

State of New York }  
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document filed by the Department of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

September 23, 2004



A handwritten signature in black ink, appearing to read "John A. ...", is written over the printed title "Secretary of State".

Secretary of State

F 040922000

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CERTIFICATE OF INCORPORATION  
OF  
FISCAL YEAR 2005 SECURITIZATION CORPORATION

A Not-For-Profit Local Development Corporation  
under Section 1411 of the Not-For-Profit  
Corporation Law of the State of New York

**THE UNDERSIGNED**, being over the age of eighteen years and the Director of Management and Budget of The City of New York, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation shall be Fiscal Year 2005 Securitization Corporation (hereinafter referred to as the "Corporation").

SECOND: The Corporation will be a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and, as provided in Section 1411 of the Not-For-Profit Corporation Law, will be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law. The Corporation will be a local development corporation pursuant to Section 1411 of the Not-For-Profit Corporation Law.

THIRD: The purpose for which the Corporation is to be formed and operated, exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is to lessen the burdens of government for the City of New York (the "City") and to act in the public interest through the issuance of obligations which will retire City bonds and result in additional funds for the City. In furtherance of said purposes, the Corporation shall have the power to engage in the following activities (subject to

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such restrictions and limitations as may be imposed on local development corporations by Section 1411 of the Not-for-Profit Corporation Law or by any other applicable law):

(a) To issue and sell one or more series or classes of bonds, notes and other obligations (the "Obligations") through public letting, private placement, or negotiated underwriting to directly or indirectly finance the retirement of certain general obligation bonds of the City, to provide additional funds to the City, to pay the cost of issuance of the Obligations and to pay (or fund a reserve for the payment of) operating expenses of the Corporation;

(b) To issue and sell one or more series or classes of bonds, notes and other obligations through public letting, private placement, or negotiated underwriting for the purpose of refunding the Obligations and any subsequent indebtedness issued to refund prior indebtedness (the "Refunding Obligations");

(c) To engage the services of one or more underwriters, placement agents, consultants, attorneys, financial advisors, trustees, accountants, fiscal agents, escrow agents and other persons or entities whose services shall be necessary or desirable in connection with the financings referred to above; and

(d) In general, to perform any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation; provided, however, that neither the performance of any such act or thing nor the exercise of any such power shall conflict with any of the specific purposes set forth in this paragraph THIRD.

FOURTH: The activities referred to in paragraph THIRD above will achieve the lawful public purpose of lessening the burdens of government, the carrying out of such purpose and the exercise of the powers conferred on the Corporation herein being the performance of an essential governmental function, because the retirement of the City's general obligation bonds will generate additional funds which will finance expenses of the City.

FIFTH: The operations of the Corporation will be principally conducted within the territory of the City. Notwithstanding any other provision of this Certificate of Incorporation, the bylaws and any provision of law, so long as any Obligations or Refunding Obligations remain outstanding, the Corporation shall not do any of the following:

(a) engage in any business or activity other than as set forth in paragraph THIRD hereof;

(b) without the affirmative vote of all the members of the Board of Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director (as defined in paragraph ELEVENTH below)) and all of the Corporation's members, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any

corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph;

(c) without the affirmative vote of all of the members of the Board of Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director) and all of the Corporation's members, merge or consolidate with any other corporation, company or entity or sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity; or

(d) incur or assume any indebtedness for borrowed money other than as set forth in paragraph THIRD hereof.

When voting on whether the Corporation will take any action described in paragraph (b) above, each Director shall owe his or her primary fiduciary duty or other obligation to the Corporation and not to the members of the Corporation (except as may specifically be required by the Not-For-Profit Corporation Law). Every Director of the Corporation shall be deemed to have consented to the foregoing by virtue of such Director's appointment as a Director of the Corporation.

SIXTH: Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law:

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes or accrue and be paid to the New York Job Development Authority.

(b) The property of the Corporation is irrevocably dedicated to charitable purposes. No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to, any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of paragraph (g) of Section 1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans.

SEVENTH: (a) The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate in or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(c) The Corporation shall not accept a mortgage loan or loans from the New York Job Development Authority.

EIGHTH: In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all of the remaining assets and property of the Corporation to the City. Any of such assets not so disposed of shall be disposed of by order of

the Supreme Court of the State of New York pursuant to Section 1008 of the Not-For-Profit Corporation Law.

NINTH: The office of the Corporation shall be located in the County of New York in the State of New York and such office shall be functionally separate from those of any member of the City Group (as defined in paragraph ELEVENTH below) (although such office may be in a facility leased from a member of the City Group on arms'-length terms) and if shared the Corporation shall pay a fair allocation of rent. The Corporation at all times during which Obligations or Refunding Obligations are outstanding shall:

(a) maintain separate accounting records and other corporate records from those of each member of the City Group;

(b) not divert the Corporation's funds to any other person or for other than the use of the Corporation and not commingle any of the Corporation's assets with those of any member of the City Group or any other entity;

(c) pay any employee, consultant or agent of the Corporation, or any other operating expense incurred by the Corporation, from the assets of the Corporation and not from the assets of any member of the City Group;

(d) maintain its own deposit account or accounts, separate from those of any member of the City Group or any other entity, with commercial banking institutions;

(e) to the extent that the Corporation contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other person, the costs incurred in so doing shall be fairly allocated to or among the Corporation

and such persons for whose benefit the goods and services are provided, and the Corporation and each such person shall bear its fair share of such costs;

(f) conduct its business in its own name and conduct all material transactions between the Corporation and any member of the City Group or any other entity only on an arm's-length basis;

(g) observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special members' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, intercompany transaction accounts. Regular members' and directors' meetings shall be held at least annually;

