)

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

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

20 October 1982

Mr. Bruce A. Balle
Division of the Budget
STATE OF NEW YORK
State Capitol
Albany, New York 12224

Re: Series 28 and 36 Closing Documents

Dear Bruce:

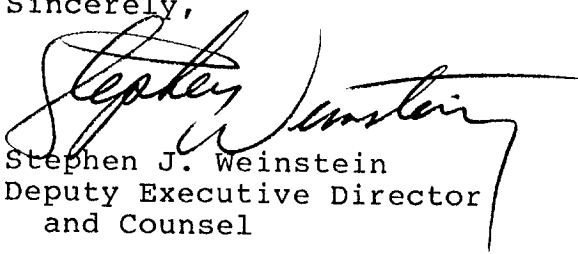
Enclosed are three copies of each of the two certificates which are required for the closing on the sale of \$685,000 of the Corporation's Series 28 Bonds and \$5,900,000 of the Corporation's Series 36 Bonds scheduled for Monday, October 25, 1982.

The official statements to be delivered at that closing are still in preparation. However, the section regarding the State is currently identical with that in the Official Statement dated October 14, 1982, a copy of which is enclosed for your reference.

Please call me with any comments or suggestions.

As we have discussed, we would appreciate receiving two signed copies of each certificate as soon as possible, so that we can have everything in place for Monday's closing by the end of this week.

Sincerely,




Stephen J. Weinstein
Deputy Executive Director
and Counsel

Enclosures (7)

SJW:bba

MEMORANDUM

Date: 20 October 1982
To: Distribution Below
From: Stephen J. Weinstein 
Re: Series 28 and 36 Closing Documents

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Enclosed are drafts of certain of the documents which I have prepared for the closings on the Series 28 Bonds and Series 36 Bonds to be delivered on Monday, October 25, 1982.

Warrants have been exercised for \$685,000 principal amount of the Series 28 Bonds and \$5,900,000 principal amount of the Series 36 Bonds for delivery on that date. The closing is scheduled for 12:00 P.M. at the office of Pat Santivaschi at the United States Trust Company, 45 Wall Street, 21st Floor.

Drafts of the documents listed on the enclosed Table of Contents as numbers 2, 4, 5, 12, 13, 14, 16 and 17 are enclosed. Documents number 4, 14, 16 and 17 have been prepared to serve the closings for both Series 28 and Series 36. I will be forwarding an official statement draft later today. Documents number 3 and 15 are being prepared by the State Department of Taxation and Finance.

I would appreciate it if you would prepare the following documents: Carter, Ledyard & Milburn--6 and 7; Hawkins, Delafield & Wood--8, 9 and 10; Paul, Weiss, Rifkind, Wharton & Garrison--11. Separate documents should be prepared for each of the two closings.

In addition, I welcome any corrections on the documents being circulated with this Memorandum.

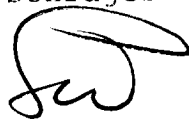
Enclosures

Distribution: Anne McClelland, Esq.
Lawrence Rimmel, Esq.
Jack M. Schraeger, Esq.
Allen L. Thomas, Esq.

BY MESSENGER

MEMORANDUM

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

Date: 20 October 1982
To: David Blair, Gerard Fernandez,
Anne McClelland, Lawrence Rimmel,
From: Pat Santivaschi, Jack Schrager
Re: Stephen J. Weinstein 
Warrant Agreement

I am enclosing, for your review and comment, a copy of the proposed Warrant Agreement between the Corporation and the Trust Company regarding the Warrant Certificates for the purchase of Series 42 Bonds.

BY MESSENGER

19 October 1982

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

(Gubernatorial Decision Paper)

1. **Summary:** The Municipal Assistance Corporation ("The Corporation"), established at the height of New York City's fiscal crisis in 1975, has provided the bulk of the financing required to maintain the City's solvency during the transition to a GAAP-balanced budget (adopted for the first time for the 1981 fiscal year) and, since then, for the City's capital program. The Corporation and the City are currently well into a Financing Plan which foresees the end of the Corporation's debt issuances (except for refunding purposes) by December 31, 1984, as required by current statutory authorization, and the attainment by the City of full financing self-sufficiency on its own in the public markets after that time.

When the new Governor is inaugurated, the Corporation's new-debt issuance authority will have only two years remaining. During this period the City of New York must demonstrate its ability to access the public markets for vital capital funds at an annual rate increasing from \$250 million in bonds sold during last fiscal year (1982) to \$700 million in the 1985 fiscal year, and more than \$1 billion annually thereafter. In the same period, the Corporation must raise up to an additional \$1 billion for the City's capital program. While the City's accomplishments in re-entering the public market for long-term debt are impressive thus far, the Corporation believes the City's goals remain ambitious and, thus, quite sensitive to any adverse change.

Any action or event which might undermine the actual or perceived creditworthiness of the Corporation or which jeopardizes the City's attainment of recurring expense budget balance threatens the success of this Plan, the ultimate objective to which provide adequate capital financing to preserve the infrastructure of New York City. Within the ensuing nine months, the over-riding issue facing the new Governor will be the condition of the State's budget. Whatever action is taken on the State Budget will have significant and profound impact on the capacity of both Corporation and the City to achieve the objectives of the Plan.

2. **Program Implications:** The level of capital spending contemplated by the current Financing Plan for the City of New York represents the minimum amount believed to be required to maintain the infrastructure of the City. To the extent sources of capital fall significantly below those planned and alternative sources are not secured, accelerated deterioration of the City's infrastructure can be expected, with inevitable negative consequences for the economy of the City and the State. (Even under the current Plan, it is assumed that the City will develop a means which permits the sale of revenue bonds for water and sewer capital purposes. This will probably require State action, possibly the establishment of a State financing agency servicing all localities for this purpose, as Governor Carey has proposed in the last two sessions of the Legislature.)

3. **Fiscal and Budget Implications:** The manner in which the Governor and Legislature deal with State budget problems this fall, and in the spring, will impact on the financing objectives of the Corporation and the City of New York in two ways: first, through the credit perception of New York State itself and, second, through the impact on New York City's budgetary problems which are particularly difficult for the upcoming City 1984 fiscal year.
 - a. The credit ratings of the State's general obligations have generally been thought to be a ceiling on the ratings of most State issuing authorities, including the Corporation. Standard & Poor's has put New York State on notice that its current rating on NYS general obligation bonds of "AA-" may be lowered if the governor and legislature do not "reach a consensus in a timely fashion to correct whatever financial problems develop and provide a fiscally responsible solution that does not include short-term deficit notes, increases in deferral of obligations into the next fiscal year, or an increase in the accumulated deficit under generally accepted accounting principles (GAAP)".* Our own

* Standard, & Poor's, "Creditweek," August 23, 1983.

discussions with the rating agency suggest that Standard & Poor's is very serious about these concerns and that failure of the State to meet any of the articulated standards is likely to result in a down-grading of the State's credit. (While the Corporation has no similarly specific information about Moody's attitude, we have no reason to believe their concerns are not similar to Standard and Poor's.)

If State debt is down-graded by one or both of the rating agencies, it is likely that other state agencies dependent upon the State will be reviewed and that many will be down-graded. It is possible that the Corporation, whose Second Resolution Bonds are rated "A-" by Standard & Poor's ("Baa¹", by Moody's), would be spared as evidenced by the fact that the Corporation (together with the New York State Power Authority) was not put on "credit watch" this spring by Standard & Poor's when the State and other State issuing authorities were.

In any case, a reduction of rating on the State's credit by either rating agency will cast a cloud on all credits bearing the New York State name and will surely preclude prospects of up-grading the Corporation's bonds in the near future, a hope which we believe would otherwise be justified based on the strength of the Corporation's revenue streams. A reduction of rating or perceived creditworthiness would be expected to increase the cost of borrowing of all entities affected.

- b. For many of the same reasons the State is presently encountering serious budget difficulties - including but not limited to the recession - New York City's budget is also in jeopardy. The Corporation continues to believe that fiscal 1983 is manageable. But the gap to be closed for fiscal 1984 exceeds \$1 billion, and the City's current approved "interim" Financial Plan (now outdated by conclusion of City labor negotiations and other developments) shows the expectation that a very significant portion of the budget gap will be closed by increased assistance from the State. Precise assessment of the City's budget situation must await submission to the Financial Control

Board (FCB) of the City modification of its Plan, expected by the end of October.

In the meantime, the experience of the last seven years since the City's fiscal crisis has proven incontestably that the City's capacity to gain and maintain access to the credit markets is critically limited to achievement of recurring operating budget balance: not merely balanced budgets from year to year, but also good prospects that expenditures are within the revenue resources available to the City in the long run. As the Chairman of the Corporation has urged over the last two years, we believe this requires not only a solution to the City's approaching gap for the next fiscal year but also a commitment by the State to take over the entire cost of Medicaid over a period of years.

In short, the City's budget situation is highly sensitive to actions to be taken on the State budget, not only with respect to short-run budget balance as required by law, but also with respect to the level of services provided and local taxes required which, in turn, impact upon the City's long-run economic prospects.

4. **Action Required:** Generally, the Corporation urges that the Governor and Legislature move to resolve current uncertainties about the State's budget as soon as possible, and do so in a manner which addresses the following:
 - a. High standards of fiscal responsibility such as those articulated by Standard & Poor's - i.e., without issuance of short-term deficit notes, increases in deferrals of obligations into the next fiscal year, or an increase in the accumulated deficit as reported under GAAP;
 - b. Increased budgetary assistance to New York City for the next fiscal year, preferably including an assumption by the State of an increased share of Medicaid cost and a commitment to complete the take-over in the next few years, thereby contributing to the City's long-run recurring budget balance.

- c. Minimum reliance on increases of State taxes which can be expected to threaten the long-run economic prospects of the City and the State
- d. More generally, avoidance of any action which would threaten the credibility or effectiveness of the mechanisms put in place during the City's fiscal crisis, including the Financial Control Board and the Corporation

5. Agencies and Interest Groups Involved:

Generally, the elected officials of New York City (and of other jurisdictions similarly situated), the municipal employees unions, the banks, and other business interests. The position of each will evolve in response to the specific solutions under active consideration.

6. Program Area/Contact:

Generally, all activities of the Municipal Assistance Corporation are affected. The prime agency contacts are Heather L. Ruth, Executive Director, and Felix G. Rohatyn, Chairman.

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

HLK

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

19 October 1982

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

Attention: Malcolm J. Hood
Senior Vice-President

Gentlemen:

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

You were instructed to transfer on October 20, 1982, \$32,800.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivaschi
Administrative Files

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

HR

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

19 October 1982

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

Dear Mr. Friedgut:

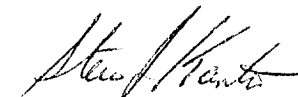
Section 1.08(d) of the Credit Agreement dated June 3, 1982 between the Municipal Assistance Corporation For The City of New York and Citibank, N.A. requires the Corporation to include, for the purposes of computing coverage tests prior to the issuance of obligations of the Corporation, a current estimate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

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

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

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

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

Approved: _____

Date: _____

SJK:dnd

EXHIBIT I

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

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

| Year July 1 | Principal (in \$000) | Interest Rate % |
|----------------|-------------------------|--------------------|
| 1983 | 10,000 | 7.00 |
| 1984 | 10,000 | 7.50 |
| 1985 | 10,000 | 8.00 |
| 1986 | 10,000 | 8.25 |
| 1987 | 10,000 | 8.50 |
| 1988 | 10,000 | 8.75 |
| 1989 | 10,000 | 9.00 |
| 1990 | 10,000 | 9.20 |
| 1991 | 10,000 | 9.40 |
| 1992 | 10,000 | 9.50 |

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

HCC

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

18 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

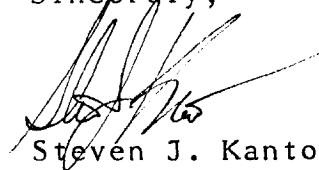
Gentlemen:

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

You were instructed to transfer on October 18, 1982, \$25,965.63 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$24,765.63 of this amount was used to pay interest on commercial paper coming due and \$1,200.00 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

10-18-82

**CERTIFICATE DATED OCTOBER 18, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

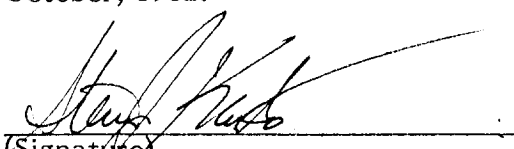
(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of October, 1982.


