§ 42. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Cooperative investment agreement" shall mean the temporary investment of moneys by more than one municipal corporation pursuant to a municipal cooperation agreement entered into in accordance with the provisions of article five-G of this chapter and this article. Such term, however, shall not include investments made pursuant to a municipal cooperation agreement that: (a) has as its primary purpose the performance of a function, power or duty, or the provision of a joint service, other than the investment of funds, provided that the only moneys invested pursuant to such an agreement are those reasonably necessary to perform such other function, power or duty or provide such other joint service; or (b) identifies the specific investments to be made thereunder and provides for the termination of the agreement upon the sale, redemption or maturity of such investments.

2. "Irrevocable letter of credit" shall mean an irrevocable letter of credit issued in favor of every participant in the agreement by a bank whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories (based on the credit of such bank or holding company) by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

3. "Market value" shall mean market prices obtained from a nationally recognized security pricing service or from a minimum of three primary reporting dealers in government securities as determined by the federal reserve bank.

4. "Municipal corporation" shall have the same meaning as in section one hundred nineteen-n of this chapter.

5. "Participant" shall mean each municipal corporation that enters

into a cooperative investment agreement in accordance with the provisions of this article.