(h) ensure that decisions with respect to its business and daily operations shall be independently made by the Corporation (although the officer making any particular decision also may be an employee, officer or director of a member of the City Group);

(i) act solely in its own corporate name and through its own authorized officers and agents, and use its own stationery;

(j) ensure that no member of the City Group will commit itself to supply funds to, or will guarantee debts of, the Corporation, provided, however, that the Corporation may incur indebtedness to a member or members of the City Group for purposes of paying or refinancing operating expenses;

(k) other than organizational expenses and as expressly provided herein, pay all expenses, indebtedness and other obligations incurred by it;

(l) not enter into any guaranty, or otherwise become liable, with respect to any obligation of any member of the City Group;

(m) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principles and be audited annually and be issued separately from, although they may be consolidated with, any reports prepared for any member of the City Group;

(n) ensure that at all times it shall have adequate capitalization to meet its obligations with respect to the transactions contemplated herein as they become due; and

(o) permit the City to inspect the books and records of the Corporation.

TENTH: There shall be three Members of the Corporation consisting of the Director of Management and Budget of the City, the Comptroller of the City and the Corporation Counsel of the City. Such Members shall be divided into three classes, with each individual Member comprising a class. Each class shall constitute a separate section entitled to elect or appoint one Director and an alternate Director for such Director. Such election or appointment may be in reference to an office, in which case the Director so elected or appointed shall serve ex-officio. In the absence of a Director from a meeting of the Board of Directors, his or her alternate may, upon written notice to the Secretary of the Corporation, attend such meeting and exercise therein the rights, powers and privileges of the absent Director.

ELEVENTH: The Corporation shall be managed by a Board of Directors consisting of three directors, and prior to the first meeting of the Board of Directors requiring the vote of the Independent Director (hereinafter defined) and at all times thereafter (except as noted hereafter in the event of death, incapacity, resignation or removal), one Director of the Corporation appointed by the Mayor (the "Independent Director"), who is not, and has not been for a period of five years prior to his or her appointment as an Independent Director (i) a customer, supplier or advisor of the City; (ii) an official, member, stockholder, director, officer, employee, agent or affiliate of the City or any of its affiliated entities (other than the Corporation) (the City and its affiliated entities other than the Corporation being referred to in this Certificate of Incorporation as the "City Group"); (iii) a person related to any person referred to in clause (i) or (ii); or (iv) a trustee, conservator or receiver for any member of the City Group. In the event of the death, incapacity, resignation or removal of the Independent Director, the Mayor promptly shall appoint a replacement Independent Director. The Board of Directors shall not vote on any matter requiring the vote of the Independent Director under this Certificate of Incorporation unless and until the Independent Director is then serving on the Board. The Directors other than the Independent Director may be elected or appointed by the members as provided in paragraph TENTH; provided, however, that if no such election or appointment occurs each member will be deemed to have elected himself or herself. The term "Director" (but not "Independent Director") as used herein shall include an alternate Director as provided in paragraph TENTH. Each of the Directors who is also an official of the City shall serve so long as such Director continues to be an official of the City or until the earlier election or appointment of a Director to serve in such Director's stead by a membership class of the Corporation as

provided in paragraph TENTH. The Independent Director shall serve for the term of office provided in the by-laws of the Corporation and may be removed by the Mayor with cause.

TWELFTH: The names, public offices and addresses of the initial Directors of the Corporation who are officials of the City will be as follows:

<u>Name</u>	<u>Public Office</u>	<u>Address</u>
Mark Page	Director of Management and Budget of the City	75 Park Place New York, NY 10007
William C. Thompson, Jr.	Comptroller of the City	One Centre Street New York, NY 10007
Michael A. Cardozo	Corporation Counsel of the City	100 Church Street New York, NY 10007

The Mayor shall select the Independent Director prior to the first meeting of the Board of Directors requiring the vote of the Independent Director.

THIRTEENTH: The duration of the Corporation shall be perpetual.

FOURTEENTH: The Corporation shall indemnify each member, each Director, each officer and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law.

FIFTEENTH: The Secretary of New York State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him

or her is as follows: Fiscal Year 2005 Securitization Corporation, 75 Park Place, New York, New York 10007.

SIXTEENTH: The by-laws of the Corporation may be adopted, amended or repealed by a majority of the Directors of the Corporation.

SEVENTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in any manner now or hereafter provided herein or by statute; provided, however, that so long as any Obligations or Refunding Obligations remain outstanding, the Corporation shall not amend, alter, change or repeal any provision of paragraphs THIRD, FIFTH, NINTH and SEVENTEENTH or the definition of Independent Director contained in paragraph ELEVENTH of this Certificate of Incorporation (the "Restricted Provisions") without the affirmative vote of all of the members of the Board of Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director) and the holders of 100% of each class of the Corporation's membership interest; and provided, further, that so long as any Obligations or Refunding Obligations remain outstanding, the Corporation shall not amend or change any provision of any Article other than the Restricted Provisions so as to be inconsistent with the Restricted Provisions.

IN WITNESS WHEREOF, this certificate has been subscribed this 20<sup>th</sup> day of  
September, 2004 by the undersigned.

  
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Mark Page, Incorporator  
Director of Management and Budget  
of the City of New York  
75 Park Place  
New York, NY 10007

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CERTIFICATE OF INCORPORATION

OF

FISCAL YEAR 2005 SECURITIZATION CORPORATION

(Under Section 1411 of the Not-For-Profit Corporation Law  
of the State of New York)

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*Typed*

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STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED SEP 22 2004  
TAX \$ \_\_\_\_\_  
BY: *SAC*

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Filed by: Kathy Blyn  
Assistant Corporation Counsel  
Municipal Finance Division  
New York City Law Department  
100 Church Street  
New York, New York 10007

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