(Signature)


(Title)

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

Chion

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

By Messenger

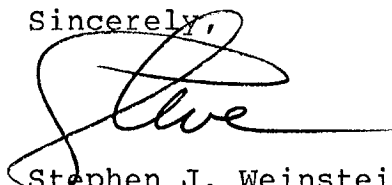
18 October 1982

Allen L. Thomas, Esq.
Paul, Weiss, Rifkind,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Dear Allen:

I am enclosing for your records one executed original each of the final Official Statement of the Municipal Assistance Corporation dated October 14, 1982 and the Bond Purchase Agreement between the Corporation and the Underwriters dated October 15, 1982, both relating to the sale of the Corporation's Series 40 and 41 Bonds.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg
Enclsoures (2)

Chen

**CERTIFICATE DATED OCTOBER 18, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

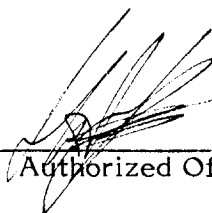
4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By:  _____
Authorized Officer

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

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

By Messenger

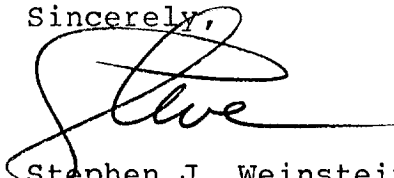
18 October 1982

Allen L. Thomas, Esq.
Paul, Weiss, Rifkind,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Dear Allen:

I am enclosing for your records one executed original each of the final Official Statement of the Municipal Assistance Corporation dated October 14, 1982 and the Bond Purchase Agreement between the Corporation and the Underwriters dated October 15, 1982, both relating to the sale of the Corporation's Series 40 and 41 Bonds.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lq
Enclsoures (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**

BY MESSENGER

15 October 1982

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

Re: Series 40, 41 and 42 Bond Printing

Dear Kay:

This letter is to request a price quotation for the printing of the Series 40, 41 and 42 Bonds of the Corporation, and of certain Warrants, in connection with a proposed public offering, in accordance with the following specifications:

I. Series 40 Bonds

A. Serial Bonds

Quantities as follows of coupon bonds in the denomination of \$5,000 and registered bonds in blank denomination, dated October 1, 1982, each maturity bearing the interest rate shown below, and each maturity to be numbered consecutively and separately for coupon and registered bonds:

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Coupon Quantity</u> | <u>Registered Quantity</u> |
|--------------------------|--------------------------|----------------------------|--------------------------------|
| July 1, 1995 | 9.25% | 2,500 | 1,000 |
| July 1, 1996 | 9.40% | 2,500 | 1,000 |
| July 1, 1997 | 9.50% | 2,500 | 1,000 |
| July 1, 1998 | 9.60% | 2,500 | 1,000 |
| July 1, 1999 | 9.70% | 2,500 | 1,000 |

B. Term Bonds

Coupon: A quantity of 30,000 coupon bonds in the denomination of \$5,000, dated October 1, 1982, maturing July 1, 2003, all bearing an interest rate of 9.875% with coupons payable July 1, 1983, and January 1 and July 1 of each year 1984 through

15 October 1982
Catherine E. Hutcheson
Page 2

2003 (41 coupons), including CUSIP number, facsimile seal and facsimile signatures, and numbered consecutively 40-03-1 through 40-03-30,000.

Registered: A quantity of 10,000 registered bonds in blank denomination, numbered consecutively 40R-03-1 through 40R-03-10,000.

II. Series 41 Bonds

Coupon: A quantity of 24,000 coupon bonds in the denomination of \$5,000, dated October 1, 1982, maturing July 1, 2008, all bearing an interest rate of 9.70% with coupons payable July 1, 1983, and January 1 and July 1 of each year 1984 through 2008 (51 coupons), including CUSIP number, facsimile seal and facsimile signatures, and numbered consecutively 41-08-1 through 41-08-24,000.

Registered: A quantity of 8,000 registered bonds in blank denomination numbered consecutively 41R-08-1 through 41R-08-8,000.

III. Series 42 Bonds

Registered: A quantity of 24,000 bonds in registered form in blank denomination, maturing July 1, 2007, all bearing an interest rate of 9.70%, and numbered consecutively 42R-07-1 through 42R-07-24,000.

No Series 42 Bonds will be printed in coupon form.

IV. Warrants

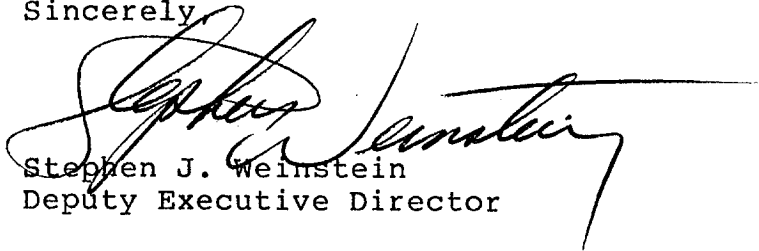
A quantity of 24,000 Warrant certificates, which will be separate negotiable instruments in bearer form but will be sold and delivered with the Series 41 Bonds, each certificate representing five Warrants together entitling the holder to purchase \$5,000 principal amount of Series 42 bonds, to be printed with the same steel-engraved borders as the bonds in registered form, but without the vignette and printed in a different color, with text to be supplied by the Corporation, including CUSIP number, facsimile seal and facsimile signatures, and numbered consecutively 42W-84-1 through 42W-84-24,000.

15 October 1982
Catherine E. Hutcheson
Page 3

Sale of this issue is scheduled for today, October 15, 1982. We would like to have final proofs prepared and approved no later than October 19, 1982. The Series 40 and 41 Bonds and the Warrants should be delivered to the United States Trust Company of New York, 770 Broadway (7th Floor), New York, New York (Attention: Mr. John Martorana), no later than 10:00 A.M. on Monday, November 1, 1982. The Series 42 Bonds should be delivered to the same place, no later than 10:00 A.M. on Wednesday, December 1, 1982.

This schedule and the specifications set forth in this letter are subject to change at the direction of the Corporation.

Sincerely



Stephen J. Weinstein
Deputy Executive Director

SJW:bba

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

Mr. Pat Santivasci
United States Trust Company of New York

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

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

15 October 1982

Mr. Jeff Schulsinger
SHEARSON/AMERICAN EXPRESS
14 Wall Street
New York, N.Y. 10005


Dear Jeff:

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

Dear Steve:

You have requested that we furnish you with information concerning the high and low selling prices of the Series 41 Bonds with Warrants (the "Units"), the Series 41 Bonds (the "Bonds") and the Warrants trading separately (the "Warrants") as of the first day of trading after the termination of syndicate restrictions contained in the Agreement Among Underwriters dated October 15, 1982.

As you know, syndicate restrictions were terminated at _____ A.M. on October ____, 1982. Separate trading in the securities referred to above commenced at such time. During the balance of the trading day, our trading was as follows:

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|-----------|--------------------------------------|
| Units: | High Selling Price |
| | Low Selling Price |
| | Number of Units Traded |
| | Number of Sales |
| Bonds: | High Selling Price |
| | Low Selling Price |
| | Aggregate Principal Amount Traded |
| | Number of Sales |
| Warrants: | High Selling Price |
| | Low Selling Price |
| | Number of Warrants Traded |
| | Number of Sales |

We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

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

John J. O'Brien

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

15 October 1982

John J. O'Brien
Managing Director
SALOMON BROTHERS INC
One New York Plaza
New York, New York 10004

Dear John:

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,

Steven J. Kantor
Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

Dear Steve:

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Very truly yours,

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

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

15 October 1982

Frederic Garonzik
GOLDMAN SACHS & CO.
55 Broad Street
New York, N.Y. 10004

Dear Mr. Garonzik: *Ric*

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

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Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

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Very truly yours,

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

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

15 October 1982

Edward Swanton
Managing Director
MERRILL LYNCH WHITE WELD
CAPITAL MARKETS GROUP
One Liberty Plaza
165 Broadway
New York, N. Y. 10080

Dear Mr. Swanton: *Ed*

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

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We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

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

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

15 October 1982

Peter M. Sughrue
Vice President
CITIBANK, N.A.
55 Water Street
New York, N.Y. 10043


Dear Mr. ~~Sughrue~~ ^{Peter}:

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

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We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

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

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

15 October 1982

Blair D. Mitchell
Vice President
CHASE MANHATTAN BANK, N.A.
1 Chase Manhattan Plaza
New York, New York 10005

Dear Mr. Mitchell: *Blair*

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,

Steve
Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

Dear Steve:

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We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

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

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

15 October 1982

Devereaux J. Phelps
Vice President
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
23 Wall Street
P. O. Box 495
New York, New York 10015


Dear Mr. Phelps:

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

Once the syndicate restrictions have been lifted, would you kindly complete the enclosed letter on your firm's letterhead and return to me as soon as possible.

Thank you for your cooperation and your participation in our financing.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

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Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

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We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

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

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

15 October 1982

Harvey Siderman
Limited Partner
BEAR STEARNS & CO.
55 Water Street
New York, N. Y. 10041


Dear Harvey:

In connection with the issuance by the Municipal Assistance Corporation For The City of New York of the Series 41 Bonds and Warrants to purchase Series 42 bonds, the Corporation has informed the purchasers that it will publish certain information concerning the prices of the units, bonds and warrants after the syndicate restrictions have been lifted.

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Thank you for your cooperation and your participation in our financing.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:bba

October 18, 1982

Mr. Steven J. Kantor
Deputy Executive Director
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
One World Trade Center - Suite 8901
New York, N. Y. 10048

Dear Steve:

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We understand this information is furnished to you for the purpose of making public the sales prices to be used by purchasers of the Units in allocating "fair market value" and determining "original issue discount" as described in your final Official Statement dated October 15, 1982.

Very truly yours,

10/15/82

CERTIFICATE DATED OCTOBER 15 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

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

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

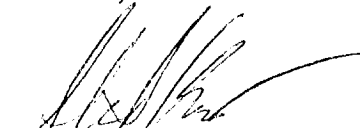
(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material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

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

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

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

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



(Signature)



(Title)

Chion

**CERTIFICATE DATED OCTOBER 15, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

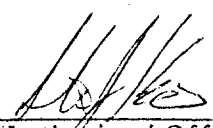
4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

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

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

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

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

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

(Gubernatorial Decision Paper)

1. **Summary:** The Municipal Assistance Corporation ("The Corporation"), established at the height of New York City's fiscal crisis in 1975, has provided the bulk of the financing required to maintain the City's solvency during the transition to a GAAP-balanced budget (adopted for the first time for the 1981 fiscal year) and, since then, for the City's capital program. The Corporation and the City are currently well into a Financing Plan which foresees the end of the Corporation's debt issuances (except for refunding purposes) by December 31, 1984, as required by current statutory authorization, and the attainment by the City of full financing self-sufficiency on its own in the public markets after that time.

When the new Governor is inaugurated, the Corporation's new-debt issuance authority will have only two years remaining. During this period the City of New York must demonstrate its ability to access the public markets for vital capital funds at an annual rate increasing from \$250 million in bonds sold during last fiscal year (1982) to \$700 million in the 1985 fiscal year, and more than \$1 billion annually thereafter. In the same period, the Corporation must raise up to an additional \$1 billion for the City's capital program. While the City's accomplishments in re-entering the public market for long-term debt are impressive thus far, the Corporation believes the City's goals remain ambitious and, thus, quite sensitive to any adverse change.

Any action or event which might undermine the actual or perceived creditworthiness of the Corporation or which jeopardizes the City's attainment of recurring expense budget balance threatens the success of this Plan, the ultimate objective to which provide adequate capital financing to preserve the infrastructure of New York City. Within the ensuing nine months, the over-riding issue facing the new Governor will be the condition of the State's budget. Whatever action is taken on the State Budget will have significant and profound impact on the capacity of both Corporation and the City to achieve the objectives of the Plan.

2. **Program Implications:** The level of capital spending contemplated by the current Financing Plan for the City of New York represents the minimum amount believed to be required to maintain the infrastructure of the City. To the extent sources of capital fall significantly below those planned and alternative sources are not secured, accelerated deterioration of the City's infrastructure can be expected, with inevitable negative consequences for the economy of the City and the State. (Even under the current Plan, it is assumed that the City will develop a means which permits the sale of revenue bonds for water and sewer capital purposes. This will probably require State action, possibly the establishment of a State financing agency servicing all localities for this purpose, as Governor Carey has proposed in the last two sessions of the Legislature.)

3. **Fiscal and Budget Implications:** The manner in which the Governor and Legislature deal with State budget problems this fall, and in the spring, will impact on the financing objectives of the Corporation and the City of New York in two ways: first, through the credit perception of New York State itself and, second, through the impact on New York City's budgetary problems which are particularly difficult for the upcoming City 1984 fiscal year.
 - a. The credit ratings of the State's general obligations have generally been thought to be a ceiling on the ratings of most State issuing authorities, including the Corporation. Standard & Poor's has put New York State on notice that its current rating on NYS general obligation bonds of "AA-" may be lowered if the governor and legislature do not "reach a consensus in a timely fashion to correct whatever financial problems develop and provide a fiscally responsible solution that does not include short-term deficit notes, increases in deferral of obligations into the next fiscal year, or an increase in the accumulated deficit under generally accepted accounting principles (GAAP)".* Our own

* Standard, & Poor's, "Creditweek," August 23, 1983.

