

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*

**August 07, 2003**



*Secretary of State*

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**CERTIFICATE OF INCORPORATION  
OF  
SALES TAX ASSET RECEIVABLE 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 Sales Tax Asset Receivable 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. In furtherance of said purposes, the Corporation shall have the power to engage in the following activities (subject to such

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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 receive annual payments pursuant to Section 3238-a of the New York Public Authorities Law, subject to assignment of such payments to the Corporation by the City in accordance with such section;

(b) 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 be secured by the payments referred to in subparagraph (a) above or as otherwise provided for by the Corporation;

(c) To transfer all or any portion of the net proceeds of the Obligations: (i) to the Municipal Assistance Corporation For the City of New York (the "Municipal Assistance Corporation"), or such other entity deemed appropriate by the Corporation (A) to provide for payment of all or a portion of outstanding bonds of the Municipal Assistance Corporation, and (B) to provide for payment of all or a portion of bonds of the City purchased from the City by the Municipal Assistance Corporation with the proceeds of bonds issued and sold by the Municipal Assistance Corporation; and (ii) to the extent not so transferred, to the City for any lawful purpose;

(d) To retain a portion of the net proceeds of the Obligations to fund a reserve fund or funds and to pay accrued and capitalized interest on the Obligations;

(e) To transfer (i) any portion of the annual payments referred to in subparagraph (a) above not needed to pay debt service on and other payments on account of the

Obligations and expenses of the Corporation and (ii) proceeds not required or used for the activities set forth in clause (i) of subparagraph (c) above to the City for any lawful purpose;

(f) To engage the services of one or more underwriters, placement agents, consultants, attorneys, financial advisors, trustees, fiscal agents, escrow agents and other persons or entities whose services shall be necessary or desirable in connection with the receipt of funds, the issuance of bonds and the use of the proceeds of the bonds as referred to above; and

(g) 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 payment of the bonds of the Municipal Assistance Corporation will result in the receipt by the City of tax revenues that would otherwise be paid to the Municipal Assistance Corporation for the payment of debt service on its bonds, and, if such bonds are not paid, the transfer to the City of any portion of the net proceeds of the Obligations for use for any lawful purpose will provide revenues to the City over and above revenues currently available to the City. Such activities will contribute to the City's ability to maintain a balanced budget and are critical to the fiscal integrity of the City, thus

achieving the aforesaid purpose of lessening the burdens of government of the City and the performance of an essential governmental function.

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 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

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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 shall:

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

(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) 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;

(d) subject to the limitations of paragraph SIXTH above, 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;

(e) 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;

(f) observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special members' and directors' meetings

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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;

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

(h) ensure that no member of the City Group will guarantee debts of the Corporation;

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

(j) 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; and

(k) 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.

TENTH: There shall be six Members of the Corporation consisting of the Director of Management and Budget of the City, the Comptroller of the City, the Speaker of the City Council, the Commissioner of Finance of the City, the Director of the Mayor's Office of Operations and the Corporation Counsel of the City. Such Members shall be divided into six

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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 six 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

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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 office and addresses of the initial Directors of the Corporation who are officials of the City will be as follows:

<u>Names</u>	<u>Public Office</u>	<u>Address</u>
Mark Page	Director of Management and Budget of the City	75 Park Place New York, NY
William C. Thompson, Jr.	Comptroller of the City	One Centre Street New York, NY
A. Gifford Miller	Speaker of the City Council	City Hall New York, NY
Martha E. Stark	Commissioner of Finance of the City	One Centre Street New York, NY
Susan L. Kupferman	Director of the Mayor's Office of Operations	40 Worth Street New York, NY
Michael A. Cardozo	Corporation Counsel of the of the City	100 Church Street New York, NY

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: Sales Tax Asset Receivable 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; provided, however, that so long as any Obligations are outstanding paragraph THIRD, subparagraphs (b), (c) and (d) of paragraph FIFTH and paragraph NINTH of this Certificate of Incorporation may not be changed or repealed.

SEVENTEENTH: Any fees and expenses of the Corporation incurred to engage the services described in subparagraph (d) of paragraph THIRD above, any costs or expenses incurred pursuant to subparagraph (d) of paragraph NINTH above, and any indemnification payments pursuant to paragraph FOURTEENTH above shall be deemed "operating expenses" as defined in the indenture pursuant to which any Obligations shall be issued and shall be subject to the conditions applicable to "operating expenses" set forth therein.

EIGHTEENTH: 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 remain outstanding, the Corporation shall not amend, alter, change or repeal any provision of paragraphs THIRD, FIFTH, NINTH AND EIGHTEENTH of this Certificate of Incorporation (the "Restricted Articles") 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 the Corporation shall not amend or change any provision of any Article other than the Restricted Articles so as to be inconsistent with the Restricted Articles.

IN WITNESS WHEREOF, this certificate has been subscribed this 5th day of August,  
2003 by the undersigned.

  
Mark Page  
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**

**SALES TAX ASSET RECEIVABLE CORPORATION**

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

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STATE OF NEW YORK  
DEPARTMENT OF STATE

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BY: JW

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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