

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
1285 AVENUE OF THE AMERICAS NEW YORK, NEW YORK 10019-6064

DATE August 27, 1990

MEMORANDUM

To Maxine H. Gillman

From Saul H. Finkelstein

Subject

Enclosed please find our opinion letter with
respect to the 1978 Bond Purchase Agreement.

S.H.F.

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BY HAND

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*NOT ADMITTED TO NEW YORK BAR.
**CONSEIL JURIDIQUE IN FRANCE ONLY.

August 24, 1990

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

Gentlemen:

You have asked us to advise you whether the provisions of Section 4.3 of the Bond Purchase Agreement, dated as of November 15, 1978 (the "Agreement"), among the Municipal Assistance Corporation For The City of New York (the "Corporation") and each of the several commercial banks, savings banks and insurance companies and the New York City Pension Fund, listed on Schedule I thereto (collectively, the "Purchasers"), are in effect at this date so as to preclude the Corporation from issuing bonds other than under the Corporation's General Bond Resolution adopted July 2, 1975, as supplemented and amended (the "First

Municipal Assistance Corporation
For The City of New York

2

General Bond Resolution"), or the Corporation's Second General Bond Resolution adopted November 25, 1975, as supplemented and amended (the "Second General Bond Resolution").

In this connection, we have reviewed the Agreement, the Second General Bond Resolution and such other matters of law and fact as we have deemed necessary in order to form the opinion expressed herein. In rendering the opinion expressed herein, we have also assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or conformed copies and the legal capacity of all natural persons executing such documents. In rendering the opinion expressed herein, we have also assumed that the Corporation's bonds purchased by the Purchasers pursuant to the Agreement (the "Bonds") have been defeased in accordance with Section 1401 of the Second General Bond Resolution and that there are no other amounts due under the Agreement.

The Corporation's covenant contained in Section 4.3 of the Agreement remains in effect, as provided in Section 4 of the Agreement, "during the term of this Agreement." Section 5.15 of the Agreement provides that

Municipal Assistance Corporation
For The City of New York

3

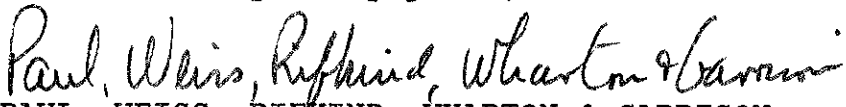
"[t]he term of this Agreement shall be from the date hereof until the principal of and premium, if any, and interest on the Bonds and all other amounts due hereunder are paid in full or duly provided for."

Based upon the foregoing, in our opinion, the Agreement, including the provisions of Section 4.3 of the Agreement, is no longer in effect and does not preclude the Corporation from now issuing bonds other than under the First General Bond Resolution or the Second General Bond Resolution.

We are members of the Bar of the State of New York and do not purport to be experts in, or to render any opinion with respect to, the laws of any other state or jurisdiction, other than the laws of the State of New York and the Federal laws of the United States of America.

This opinion is solely for the benefit of the Corporation and is not to be used, circulated, quoted, otherwise referred to for any other purpose or relied upon by any person other than the Corporation without our prior consent.

Very truly yours,


PAUL, WEISS, RIFKIND, WHARTON & GARRISON