Board (FCB) of the City modification of its Plan, expected by the end of October.

In the meantime, the experience of the last seven years since the City's fiscal crisis has proven incontestably that the City's capacity to gain and maintain access to the credit markets is critically limited to achievement of recurring operating budget balance: not merely balanced budgets from year to year, but also good prospects that expenditures are within the revenue resources available to the City in the long run. As the Chairman of the Corporation has urged over the last two years, we believe this requires not only a solution to the City's approaching gap for the next fiscal year but also a commitment by the State to take over the entire cost of Medicaid over a period of years.

In short, the City's budget situation is highly sensitive to actions to be taken on the State budget, not only with respect to short-run budget balance as required by law, but also with respect to the level of services provided and local taxes required which, in turn, impact upon the City's long-run economic prospects.

4. **Action Required:** Generally, the Corporation urges that the Governor and Legislature move to resolve current uncertainties about the State's budget as soon as possible, and do so in a manner which addresses the following:
 - a. High standards of fiscal responsibility such as those articulated by Standard & Poor's - i.e., without issuance of short-term deficit notes, increases in deferrals of obligations into the next fiscal year, or an increase in the accumulated deficit as reported under GAAP;
 - b. Increased budgetary assistance to New York City for the next fiscal year, preferably including an assumption by the State of an increased share of Medicaid cost and a commitment to complete the take-over in the next few years, thereby contributing to the City's long-run recurring budget balance.

- c. Minimum reliance on increases of State taxes which can be expected to threaten the long-run economic prospects of the City and the State
- d. More generally, avoidance of any action which would threaten the credibility or effectiveness of the mechanisms put in place during the City's fiscal crisis, including the Financial Control Board and the Corporation

5. Agencies and Interest Groups Involved:

Generally, the elected officials of New York City (and of other jurisdictions similarly situated), the municipal employees unions, the banks, and other business interests. The position of each will evolve in response to the specific solutions under active consideration.

6. Program Area/Contact:

Generally, all activities of the Municipal Assistance Corporation are affected. The prime agency contacts are Heather L. Ruth, Executive Director, and Felix G. Rohatyn, Chairman.

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

HLK

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

15 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President


Gentlemen:

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

You were instructed to transfer on October 15, 1982, \$14,654.17 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$13,854.17 of this amount was used to pay interest on commercial paper coming due and \$800.00 was used to pay principal.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

14 October 1982

Honorable Edward V. Regan
Comptroller
State of New York
Department of Audit and Control
Alfred E. Smith Office Building
Albany, New York 12224

Dear Mr. Regan:

This letter is to request your approval of the sale by the Municipal Assistance Corporation For The City of New York of \$175,000,000 of its Series 40 Bonds and \$100,000,000 of its Series 41 Bonds with Warrants to purchase \$100,000,000 of Series 42 Bonds of the Corporation, and for the sale of up to \$100,000,000 of the Corporation's Series 42 Bonds, to be issued pursuant to its Second General Bond Resolution. The Corporation's Preliminary Official Statement, dated October 11, 1982, relating to such sales has been provided for your information.

The Series 40 Bonds and Series 41 Bonds with Warrants will be sold to a syndicate of underwriters at a net price of approximately 97.53% of par and will be reoffered by the underwriters at the prices listed on Exhibit A, attached hereto. Series 42 Bonds will be sold at par to Warrantholders upon the exercise of their Warrants. As described in the Preliminary Official Statement, each Warrant Certificate, comprising five Warrants, will entitle its holder to purchase \$5,000 in principal amount of Series 42 Bonds. The Warrants may be exercised at any time prior to their expiration on January 18, 1984. The principal amount of Series 42 Bonds actually issued will be determined by the number of Warrants exercised.

The Corporation is issuing the Series 40 Bonds and Series 41 Bonds in order to provide moneys for the refunding and

Honorable Edward V. Regan
14 October 1982
Page 2

defeasance of the Corporation's 1976 Series CC Bonds, which were issued pursuant to the First General Bond Resolution, bear interest at the rate of 10 1/4% per annum, and mature on February 1, 1993. The proceeds of the Series 40 and 41 Bonds will be used to purchase U.S. Treasury obligations, the principal of and interest on which will be sufficient to pay the principal of, and interest on, the 1976 Series CC Bonds when due. The refunding of the 1976 Series CC Bonds will produce more level debt service requirements, thereby providing budgetary relief to the City of New York. Any proceeds from the sale of the Series 42 Bonds will be used to provide funds to the City for capital improvements includable in the City's capital budget or deposited in the Capital Reserve Aid Fund established under the Second General Bond Resolution.

The Series 40 Bonds are comprised of Serial Bonds aggregating \$50,000,000 and maturing July 1 of each of the years between 1995 through 1999, and Term Bonds aggregating \$125,000,000 and maturing July 1, 2003. The Series 41 and 42 Bonds are comprised of Term Bonds, each series aggregating \$100,000,000 and maturing July 1, 2008 and July 1, 2007, respectively. The Series 40 Bonds maturing July 1, 2003 and the Series 41 Bonds and Series 42 Bonds are also subject to redemption from mandatory sinking fund installments. The rates of interest on the Series 40, 41 and 42 Bonds and all optional redemption and sinking fund provisions are set forth in Exhibit A, attached hereto.

We request your approval of the sale of the Series 40 Bonds and Series 41 Bonds with Warrants and the Series 42 Bonds and of the terms thereof pursuant to Section 3012(1) (3) of the Municipal Assistance Corporation Act, as amended. We further request your approval, pursuant to Section 3013(4) of the Municipal Assistance Corporation Act, as amended, of the system of accounts of the Corporation to the extent the same are prescribed in the Second General Bond Resolution of the Corporation, adopted November 25, 1975, and the Series

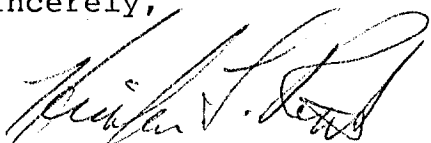
*Municipal Assistance Corporation
For The City of New York*

Honorable Edward V. Regan
14 October 1982
Page 3

40, Series 41 and Series 42 Resolutions of the Corporation,
adopted October 13, 1982.

Your approval is respectfully requested.

Sincerely,



Heather L. Ruth
Executive Director

HLR/lg
Enclosure

The sales of the above described Series 40 Bonds and Series 41 Bonds with Warrants and Series 42 Bonds of the Municipal Assistance Corporation For The City of New York upon the terms above described and system of accounts of the Corporation to the extent the same are prescribed in the Second General Bond Resolution and the Series 40, Series 41 and Series 42 Bond Resolutions of the Corporation, are hereby approved.

Comptroller of the State of New York

Dated: October 14, 1982

EXHIBIT A

Optional Redemption

The Series 40, 41 and 42 Bonds are subject to redemption at the option of the Corporation on or after July 1, 1993, as a whole on any date or in part by lot on any interest payment date or dates, at the following redemption prices (expressed as percentages of the principal amount), plus accrued interest to the date of redemption.

| <u>Redemption Period (Dates Inclusive)</u> | <u>Redemption Price</u> |
|--|-----------------------------|
| July 1, 1993 to December 31, 1994 | 102% |
| January 1, 1995 to June 30, 1996 | 101 1/2 |
| July 1, 1996 to December 31, 1997 | 101 |
| January 1, 1998 to June 30, 1999 | 100 1/2 |
| July 1, 1999 and thereafter | 100 |

Series 40 Bonds - Serial Maturities, Interest Rates and Prices

\$ _____ of the Series 40 Bonds will mature serially as follows:

| <u>Year</u> | <u>Amount</u> | <u>Rate</u> | <u>Price</u> |
|-------------|---------------|-------------|--------------|
| 1995 | \$10,000,000 | 9.25% | 100% |
| 1996 | 10,000,000 | 9.40 | 100 |
| 1997 | 10,000,000 | 9.50 | 100 |
| 1998 | 10,000,000 | 9.60 | 100 |
| 1999 | 10,000,000 | 9.70 | 100 |

Sinking Fund Redemption, Interest Rates and Prices

The \$125,000,000 Series 40 Term Bonds, the Series 41 Bonds and the Series 42 Bonds are also subject to redemption, in part by lot, on July 1 in each of the years, and in the respective principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption from mandatory "Sinking Fund Installments" which are required to be made in amounts sufficient to redeem on July 1 of each year, the principal amount of such Series 40 Bonds, Series 41 Bonds and Series 42 Bonds, respectively, specified for each of the years shown below:

\$125,000,000 9.875% Series 40 Term Bonds @99 1/4%

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2000 | \$20,000,000 |
| 2001 | 25,000,000 |
| 2002 | 40,000,000 |
| 2003 | 40,000,000* |

\$100,000,000 9.70% Series 41 Bonds @100%

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2004 | \$20,000,000 |
| 2005 | 20,000,000 |
| 2006 | 20,000,000 |
| 2007 | 20,000,000 |
| 2008 | 20,000,000* |

\$100,000,000 9.70% Series 42 Bonds @100%

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1985 | \$4,880,000 |
| 1986 | 5,190,000 |
| 1987 | 5,505,000 |
| 1988 | 5,810,000 |
| 1989 | 6,120,000 |
| 1990 | 3,820,000 |
| 1991 | 3,935,000 |
| 1992 | 4,040,000 |
| 1993 | 4,150,000 |
| 1994 | 4,250,000 |
| 1995 | 3,120,000 |
| 1996 | 3,180,000 |
| 1997 | 3,245,000 |
| 1998 | 3,305,000 |
| 1999 | 3,380,000 |
| 2000 | 3,025,000 |
| 2001 | 3,080,000 |
| 2002 | 5,055,000 |
| 2003 | 5,310,000 |
| 2004 | 5,590,000 |
| 2005 | 4,360,000 |
| 2006 | 4,665,000 |
| 2007 | 4,985,000* |

* Final Maturity

0200

**CERTIFICATE DATED OCTOBER 14, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of October, 1982.



(Signature)

Executive Director

(Title)

Ch...

**CERTIFICATE DATED OCTOBER 14, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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


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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

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

14 October 1982

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

Municipal Bond Research Division
Moody's Investors Service, Inc.
99 Church Street
New York, NY 10007

Ladies and Gentlemen:

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

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

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

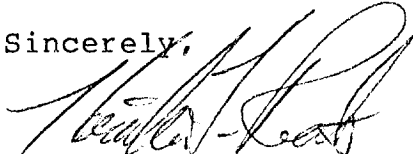
Underlying the Corporation's success to date has been the excellent ratio of revenues available to debt service, both with respect to debt outstanding and total issuances under the Plan. As described in more detail herein, even under the most pessimistic assumptions of interest rates and revenue growth,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


The Corporation believes that the peak of the Corporation's involvement with the City's capital financing program has been reached. With many of the earlier uncertainties

14 October 1982
Moody's Investors Service, Inc.
Page Two

favorably resolved, we believe it is an appropriate juncture for reassessment of the credit-worthiness of the Corporation. In addition, we remain available to answer any questions you may have as to our future plans.

Sincerely,


Heather L. Ruth
Executive Director


Steven J. Kantor
Deputy Executive Director and
Treasurer

INTRODUCTION: STATUS OF THE FINANCING PLAN

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

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

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

THE FINANCING PLAN

Sources of Funds

| | To Be Completed Fiscal Year Ending June 30 | | | | | <u>Total</u> |
|---|---|----------------|----------------|----------------|----------------|----------------|
| | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | |
| City Bond Sales | | | | | | |
| Guaranteed Sales | \$ 600 | \$ ---- | \$ ---- | \$ ---- | \$ ---- | \$ ---- |
| Public Sales | 225 | 300 | 400 | 700 | 1,100 | 2,500 |
| Corporation Bond Sales (MAC) | | | | | | |
| Private Sales | 325 | ---- | ---- | ---- | ---- | ---- |
| Public Sales | 400 | 600 | 350 | 300 | ---- | 1,250 |
| Water and Sewer Financing | ---- | ---- | 150 | 315 | 330 | 795 |
| Transfer from General Fund(1) | 147 | ---- | ---- | ---- | ---- | ---- |
| Changes in General Fund | | | | | | |
| Advances & Restricted Cash | (95) | 60 | 42 | 15 | ---- | 117 |
| Sub-Total | <u>1,627</u> | <u>960</u> | <u>942</u> | <u>1,330</u> | <u>1,430</u> | <u>4,662</u> |
| Reserve for Future Requirements (Deposits)/Withdrawals (2) | (595) | 515 | 300 | ---- | ---- | 815 |
| Total | \$ 1,032 | \$1,475 | \$1,242 | \$1,330 | \$1,430 | \$5,477 |

Uses of Funds

| | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
| City Capital Improvements | \$ 882 | \$1,125 | \$1,192 | \$1,330 | \$1,430 | \$5,077 |
| Corporation Capital Reserve and Guaranty Reserve Funds (MAC) | 150 | 100 | 50 | ---- | ---- | 150 |
| Refunding | ---- | <u>250</u> | ---- | ---- | ---- | <u>250</u> |
| Total | \$ 1,032 | \$1,475 | \$1,242 | \$1,330 | \$1,430 | \$5,477 |

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

(2) A total of \$815 million of MAC bonds proceeds in the 1981 and 1982 fiscal years is expected to be held in escrow for payment to the City in the 1983 and 1984 fiscal years.

\$100 million of the Corporation's sales were shifted from fiscal 1982 to fiscal 1983 to accommodate the delay of the Corporation's commercial paper program until a month after the end of the 1982 fiscal year, with a corresponding shift of \$100 million of refunding from fiscal 1982 to fiscal 1983.

THE CORPORATION'S ACTIVITIES UNDER THE FINANCIAL PLAN

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

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

During fiscal 1983, the Corporation is scheduled to complete \$600 million in new financings. Commercial paper sales to

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

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

- (1) To broaden the market for the Corporation's obligations by offering a range of instruments;
- (2) To minimize the chance of duplication or oversaturation in a finite retail market by the Corporation and the City; and
- (3) Most importantly, to finance the City's capital requirements at the lowest possible cost.

The Corporation is investigating the feasibility of offering its obligations tailored for private placement to particular institutions. Under such a program, the Corporation would authorize a large amount of bonds to be issued.

Representatives of large purchasers would be invited to approach the Corporation for specified amounts and maturities. This process would be similar to "shelf registration" in the equity market. The Corporation expects such an arrangement to result both in lower issuance costs and lower interest costs.

COVERAGE

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

The exhibits following the text present projected debt service coverage under several alternative assumptions of revenue growth through 1986 and the interest rate of remaining issuances, respectively. The assumptions about

revenue growth are conservative relative to recent performance. (See Exhibit II.) Assumed interest rates on the remaining debt to be issued under the Plan range from 10 percent to 15 percent, which the Corporation believes to be prudent in view of current market conditions. (See Exhibits I and III.) Exhibit I summarizes the results of these projections for fiscal 1985, the year of maximum debt service.

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

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

- (1) Issues debt of longer average life than the relatively short debt assumed,

(2) Refunds existing debt which includes amortization in the peak years, or

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

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

MANAGEMENT

Under state statute, the Corporation is administered by a Board of Directors. Most members of the Board, including the Chairman (except for a brief period), have served as directors since the inception of the Corporation in 1975. The Chairman, Felix G. Rohatyn, is Chief Executive Officer

of the Corporation. Other directors who perform major policy functions on a continuing basis include:

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

Eugene J. Keilin -- Chairman, Finance Committee

Andrew P. Steffan -- Chairman, Audit Committee

Robert C. Weaver -- Chairman, Administration
Committee

Dick Netzer -- Chairman, City Budget Committee

The Corporation is managed by 4 senior officers:

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

Stephen J. Weinstein -- Deputy Executive Director and
Counsel

Steven J. Kantor -- Deputy Executive Director and
Treasurer

Maxine Gillman

-- Secretary and Associate Counsel

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

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

Summary

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

EXHIBIT I

Projected Coverage in Fiscal 1985: Various Assumptions

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

| <u>REVENUES</u> | <u>10%</u> | <u>12.5%</u> | <u>15%</u> |
|--|------------|--------------|------------|
| <u>State Sales Tax Alone</u> | | | |
| 5% | 1.47 | 1.45 | 1.42 |
| City Assumptions | 1.50 | 1.48 | 1.46 |
| Historical | 1.63 | 1.61 | 1.58 |
| | | | |
| <u>All Revenues (Increase in</u> <u>Sales Tax Only)</u> | | | |
| 5% | 2.39 | 2.35 | 2.31 |
| City Assumptions | 2.42 | 2.39 | 2.35 |
| Historical Average | 2.48 | 2.44 | 2.40 |

EXHIBIT II
REVENUES AVAILABLE TO MAC

Historical Revenues
(In \$ millions)

| <u>Fiscal</u> <u>Year</u> | <u>Sales</u> <u>Tax</u> | <u>% Increase</u> | <u>All</u> <u>Revenues</u> | <u>Increase</u> |
|------------------------------|----------------------------|-------------------|-------------------------------|-----------------|
| 1978 | 919 | 7.0 | 1,709 | 8.6 |
| 1979 | 999 | 8.7 | 1,870 | 8.8 |
| 1980 | 1,137 | 13.8 | 2,082 | 12.0 |
| 1981 | 1,294 | 13.9 | 2,409 | 15.7 |
| 1982 | 1,401 | 8.3 | 2,416 | 0.3 |
| Five Year Average Growth | | 10.5% | | 9.1% |
| Compound Growth | | 8.8% | | 7.2% |

Revenue Assumptions
(In \$ Millions)

Sales Tax Alone

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

All Revenues²

| <u>Fiscal</u> <u>Year</u> | <u>5%</u> <u>Growth</u> | <u>City</u> <u>Projection</u> | <u>5-Year</u> ³ <u>Historical Average</u> |
|------------------------------|----------------------------|----------------------------------|---|
| 1982 | 2,416 | 2,416 | 2,416 |
| 1983 | 2,486 | 2,499 | 2,517 |
| 1984 | 2,560 | 2,584 | 2,625 |
| 1985 | 2,637 | 2,676 | 2,741 |
| 1986 | 2,718 | 2,772 | 2,865 |

¹ 1978-1982 Compound Growth = 8.8%

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

³ 1978-1982 Compound Growth = 7.2%

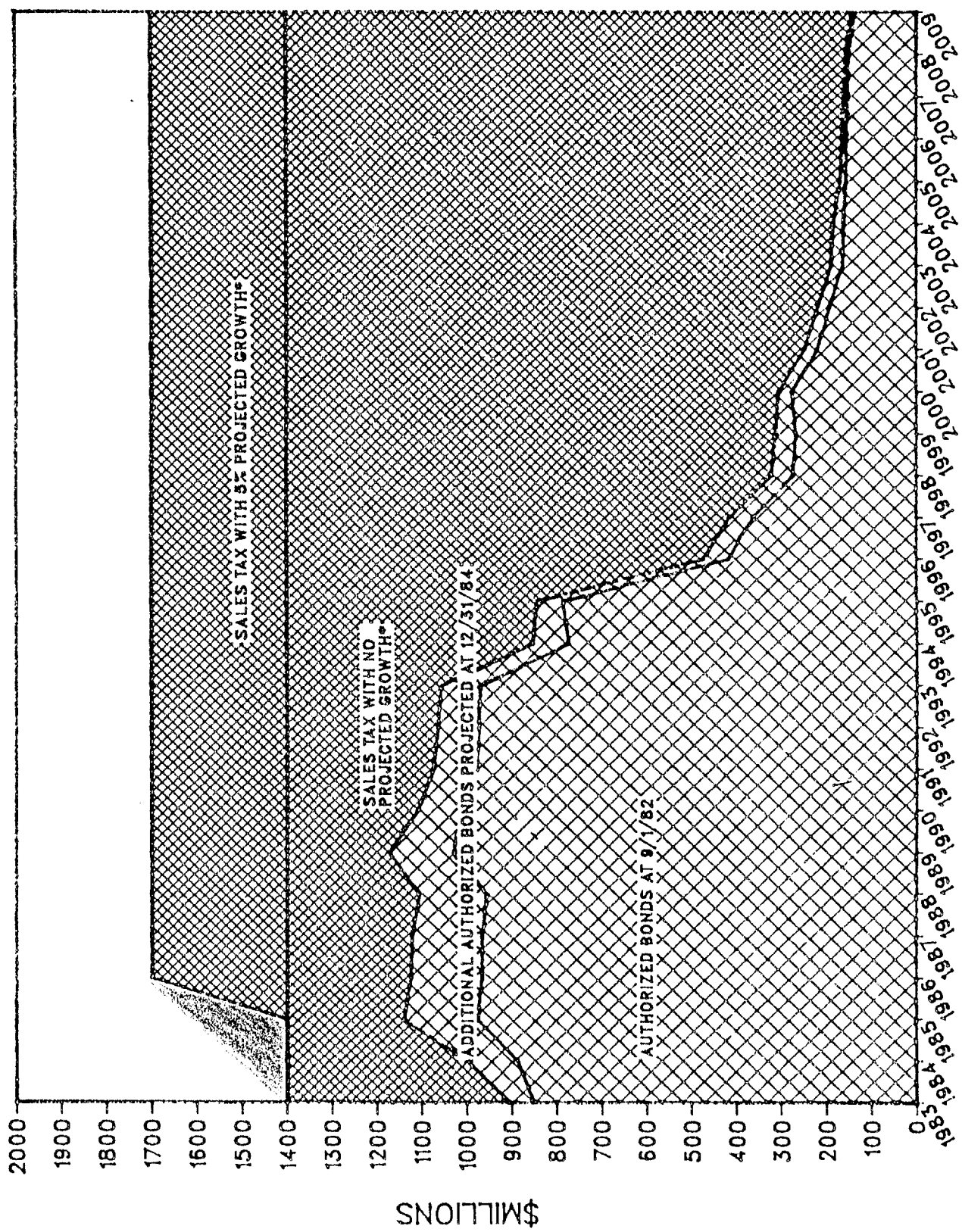
EXHIBIT III
PROJECTED MAC DEBT SERVICE
UNDER THE PLAN
(In \$ Thousands)

| 12-Month Period Ended June 30 | Existing MAC Debt Service ¹ | Total Debt Service ² If Remaining Issuance Under Plan Were Completed At: | | |
|-------------------------------------|--|---|-----------|-----------|
| | | 10% | 12.5% | 15% |
| 1983 | 848,627 | 886,127 | 895,502 | 904,877 |
| 1984 | 886,720 | 961,720 | 980,470 | 999,220 |
| 1985 | 977,081 | 1,104,141 | 1,122,206 | 1,140,271 |
| 1986 | 965,617 | 1,091,197 | 1,107,839 | 1,124,481 |
| 1987 | 966,777 | 1,090,455 | 1,105,569 | 1,120,684 |
| 1988 | 955,776 | 1,077,132 | 1,090,613 | 1,104,094 |
| 1989 | 1,031,142 | 1,149,754 | 1,161,497 | 1,173,240 |
| 1990 | 1,009,001 | 1,087,403 | 1,097,790 | 1,108,177 |
| 1991 | 979,466 | 1,055,328 | 1,064,770 | 1,074,228 |
| 1992 | 974,066 | 1,047,271 | 1,055,755 | 1,064,239 |
| 1993 | 970,656 | 1,041,089 | 1,048,575 | 1,056,062 |
| 1994 | 772,602 | 840,130 | 846,590 | 853,049 |
| 1995 | 785,787 | 832,565 | 838,200 | 843,836 |
| 1996 | 418,983 | 463,854 | 468,877 | 473,900 |
| 1997 | 365,003 | 407,914 | 412,311 | 416,707 |
| 1998 | 273,724 | 314,620 | 318,377 | 322,133 |
| 1999 | 267,575 | 306,398 | 309,501 | 312,604 |
| 2000 | 276,943 | 301,972 | 304,561 | 307,151 |
| 2001 | 220,954 | 244,758 | 246,978 | 249,197 |
| 2002 | 193,601 | 216,159 | 218,002 | 219,845 |
| 2003 | 164,894 | 186,176 | 187,637 | 189,097 |
| 2004 | 162,461 | 182,446 | 183,517 | 184,589 |
| 2005 | 157,463 | 167,423 | 168,213 | 169,003 |
| 2006 | 153,628 | 163,003 | 163,622 | 164,240 |
| 2007 | 151,489 | 160,269 | 160,714 | 161,159 |
| 2008 | 149,402 | 157,577 | 157,846 | 158,115 |
| 2009 | 137,952 | 145,512 | 145,602 | 145,692 |

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

² Assumes remaining \$750 million sold at July 1, 1982, structured with the following Periods of Probable Use: 5 years--20%; 10 years--20%; 15 years--20%; 20 years--20%; 25 years--20%.

SALES TAX ALONE PROVIDES ABUNDANT COVERAGE FOR ALL MAC BONDS, CURRENT AND PROJECTED EVEN WITH NO GROWTH BEYOND 1982



* PROJECTED AS OF JUNE 30, 1982

FISCAL YEARS

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

16/11

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

13 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 13, 1982, \$20,435.46 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$19,244.46 of this amount was used to pay interest on commercial paper coming due and \$1,191.00 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

Office of the
Municipal Assistance Corporation

**CERTIFICATE DATED OCTOBER 13, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: Maxine H. Gillman
Authorized Officer

CERTIFICATE DATED OCTOBER 13, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER

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

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

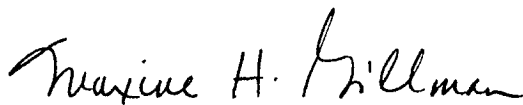
(b) that excepting the matters referred to in (c) below and the information provided under the caption "The Bank Agreement" with respect to Citibank, N.A., the commercial paper memorandum distributed on the date hereof does not contain any untrue statement of a material fact or omit to state any material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

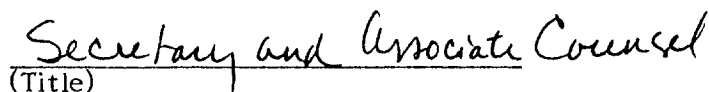
(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of October, 1982.


(Signature)


(Title)

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

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

By Pouch

12 October 1982

The Honorable Edward V. Regan
Comptroller
State of New York
A.E. Smith Office Bldg.
Albany, NY 12236

Dear Comptroller Regan:

In compliance with your requirement of notice and justification of debt issuances, I am writing in advance of our planned sale, expected this week or next at the latest, of \$200 million Second Resolution Bonds (Series 40 and 41) with \$100 million of Warrants to purchase Series 42 Bonds. The proceeds of the sale will be devoted to a partial refunding of the Corporation's 1976 Series CC bonds, which are First Resolution Bonds issued in the aggregate principal amount of \$256.25 million at 10½% due in 1993. The Corporation expects to complete the refunding and to defease the Series CC Bonds at a later date.

The final structure will not be determined until pricing is complete. However, the planned issuance presently is proposed to include two series of bonds of \$100 million each, the second of which would be sold with Warrants to purchase \$100 million an additional series of the Corporation's Bonds.

This sale is part of the Debt Issuance Plan formulated by the City of New York and the Corporation to provide funding for the City's critically needed program of capital improvements. Refunding of \$250 million of the Corporation's outstanding bonds has been included in the Plan since its inception. The rationale and justification for any such refunding derives from the extent to which a refunding accomplishes one or more of the following three objectives:

12 October 1982
Hon. Edward V. Regan
Page Two

- 1) Reducing the significant peak in the Corporation's debt service from 1986 through 1994, which peak was created principally by the early financings of the Corporation at the height of the City's fiscal crisis;
- 2) Reducing the overall cost of the Corporation's debt by substituting a lower coupon for a higher one on any outstanding series; and/or
- 3) Providing current or near-future budgetary savings to the City of New York by reducing debt service during the current or next fiscal year.

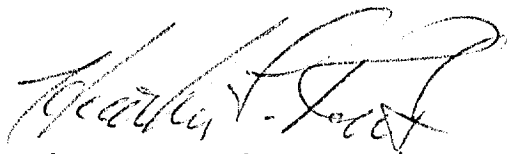
Assuming that the coupon on the bonds maturing July 1, 2008, will be 10 percent or less, the proposed refunding of the Series CC will accomplish all three objectives.

The planned financing will be sold on a negotiated basis to an underwriting group led by Salomon Brothers Inc. The Corporation is not prepared at this time to attempt a financing of this size and complexity by competitive bid.

We believe the Corporation's continued meeting of planned financing targets, including the planned refunding which has been deferred in the past due to adverse market conditions, is an important enhancement of the credibility of the Plan under which the City currently seeks to attain self-sufficiency in the market. In addition, the accomplishment of budgetary relief for the City is especially timely.

A copy of the preliminary official statement is enclosed.

Sincerely,



Heather L. Ruth
Executive Director

cc: John Hull

HLR:dnd
Enclosure

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

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

October 12, 1982

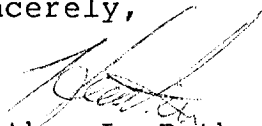
Ms. Irene R. Scocca, V.P.
United States Trust Company
of New York
45 Wall Street
New York, NY 10005

Dear Irene:

Thank you for the invitation to the financial planning seminar on October 26. I really do hope I can make it and tentatively plan to, though I may have to leave early. Ironically, the seminar "runs into" the class I teach at Columbia's Graduate School of Business--"Financial Management in the Public Sector." How nice to have the opportunity to pay some attention to my own financial management!

Hope to see you.

Sincerely,



Heather L. Ruth
Executive Director

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

HCR

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

12 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

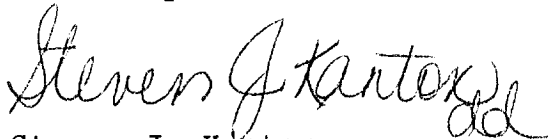
Gentlemen:

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

You were instructed to transfer on October 12, 1982, \$10,082.42 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$9,313.32 of this amount was used to pay interest on commercial paper coming due and \$769.10 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

12 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

This is to confirm oral instructions issued to you regarding the transfer of securities on deposit in the Corporation's New York City Bond Account.

You were instructed to transfer on October 12, 1982 from the Corporation's New York City Bond Account #095114 to the Corporation's Bond Service Account #016687 at the United States Trust Company of New York the following:

\$15,000,000 of United States Treasury Bills due
12/9/82;
\$15,000,000 of United States Treasury Bills due
12/16/82;
\$15,000,000 of United States Treasury Bills due
12/30/82.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK/bba

cc: Frances N. Higgins
Lawrence Rimmel, Esq.
Pat Santivaschi
Rochelle Siegel

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

HEK

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

12 October 1982

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

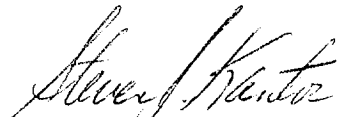
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 13, 1982, \$25,100.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivaschi
Administrative Files

10-10

**CERTIFICATE DATED OCTOBER 12, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: _____

Authorized Officer

Done

**CERTIFICATE DATED OCTOBER 12, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

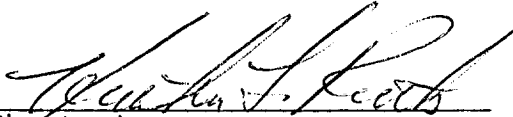
(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition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

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

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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October, 1982.


William S. Keith
(Signature)

Executive - Director
(Title)

Karin A'Hearn-Sweeney

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

12 October 1982

Tymshare, Inc.
Att: Accounts Receivable Dept.
P. O. Box 10638
Newark, NJ 07101

Dear Sir or Madam:

We received verbal confirmation last week from Ms. Carol Rehkemper of a \$270.00 credit to be applied toward our April 1982 invoice.

Enclosed is a check for \$3,280.31 as she directed--total amount of \$3,550.31 less the credit.

Please contact Ms. Rehkemper in your California office if you have any questions.

Sincerely,

Karin A'Hearn-Sweeney
Karin A'Hearn-Sweeney
Director of MIS

KAHS:dnd

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

**CERTIFICATE DATED OCTOBER 8, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

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

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: Maxine H. Gillman
Authorized Officer

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 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 8, 1982, \$52,137.77 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$49,193.62 of this amount was used to pay interest on commercial paper coming due and \$2,944.15 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

8 October 1982

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

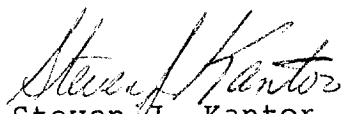
Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 12, 1982, \$20,600.00 from the Corporation's Operating Fund Account to the Corporation's Checking Account #29 0029 7 at the United States Trust Company of New York.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Frances N. Higgins
Pat Santivaschi
Administrative Files

MEMORANDUM

Date: 8 October 1982
To: Members of Board and Representatives
From: Heather L. Ruth, Executive Director
Re: Financing Developments

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

I will have spoken with most of the Members of the Board before this reaches you. In any case, I wish to inform you all fully about financing developments leading up to the next Board meeting which is scheduled for Wednesday, October 13th, at 11:30 A.M. at Paul Weiss (Room 2811-12).

A. Commercial Paper

1. An Additional Credit Facility

Later in the day of the Annual Meeting (September 30), Citibank made a proposal to the Corporation for an additional \$150 million credit facility similar to the current \$100 million irrevocable line of credit. Under the proposal, Citibank, N.A. and Manufacturers Hanover Trust Co. would each provide \$75 million for a total of \$150 million.

The most important difference between the proposed expansion and the original program is the proposed fees, as follows:

| <u>Fee Components</u> | <u>Citibank \$100M</u> | <u>Citibank & MHT \$150M</u> |
|---|----------------------------|--------------------------------------|
| Commitment Fee (applicable only before closing) | 0.50 % | 0.375% |
| Activity (or "Use") Fee | 0.75 % | 0.75 % |
| Facility Fee | 0.75 | 0.50 |
| Management Fee | <u>0.125</u> | <u>0.125</u> |
| Total (when program is in operation) | 1.625% | 1.375% |

The net effect is a reduction of one-quarter of one percent from the fees in the original program, worth a savings of \$375,000 per year on the \$150 million extension.

In considering the Citibank-MHT proposal, the Finance Committee weighed several factors, including the benefit of speed in getting established in the market

8 October 1982
Board and Representatives
Page 2

(preferably ahead of other planned programs) and the feasibility of obtaining significantly different fee proposals from competing banks at this time. Citibank necessarily approached most eligible competing banks in its search for a partner during the week we permitted them to develop a proposal for the full \$150 million on an exclusive basis.

While members of the Finance Committee and the staff continue to entertain hope of lower fees in the future, the Committee unanimously recommends acceptance of this proposal now, with the intent of seeking competitive bids on the \$100 million line in May, by which time it must be renegotiated.

Much of this week has involved negotiations with the Lenders (Citibank and MHT) of a commitment letter reflecting the deal as proposed. The Finance Committee has authorized me to sign such a commitment letter upon satisfactory conclusion of terms. I expect to sign it today, and a copy of the signed final will be attached to this memorandum. Particularly for Members I have not reached by phone today, I should emphasize that -- should the full Board conclude differently from the Finance Committee in this matter at next week's meeting -- the maximum liability of the Corporation under the signed commitment letter would be approximately \$6,000.

2. Negotiation of a New Dealer Agreement

In separate negotiations which will probably not be complete by the next meeting of the Board, the Corporation is seeking a new arrangement with the three dealers -- First Boston, Salomon Brothers and Citibank -- under which the dealers' fee would be reduced (in half from 0.25% to 0.125%) and be awarded to each dealer on the basis of sales, retaining the current commitment to underwrite in equal shares. Any new dealer agreement would be applicable to all commercial paper sold by the Corporation, i.e., up to a maximum of \$250 million under both credit facilities.

B. Sale of Bonds

As you know, the Finance Committee held a public meeting Wednesday, October 6, to provide the opportunity of establishing terms and conditions of the competitive sale

8 October 1982
Board and Representatives
Page 3

(Series 40 Resolution) authorized by the Board at the Annual Meeting. In view of the strength of the market and the possibility of moving the planned sale up (depending on MTA financing plans) the Committee determined that it was not wise to make any final decision until market and scheduling issues could be further clarified.

As developments proceed, you may receive a Preliminary Official Statement before the Board Meeting. Any final decision which involves a refunding will also be announced on the wire services.

C. Other Materials

An agenda for the next meeting and the draft minutes of the Annual Meeting.

October 8, 1982

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

Dear Heather:

We are pleased to confirm to you our willingness to provide a credit facility substantially according to the terms and conditions outlined below. This will be in addition to the credit facility established pursuant to the Revolving Credit and Term Loan Agreement dated as of June 3, 1982 between Citibank, N.A. and Municipal Assistance Corporation For The City of New York (the "Citibank Loan Agreement").

| | |
|------------------------|---|
| Borrower: | Municipal Assistance Corporation For The City of New York ("MAC"). |
| Lenders: | Citibank, N.A. ("Citibank") \$75,000,000; Manufacturers Hanover Trust Co. ("MHT") \$75,000,000. |
| Agent for the Lenders: | Citibank, as agent (in such capacity, the "Agent"). |
| Facility: | Two-year irrevocable revolving credit/five-year term loan. |
| Participants: | At the option of Citibank and MHT, with the understanding that participation agreements are between Citibank and MHT and the participating bank(s). |
| Amount: | \$150,000,000. |

Purpose:

To assure refunding of MAC's tax-exempt commercial paper Series B. (MAC's tax-exempt commercial paper sold in connection with the Citibank Loan Agreement shall after establishment of this facility be designated as Series A and shall not be refunded in whole or part by the proceeds of this facility.)

Availability:

- a) Revolving credit will be available for two years to assure that maturities of MAC's Series B commercial paper notes will be paid. The facility will not be available for discretionary borrowing. The facility will be renewable annually by mutual agreement (to be reached thirty days prior to the anniversary date), in the form of a one-year extension of all terms.
- b) Outstanding loans at the termination date of the revolving period will fund into a five-year term loan with twenty equal quarterly installments prepayable without penalty.
- c) At any time after the termination of the revolving period, the Agent may request that any term loan made hereunder be converted to MAC Bonds issued under MAC's Second General Bond Resolution ("Second Resolution Bonds"). The Second Resolution Bonds shall mature serially or shall be amortized by operation of substantially equal mandatory sinking fund payments. The Second Resolution Bonds shall have an average life from their date of issue calculated as follows: If such date of issue is on the termination date of the revolving period, such average life shall be approximately, but not less than, five years. If such date of issue is after the termination date of the revolving period, such average life shall be approximately five years minus one-half of the number of whole years from the termination date of the revolving period. The Lenders shall be free to sell such MAC Bonds at any time.

d) In some cases the Agent, on behalf of the Lenders, may make an automatic loan which will be a five-year term loan with twenty equal quarterly installments prepayable without penalty. The Agent may require immediate conversion of such loan into MAC Bonds or substitution of collateral. See "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below. Such rights shall be in addition to the rights described in paragraph c) above.

e) Upon the occurrence of an event of default, the Agent, on behalf of the Lenders, may make an automatic loan, and declare all amounts outstanding under this facility immediately due and payable. See "Events of Default", below.

Interest Rate:

Revolving Period - Citibank fluctuating Base Rate + 1/2% p.a.
 Term Period - Citibank fluctuating Base Rate + 1% p.a. during the first two years
 - Citibank fluctuating Base Rate + 1-1/2% p.a. during the last three years
 In default - Citibank fluctuating Base Rate + 2% p.a.
 Citibank Base Rate means the greater of a) Base or b) Alternate Base III (definition attached). Interest is payable quarterly in arrears.

Commitment Fee:

3/8% p.a. from date of acceptance of this written proposal to the date being the earlier of the date of signing legal documentation for this facility and the date of termination of negotiations (such earlier date being the "Last Due Date"), payable quarterly and on the Last Due Date in arrears.

Facility Fee: 1/2% p.a. of the total revolving commitment, payable at closing and thereafter annually in advance (prorata reimbursement permitted in event of total or partial cancellation of commitment).

Activity Fee: 3/4% p.a. of the average daily outstanding Series B commercial paper, payable quarterly in arrears.

Management Fee: 1/8% flat fee, payable at closing and annually thereafter.

Rate and Fee Basis: Calculated on a 360 day year for the actual number of days elapsed. To the extent any fees cannot be paid out of proceeds of Series B commercial paper as costs of issuance, payment will be made, together with interest at the appropriate rate (see "Interest Rate", above), after MAC's next regular certification of revenues and receipt of funds.

All fees shall be paid to the Agent for the account of both Lenders.

Commercial Paper Issuance: Citibank will be issuance and paying agent for the MAC Series B commercial paper.

Payments: Advances and repayments will be made in same day funds upon notification to the Agent by 3:00 p.m. the previous day.

Cancellation or Reduction of Commitment: Upon five business days' notice, MAC may terminate in whole or ratably in part the unused portion of this facility in integral multiples of \$1,000,000, with a penalty fee of 1/2% flat on any amount terminated during the first year of the revolving credit (as extended by mutual agreement). (See "Facility Fee", above.)

Substitution of Lender or Termination of All or Part of Commitment: MAC may at any time prior to the termination of the revolving period require the termination of the unused portion of this facility, or the substitution of another bank or banks

for Citibank or MHT in the event that Standard & Poor's or Moody's Investors Service reduces its rating on any outstanding debt obligations of either Lender and as a result the rating for MAC's Series B commercial paper is reduced by such rating agency. In the event of such termination or substitution the penalty fee referred to in "Cancellation or Reduction of Commitment" shall not be payable to the Lender whose rating has been reduced or which is being replaced.

Collateral
Definition:

MAC will pledge bonds of The City of New York (the "Bonds") to secure advances under this facility. MAC and the Lenders agree that a second lien will be created on the collateral pledged under the Security Agreement dated June 3, 1982 by MAC to Citibank (the "Citibank Security Agreement") to secure advances by the Lenders under this facility. This second lien will cease to exist if and when the Citibank Loan Agreement is terminated. Citibank and MHT agree to enter into an intercreditor agreement to the effect that proceeds received on realization on the collateral pledged under the Citibank Security Agreement and under this facility will be allocated ratably among the Citibank Loan Agreement and this facility in proportion to the aggregate amount outstanding under both. In certain circumstances, the Agent may require MAC to substitute cash and/or United States governmental/agency obligations (see "Right to Require Conversion or Substitution and Terminate the Revolving Credit", below). Such Bonds will be the Bonds with the shortest maturity held by MAC, but in no event shall such Bonds have maturities less than one year or greater than ten years. Any Bonds released from the pledge established under the Citibank Security Agreement in the event of a

termination or reduction of the commitment under the Citibank Loan Agreement shall be made available for selection by the Lenders to secure advances under this facility. The Bonds will be in negotiable form and secure the full amount of the Lenders' commitments hereunder, throughout their revolving and term periods. The Bonds will be held on behalf of the Lenders by United States Trust Company (or other trustee bank acceptable to MAC and the Agent).

Amount and
Valuation:

The Bonds pledged at the closing date must have a Value (as defined below) of not less than 130% of this commitment. The Value of Bonds with maturities of five years or less shall be the market value of such Bonds. The Value of Bonds with maturities of more than five years but not exceeding ten years shall be 87% of the market value of such Bonds. Market value will be determined monthly, or more frequently at the Agent's option, and will be at MAC's expense. The valuation method will be defined by mutual agreement. In the event that the aggregate value of the pledged Bonds falls below 120% of this commitment, MAC will immediately pledge additional Bonds to increase the aggregate Value of the pledged Bonds to not less than 130% of this commitment. In the event that the aggregate Value of the pledged Bonds exceeds 140% of this commitment, the Agent will, at the request of MAC, release sufficient Bonds (being Bonds with the longest maturities) to reduce the aggregate Value of the pledged Bonds to not less than 130% of this commitment. If MAC has substituted cash and/or United States government/agency obligations as collateral in place of Bonds, (i) the Value of such cash shall be its face value, (ii) the Value of such obligations shall be their market value, determined as above, and (iii) an

amount equal to the aggregate Value of such cash and obligations shall be deducted from the amount of this commitment for the purposes of calculating the respective percentages of 120%, 130% and 140% above. No collateral shall be required in the event and to the extent that any loan made hereunder is converted to MAC Bonds.

Right to Require
Conversion or
Substitution and
Terminate the
Revolving Credit:

Should an extraordinary situation occur which gives reasonable grounds to conclude, in the judgment of the Lenders, that MAC may not, or will be unable to, perform or observe in the normal course its obligations under this facility, the Agent may, by notice to MAC, make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, terminate the revolving credit and immediately require MAC, at MAC's option (i) to convert any such loan, together with any other loan then outstanding, into MAC Bonds as defined in paragraph c) on page 2 above, or (ii) to substitute "cash collateral" for any collateral then pledged. If MAC shall choose to substitute "cash collateral", such "cash collateral" shall be cash and/or United States government/agency obligations. During the revolving period, such United States government/agency obligations will have maturities no greater than five years, and during the term loan, shall mature serially or amortize over the then-remaining life of the loan. If MAC elects to sell any Bonds pledged as collateral to enable MAC to substitute cash for such Bonds, such Bonds must be sold the same day as such notice is received by MAC from the Agent, and the cash received from such sale must be pledged as cash collateral within five business days after such sale; in all other cases such substitution shall be

made on the same day as such notice is received by MAC from the Agent, provided that if MAC elects to convert such loans into MAC Bonds, such MAC Bonds shall be delivered to the Agent within three days (provided that one such day will be a business day) of MAC's receipt of such notice from the Agent. If MAC shall fail to make such conversion or substitution, then Citibank, as agent for MAC, may sell Bonds and hold the proceeds as cash collateral. If a bill shall be filed in the Legislature with the acquiescence of MAC and/or the Governor of the State of New York permitting MAC to file a petition in bankruptcy, then without limiting the right of the Lenders to treat any other event as an extraordinary event, the Lenders may treat such filing as an extraordinary event. The rights hereunder may be exercised during the revolving period and the term loan period and shall be independent of any rights of the Agent under paragraph c) on page 2 above.

Representations
and Warranties:

Representations and warranties will be substantially those in the Citibank Loan Agreement.

Covenants:

Covenants will be substantially those in the Citibank Loan Agreement and will include, while not being limited to, the following:

1) Upon borrowing from Citibank and MHT, MAC will not increase its existing combined outstandings of commercial paper and bank loans, other than under the Citibank Loan Agreement, without the Agent's written consent.

2) MAC will not sell Series B commercial paper with maturities in excess of the shorter of 270 days or the remaining tenor of the revolving period under this facility.

3) MAC will not have outstanding Series B commercial paper with a maturity value in excess of the unused portions of this commitment.

4) There will be no increase in MAC's statutory debt limitation and MAC will not incur any new indebtedness in excess of an aggregate total of \$3,000,000 at any time outstanding, except (1) under this facility (including the related sale of Series B commercial paper), (2) under the Citibank Loan Agreement (including the related sale of Series A commercial paper), (3) First Resolution Bonds and Second Resolution Bonds, including refundings thereof, (4) short-term indebtedness permitted under Section 4.02(d) of the Citibank Loan Agreement, or (5) as may otherwise be authorized by MAC for the purpose of refunding outstanding indebtedness, provided that the rights of the holders of such refunding obligations are not prior to the rights of the Lenders under this facility.

5) Negative pledge of Bonds of City of New York not pledged to the Agent under this facility or to Citibank under the Citibank Loan Agreement.

6) There will be no increase in authorized debt limitations or changes in covenants of other debt agreements, except such changes as are required under the Citibank Loan Agreement to permit this facility.

7) MAC will be required to include in its coverage computations under its Second General Bond Resolution debt service on MAC'S bonds issuable to the Lenders under this commitment, as if issued in the full amount of this commitment, whether or not so issued.

8) Financial and other covenants in the Bond Purchase Agreement dated November 15, 1978 and in the Citibank Loan Agreement will be incorporated into the loan documentation.

9) Financial statements and other reports will be provided to each of the Lenders in accordance with the terms of the Bond Purchase Agreement dated November 15, 1978 and the Citibank Loan Agreement.

10) If MAC has pledged to the Agent cash and/or United States government/agency obligations for the full amount of Series B commercial paper outstanding, any covenants prohibiting the sale of commercial paper under a different bank facility (including the negative pledge of Bonds) will cease to be in effect.

Events of Default:

To include the failure to pay when due to Citibank and MHT any amount of principal, interest or fees; failure to perform or observe any other term, covenant or agreement in the legal documentation (subject to agreed upon notice and cure periods); any representation or warranty being incorrect or misleading when made; the Agent for the ratable benefit of Citibank and MHT ceases to have a pledge of the Bonds prior to all liens thereon or MAC, The City of New York or the State of New York shall so state in writing; the Events of Default in the First and Second Bond Resolutions; the Events of Default in the Citibank Loan Agreement; cross-default with other debt obligations; MAC's inability to pay its debts generally; any bankruptcy proceeding is instituted by or against MAC (following any legislative change); any necessary governmental authorization or approval necessary to enable MAC to comply with its obligations under this

facility ceases to be in full force and effect for any reason; failure to deliver or substitute collateral; failure to deliver MAC Bonds at the Agent's request for all or part of the amount of the term loan. If an event of default shall occur, the Lenders may, by notice to MAC (i) make an automatic loan to MAC in the amount of any Series B commercial paper issued by MAC pursuant to this facility then outstanding, such loan to be deposited into a payment account with the issuing and paying agent held for holders of Series B commercial paper, (ii) terminate the Lenders' obligations to make additional advances, and (iii) declare all amounts payable to the Lenders under this facility immediately due and payable, including the amount of such automatic loan, whereupon MAC shall forthwith pay all such amounts to the Lenders.

Amendments:

Amendments may be required to be made to certain documents and agreements delivered in connection with the Citibank Loan Agreement.

Direction to Agent:

Decisions to be taken by the Agent, including calling of an event of default or requiring conversion or action under "Right to Require Conversion or Substitution and Terminate the Revolving Credit" above, will require the concurrence of both Lenders; provided, however, that if Citibank has declared an event of default under the Citibank Loan Agreement, MHT may decide, without the concurrence of Citibank, to declare an event of default under this facility.

Legal and Transaction Expenses:

Upon such documentation as MAC may reasonably request, all reasonable costs and expenses incurred by the Agent relating to the preparation and execution of appropriate documentation will be paid by MAC, including all reasonable fees and out-of-pocket expenses of Messrs. Shearman & Sterling, special counsel to the Lenders.

The terms and conditions of this commitment are not limited to the above terms and conditions. Those matters which are not covered by or made clear in the above outline are subject to mutual agreement of the parties. This commitment is conditional upon preparation, execution and delivery of legal documentation in form and substance satisfactory to Citibank and MHT and to their counsel incorporating substantially the terms and conditions outlined above.

Please evidence your acceptance of the foregoing by signing and returning to us the enclosed copy of this letter on or before October 8, 1982, the date this commitment (if not accepted on or prior thereto) will expire.

Sincerely,

CITIBANK, N.A.

By: [Signature]
Title: (Vice President)

MANUFACTURERS HANOVER TRUST COMPANY

By: [Signature]
Title: (Vice President)

Accepted: October 8, 1982

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

By: [Signature]
Executive Director

Alternate
Base
Rate III

ABR III is defined as the greater of the Base Rate or "the sum (adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent) of (i) 1/2 of one percent per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 365 days) being determined weekly by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Federal Reserve Board for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for Citibank in respect of liabilities consisting of or including (among other liabilities) three-month nonpersonal time deposits each at least \$100,000, plus (iii) the average during such three-week period of the daily net annual assessment rates estimated by Citibank for determining the current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation for insuring three-month time deposits.

**CERTIFICATE DATED OCTOBER 8, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

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

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

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

**CERTIFICATE DATED OCTOBER 7, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

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

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

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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of October, 1982.

Steven Kantor
(Signature)

Andy Executive Director at Silicon
(Title)

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

SJW

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

BY MESSENGER

7 October 1982

Ms. Judith Hamill
Financial Representative
R.R. Donnelley & Sons Company
80 Pine Street
New York, New York 10005

Re: Series 40 Financial Printing

Dear Ms. Hamill:

This letter is to request that you furnish us with a quotation for the cost of printing certain documents in connection with a proposed public sale of the Municipal Assistance Corporation's Series 40 Bonds, based upon the following specifications and schedule, which should be regarded as confidential information.

As we have discussed, we expect the documents required for this proposed financing to be substantially similar to those printed by you in connection with our most recent public sale of our Series 39 Bonds in April 1982.

I. PRELIMINARY OFFICIAL STATEMENT

Typesetting copy as required for a Preliminary Official Statement consisting of 72 pages, including two proofs; composing 50 sets of each of the proofs, and distributing those proofs (exclusive of messenger charges); printing and binding with staples 10,000 copies of the Preliminary Official Statement on 40-pound white opaque offset paper 8-1/2" by 11" in black ink with one additional color on the front (cover) page; and distributing the Preliminary Official Statements (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and separately indicate the Additions to Price for each two pages of additional text, and for each 1,000 additional copies of the final printed document.

7 October 1982
Ms. Judith Hamill
Page 2

II. FINAL OFFICIAL STATEMENT

Typesetting revisions to the Preliminary Official Statement as required for one proof of a Final Official Statement consisting of 72 pages, composing 50 sets of one proof, and distributing those proofs (exclusive of messenger charges); printing and binding with staples 10,000 copies of the Final Official Statement on 40-pound white opaque offset paper 8-1/2" by 11" in black ink; and distributing the Final Official Statements (exclusive of shipping and delivery charges) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and separately indicate the Additions to Price for each two pages of additional text, and for each 1,000 additional copies of the final printed document.

III. BOND PURCHASE AGREEMENT

Production of a Bond Purchase Agreement consisting of 28 pages, including one proof; composing and distributing 500 copies of the proof (exclusive of messenger charges); printing 500 copies of the Bond Purchase Agreement on 50-pound white opaque offset paper in black ink; revising the Bond Purchase Agreement to incorporate signatures of the parties and printing and binding with staples 150 copies of the conformed document on 50-pound white opaque offset paper in black ink; and distributing the Bond Purchase Agreement (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and indicate the Additions to Price for each two pages of additional text, and for each 100 additional copies of the final printed document.

IV. BLUE SKY MEMORANDUM

Production of a Bule Sky Memorandum consisting of 10 pages, including one proof; composing 10 sets of that proof for distribution (exclusive of messenger charges); printing and binding with staples 500 copies of the Blue Sky Memorandum on 50-pound white opaque offset paper in black ink;

7 October 1982
Ms. Judith Hamill
Page 3

distributing the Blue Sky Memorandum in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a single aggregate Base Price for all of the above work, and indicate the Additions to Price for each two pages of additional text, and for each 100 additional copies of the final printed document.

V. LEGAL OPINIONS

Printing and stapling additional copies of the following legal opinions, each of the first three as contained in the Bond Purchase Agreement: (1) 100 copies of the opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, consisting of 4 pages, together with a one page reliance opinion; (2) 10,000 copies of a 5-page opinion of Hawkins, Delafield & Wood, Bond Counsel to the Corporation, together with a one-page reliance opinion; (3) 100 copies of a two-page opinion of Bond Counsel; (4) 100 copies of a one-page opinion of Bond Counsel; and (5) 100 copies of the opinion of White & Case, Counsel to the Underwriter, consisting of three pages; distributing each of the above documents (exclusive of shipping and delivery expenses) in accordance with instructions to be furnished by the Corporation and the Underwriters. Please calculate a separate Base Price for each of the above-numbered items.

VI. ADDITIONAL DOCUMENTS

No additional documents shall be included as a part of the work to be performed for the Corporation, unless the Corporation shall duly authorize the printing of additional documents. However, it is anticipated that certain additional documents will be required by the Underwriters in connection with the proposed financing; any and all such additional documents shall be paid for by the Underwriters and not by the Corporation. Accordingly, no price is required to be included in your quotation for any such additional documents.

7 October 1982
Ms. Judith Hamill
Page 4

VII. DISBURSEMENTS

In addition to the work specified in Sections I through V of this letter, you shall furnish and the Corporation shall pay: (1) actual and reasonable disbursements for transportation, refreshments and meals (exclusive of any charges for markup, overhead or profit) for personnel of the parties to the proposed financing and their counsel, during the period in which the printing work is in progress and pertaining to such work; and (2) actual and reasonable freight, postage and other shipping and delivery expenses incurred in distributing the printed documents. While no price quotation is required for such disbursements, you will be required to itemize such expenditures on its invoice to the Corporation, and will be further required to retain all records and receipts related to such expenditures for examination by the Corporation upon request.

VIII. OVERTIME AND ADDITIONAL WORK

1. Overtime. For purposes of calculating the price quotation, it shall be assumed that all of the work called for by these specifications will be completed during weekday daytime shift working hours, on a 24-hour turnaround basis. Any work performed at other times must be duly authorized by the Corporation in advance of the commencement of the work. However, please indicate the working hours of your weekday daytime shift and the approximate percentage additions to your charges for work performed during other shift periods, as well as the basis for any other additional charges for expedited or priority work. Please also state which of those time charge categories applies to work on Monday, October 11, 1982 and Tuesday, October 12, 1982.

2. Additional Work. Any work performed in addition to the work specified in Sections I through V of this letter, and duly authorized and documented overtime as specified in this Section VIII, shall require the advance authorization of the Corporation, and shall be billed on a pro-rata basis in accordance with the price quotations contained in your proposal; except that author's alterations, local messenger deliveries and copying services shall be undertaken as necessary, and billed in accordance with the rates which you include on the price quotation form.

7 October 1982
Ms. Judith Hamill
Page 5

IX. SCHEDULE

The projected schedule for delivering each of the documents in final form is as follows: Preliminary Official Statement -- October 12, 1982; Final Official Statement -- October 14, 1982; Bond Purchase Agreement -- October 14, 1982; Blue Sky Memorandum -- October 14, 1982; Legal Opinions -- October 14, 1982. It is anticipated that printing work on the first proof of the Official Statement will commence October 7, 1982, for distribution on October 8, 1982. This production schedule is tentative and subject to change at the direction of the Corporation, in accordance with the requirements of the proposed financing.

X. PAYMENT

After completion of the work, you shall submit to the Corporation a detailed invoice covering all services rendered to the Corporation in connection with the proposed financing, which invoice shall itemize all additions to and subtractions from the Base Price, as well as all disbursements. Inasmuch as the Corporation is a corporate governmental agency and instrumentality of the State of New York, no sales tax should be charged to the Corporation. The Corporation shall review such invoice and expeditiously process it for payment by the Corporation.

Such invoice shall be subject to auditing by the New York State Department of Audit and Control subsequent to payment. You will be required to maintain and retain written records of sufficient detail to substantiate all charges billed to the Corporation, and to produce such records for examination by the Corporation or the State Comptroller upon request, for a period of three years after final payment for this work.

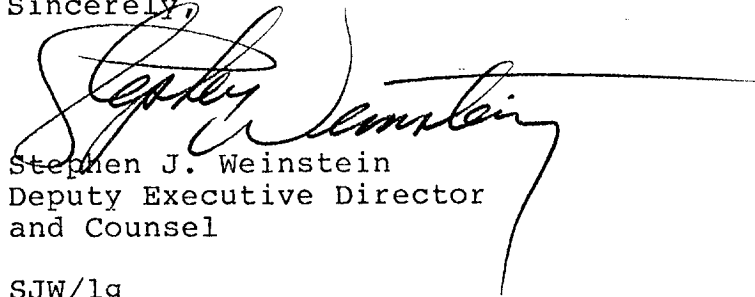
In addition, you will be required to store and maintain all of the type or tapes for each of the documents printed in this transaction for a period of one year after completion of the work without charge to the Corporation.

7 October 1982
Ms. Judith Hamill
Page 6

Please submit your price quotation by the close of business tomorrow.

We look forward to working again with you and your firm.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

Chen

**CERTIFICATE DATED OCTOBER 7, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: *Steven Kantor*
Authorized Officer

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

ALL

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

7 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

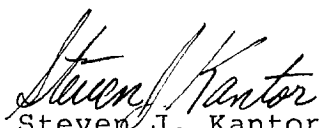
Gentlemen:

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

You were instructed to transfer on October 7, 1982, \$1,149.49 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$820.49 of this amount was used to pay interest on commercial paper coming due and \$329.00 was used to pay principal.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

6 October 1982

Honorable Edward I. Koch, Mayor
ATT: Alair A. Townsend, Director
OFFICE OF MANAGEMENT AND BUDGET
1210 Municipal Building
One Centre Street
New York, New York 10007

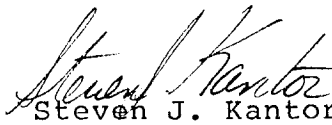
Honorable Edward V. Regan, Comptroller
ATT: Gerald Shrager, Director
Contracts and State Expenditures
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 45 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 October 6, 1982.

Certificate Number 45 relates to the cash needs of the Corporation for fiscal year 1983 with respect to the Series A through Series JJ Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

Enclosures

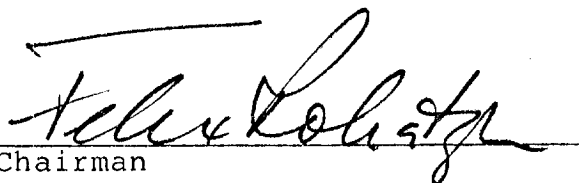
cc: Attached

CERTIFICATE NUMBER 45 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 6th day of October, 1982.


Chairman

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 | \$60,800,000 | 10/12/82 |
| | 62,800,000 | 01/12/83 |
| | 60,100,000 | 04/12/83 |
| | <u>60,100,000</u> | 06/30/83 |
| TOTAL (Fiscal Year 1983) | \$243,800,000 | |
| Operating Fund Under Section 3036 of the Public Authorities Law | \$ 3,000,000 | 10/12/82 |
| | <u>8,000,000</u> | 06/30/83 |
| TOTAL (Fiscal Year 1983) | \$11,000,000 | |

6 October 1982

Certificate Number 45

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

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

6 October 1982

Honorable Edward I. Koch, Mayor
ATT: Alair A. Townsend, Director
OFFICE OF MANAGEMENT AND BUDGET
1210 Municipal Building
One Centre Street
New York, New York 10007

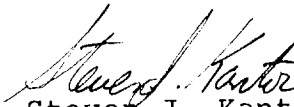
Honorable Edward V. Regan, Comptroller
ATT: Gerald Shrager, Director
Contracts and State Expenditures
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 35 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 October 6, 1982.

Certificate Number 35 relates to the cash needs of the Corporation for fiscal year 1983 with respect to the Series 1 through 39 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

Enclosures

cc: Attached

MEMORANDUM

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 6 October 1982
To: Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
From: Page Two
Re:

cc: Alexandra Altman, Esq.
Mr. John Ciccotelli
Mr. Mike Gibbons
Mr. Martin Ives
Mr. Steve Levine
Lawrence Rempel, Esq.
Donald J. Robinson, Esq.
Mr. Rudy Runko
Ms. Heather L. Ruth
Mr. Pat Santivasci
Allen L. Thomas, Esq.
Stephen J. Weinstein, Esq.

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* | 15,200,000 | 10/12/82 |
| | 155,000,000 | 01/12/83 |
| | 155,000,000 | 04/12/83 |
| | <u>155,000,000</u> | 06/25/83** |
| Total (Fiscal Year 1983) | <u>\$480,200,000</u> | |
| Capital Reserve Aid Fund Under Section 3036-a of the Public Authorities Law, Established Pursuant to the Second General Bond Resolution Adopted November 25, 1975 | \$ 25,700,000 | 06/25/83** |
| Total (Fiscal Year 1983) | <u>\$ 25,700,000</u> | |

NOTES:

* Any payment or payments on October 12, 1982 or January 12, April 12, or June 30, 1983 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 by such dates under Certificate Number 45 of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1983 fiscal year on or before June 25, 1983 are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1983 payments to the Corporation subject and subordinate to the payments referred to in the prior footnote.

6 October 1982

Certificate Number 35

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

HCC

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

6 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 6, 1982, \$17,160.38 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$16,121.88 of this amount was used to pay interest on commercial paper coming due and \$1,038.50 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

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

6 October 1982

Mr. Jerry Dantzic
Jerry Dantzic Photography
910 President Street
Brooklyn, New York 11215

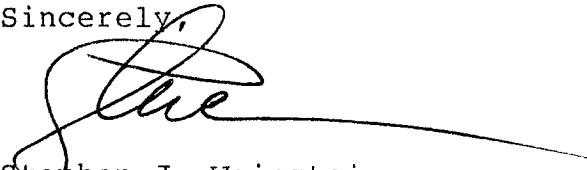
Dear Jerry:

Enclosed are six copies of the Corporation's 1982 Annual Report hot off the press.

I think you'll recognize the photograph.

Thanks very much for a spectacular job.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg

Enclosures (6)

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

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

6 October 1982

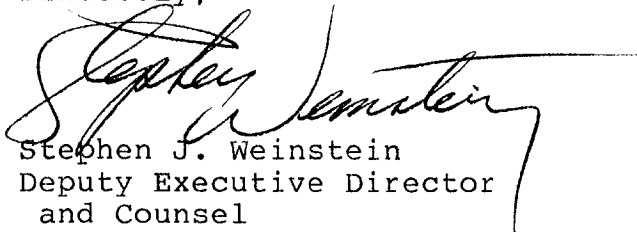
Mr. Richard Schmidt
Building Manager
Rudin Management Co.
80 Pine Street
New York, New York 10005

Dear Mr. Schmidt:

Enclosed are two copies of the Municipal Assistance Corporation's 1982 Annual Report, featuring the photograph which was taken from the roof of 80 Pine Street.

Thank you again for your cooperation.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/lg
Enclosures (2)

Chen

**CERTIFICATE DATED OCTOBER 6, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

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

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

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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, 1982.

Stuart Kantor
(Signature)

Deputy Executive Director at Large
(Title)

C. 100

**CERTIFICATE DATED OCTOBER 6, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

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

HCC

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

5 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

Gentlemen:

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

You were instructed to transfer on October 5, 1982, \$4,603.33 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$4,583.33 of this amount was used to pay interest on commercial paper coming due and \$20.00 was used to pay principal.

Sincerely,


Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

John

**CERTIFICATE DATED OCTOBER 5, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: *[Signature]*
Authorized Officer

clm

**CERTIFICATE DATED OCTOBER 5, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

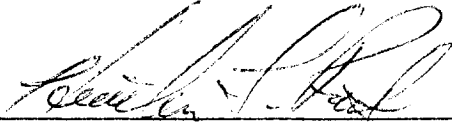
(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition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

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

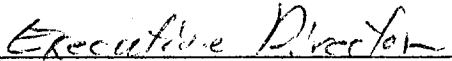
(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of October, 1982.

A handwritten signature in cursive script, appearing to read "Richard A. Ford", written above a horizontal line.

(Signature)

The handwritten title "Executive Director" written in cursive script above a horizontal line.

(Title)

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

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

5 October 1982

Mr. Richard C. Harwood
Woodrow Wilson School of Public
and International Affairs
Princeton University
Princeton, NJ 08544

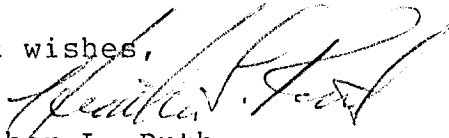
Dear Mr. Harwood:

Thank you for your letter of September 25th raising a veritable raft of financing (and economic development) issues! It is a fascinating topic and not one I am prepared to address in a letter. I am enclosing a copy of Felix's recent testimony on a related subject, in case this particular paper is not one of which you are aware.

As for your questions, of which I am not sure of the best way to approach them. Perhaps we could have a long telephone call. Or, perhaps, you might be able to come to the City for a conversation. In either case, I would be more helpful if you were prepared to narrow the scope somewhat. Is this a general, theoretical set of questions? Or, are you trying to tackle some specific program or policy objective?

I suggest you call my office. My secretary, Denise Dean, should--depending on the certainty of my schedule--arrange a time when I can be available to talk either on the phone or in person.

Best wishes,


Heather L. Ruth
Executive Director

HLR:dd

P.S. Thanks for your nice words about my lecture at the School on September 9th. As I trust you and the others in the audience could tell, it was a great deal of fun for me to have the opportunity to return. H. Ruth

Heather L. Ruth

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

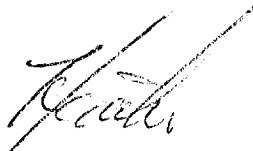
5 October 1982

Ms. Helen Birenbaum
The New York Partnership
30 Rockefeller Center Room 5600
New York, New York 10112

Dear Helen:

Enclosed is a copy of Felix's testimony of
September 15 that you requested. I hope you find
it of interest.

Best wishes,



Heather L. Ruth
Executive Director

HLR:dd
Enclosures

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

HLR

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

4 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

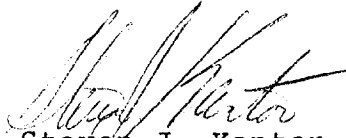
Gentlemen:

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

You were instructed to transfer on October 4, 1982, \$9,751.25 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$9,031.25 of this amount was used to pay interest on commercial paper coming due and \$720.00 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

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

Office of the Treasurer

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

4 October 1982

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
30 West Broadway
New York, New York 10005

Attention: Mr. Edwin F. McMichael
Vice President

Dear Sir:

This is to confirm oral instructions issued to you regarding the transfer of moneys available in the Municipal Assistance Corporation For The City of New York Guaranty Fund (Account No. M95 78).

You were instructed on September 30, 1982 to transfer \$2,024,514.55 to the United States Trust Company of New York Account Number 093793.

The Corporation certifies that the remaining balance on deposit in the Guaranty Fund exceeds the funding level as defined in Section 101(8) of the Resolution establishing the Guaranty Fund as amended June 27, 1979.

Sincerely yours,

Steven J. Kantor

Steven J. Kantor
Treasurer

SJK:bba

cc: Donald T. Regan, Secretary of the Treasury
William J. Lithgow
Rochelle Siegel, Bank of New York
Peter J. Wallison, General Counsel to the Treasurer

10/4/82

**CERTIFICATE DATED OCTOBER 4, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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


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

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

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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of October, 1982.



(Signature)



(Title)

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: October 4, 1982

CONTACT: Denise N. Dean

PUBLIC NOTICE

THERE WILL BE A PUBLIC MEETING OF THE FINANCE COMMITTEE OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, AT 11:00 A.M., WEDNESDAY, OCTOBER 6, AT THE OFFICES OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON, 345 PARK AVENUE, NEW YORK, NEW YORK, CONFERENCE ROOM 2913, TO ESTABLISH THE TERMS AND CONDITIONS OF THE SECOND RESOLUTION SERIES 40 BONDS WHICH WERE AUTHORIZED FOR COMPETITIVE SALE BY THE BOARD OF DIRECTORS AT THEIR ANNUAL MEETING OF SEPTEMBER 30, 1982.

#

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 October 1982


Mr. Kenneth J. Bialkin
Willkie, Farr & Gallagher
153 East 53 Street
New York, NY 10022

Dear Ken:

I just read the article about you in The National Law Journal. Very impressive! And also an honor to be so featured.

I am sorry you were unable to make the Corporation's Board meeting before we adjourned but appreciate your getting back to me the night before for a general briefing on our financing plans. I suspect I will be in touch with you this week about the authorized bond sale or commercial paper or both, as Citibank has made a proposal (Thursday night) for the full additional \$150 million and the Finance Committee is unanimous in its recommendation to accept the offer.

In the meantime, best wishes,


Heather L. Ruth
Executive Director

HLR:dnd

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

HCK

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

1 October 1982

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

Attention: Malcolm J. Hood
Senior Vice President

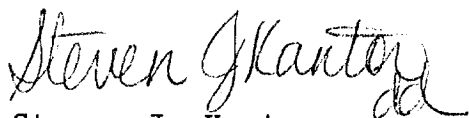
Gentlemen:

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

You were instructed to transfer on October 1, 1982, \$11,936.75 from the Corporation's Special Account 093793 to the Corporation's Payment Account #3889-3641 at Citibank, N.A.

For our information, \$11,281.25 of this amount was used to pay interest on commercial paper coming due and \$655.50 was used to pay principal.

Sincerely,



Steven J. Kantor
Deputy Executive Director
and Treasurer

SJK:dnd

cc: Fran Higgins
Bill Jennings
Administrative Files

07/100

**CERTIFICATE DATED OCTOBER 1, 1982
OF THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
TO THE FIRST BOSTON CORPORATION AS REPRESENTATIVE
OF THE DEALERS UNDER AGREEMENT DATED AS OF JUNE 3, 1982
REGARDING THE SALES OF TAX-EXEMPT COMMERCIAL PAPER**

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

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

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

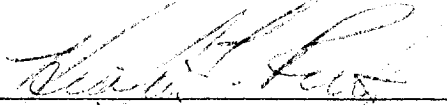
(c) that the Corporation is not aware, from any source (which sources include, but are not limited to the Director of Budget of the State, the Commissioner of Taxation and Finance of the State, the Mayor of the City, and the Comptroller of the City), of any material adverse change in the financial condition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

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

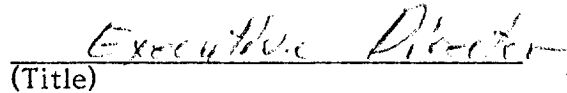
(e) that the Corporation is not issuing TECP in violation of any agreement, including the Revolving Credit and Term Loan Agreement dated as of June 3, 1982, between the Corporation and Citibank, N.A., (the "Bank Agreement"), that no event of default or event which, with notice or with the passage of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

and that Citibank, N.A., has not informed the Corporation of the existence of an extraordinary situation (as defined in the Bank Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of October, 1982.

A handwritten signature in cursive script, appearing to read "W. H. F. Co.", written over a horizontal line.

(Signature)

The handwritten title "Executive Director" written in cursive script over a horizontal line.

(Title)

10/1/82

**CERTIFICATE DATED OCTOBER 1, 1982, OF THE
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
RESPONSIVE TO CP NOTE RESOLUTION**

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

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

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

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

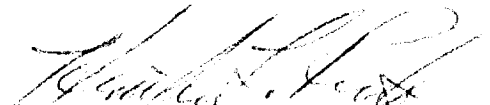
4. No Event of Default under the Resolution has occurred and is continuing as of the date hereof.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of October, 1982.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

By: 
Authorized Officer

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 1982

Dean John C. Burton
Columbia University
Graduate School of Business
625 Uris Hall
New York, NY 10027

Dear Sandy:

I am grateful that, despite your hectic schedule, you will be able to come to my class on the evening of Tuesday, October 19 (5:00 - 6:50). If anything should prevent it at the last minute, I will stand prepared to be the instructor. At the same time, as I also have made clear to the students, this is a session at which I very much look forward to the opportunity of joining them facing your side of the room!

I am tentatively scheduled to meet with you at your office at 11:30 a.m. on Thursday, October 7, to talk about that class. In the meantime, I am enclosing a copy of my up-to-date syllabus, as well as a set of the hypotheticals that are assigned, the latter, principally for your entertainment. (The hypotheticals do not, incidentally, explicitly deal with any financial reporting or accounting issues and, therefore, need not be perused in relation to your session.)

As you will see, the syllabus is very similar to yours, though reordered. The October 19th session is the last one before the midterm. Thus, 15 to 20 minutes at the beginning of class will inevitably deal with questions about the midterm and accompanying hypotheticals which will be due. The earliest you would need to arrive is therefore 5:15. In addition, you may choose to come later if this is helpful to you.

From the critical perspective of content, you will note from the syllabus that I have allocated three sessions to a combination of fund accounting and financial reporting, of which your session is the third and last. Due to some "crowding" by the capital budget, the effective time will be about 2 1/2 sessions. By October 19th, I think it is safe to assume that we will have dealt with some of the mechanics and objectives of financial reporting (e.g., I

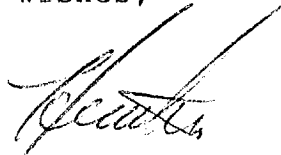
1 October 1982
Mr. John C. Burton
Page Two

would say, the objectives of clarity and credibility). But the students are not likely yet to have been introduced in class to any of the theoretical issues or the practical choices. Your selection of which are the most important of those issues to address in a short 1 1/2+ session will be as valuable as your treatment of them.

If, for any reason, our tentatively scheduled meeting next Thursday proves difficult, do not hesitate to cancel. Perhaps we could, if necessary, accomplish the same thing on the telephone.

In any case, thanks once more for your willingness to help!

Best wishes,



Heather L. Ruth

HLR:dnd
Enclosure

cc: Lalla Grimes (letter)