

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

February 26, 2010

A meeting of the Audit Committee (the "Committee") of the Sales Tax Asset Receivable Corporation (the "Corporation") was held on February 26, 2010 at approximately 3:35 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following directors were represented by their alternates:

- John Liu., Comptroller of the City of New York (the "City"), represented by Michael Stern
- Christine Quinn, Speaker of the City Council, represented by Raymond Majewski
- Michael Cardozo, Corporation Counsel of the City, represented by Albert Moncure, Jr.
- Jeffrey Kay, Director of the Mayor's Office of Operations, represented by George Davis, III

A quorum of directors was present. Uyen Nguyen served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on September 24, 2009. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation has reviewed the minutes of the Audit Committee meeting held on September 24, 2009; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 24, 2009 be, and they hereby are, approved.

Election of Committee Chair

The second item on the agenda was the election of a new Chair for the Committee. A motion was made to adopt the resolution set forth below selecting Michael Stern to act as the Committee's Chair. The motion was seconded and, there being no objection, approved.

WHEREAS, George Davis III has resigned as Chair of the Audit Committee of the Board of Directors of the Sales Tax Asset Receivable Corporation; and

WHEREAS, the Audit Committee believes it is in the best interest of the Audit Committee to have a chair and to select Michael Stern for such position; it is therefore

RESOLVED, the Audit Committee hereby selects Michael Stern to act as Chair of the Audit Committee.

Review and Acceptance of Management Letter

The third item on the agenda was the review and acceptance of the management letter from the Corporation's independent auditors, KPMG LLP ("KPMG"). Mr. Robert Balducci, the Corporation's Assistant Comptroller, briefly summarized the contents of the letter, informing the Committee that the auditors found no deficiencies with the Corporation's internal controls.

Evaluation of Independent Auditors

The fourth item on the agenda was the evaluation of the Corporation's independent auditors. Mr. Stern asked the representatives of KPMG to leave the room. Mr. Stern explained that management has expressed their satisfaction with KPMG. A motion was made to adopt the resolution set forth below stating that the Audit Committee found the independent auditor's performance to be satisfactory. The motion was seconded and, there being no objection, approved.

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation (the "Corporation") is authorized under Section III(c) of the Audit Committee Charter, to evaluate the Corporation's independent auditors; and

WHEREAS, the Corporation, as authorized by the Board of Directors, previously retained the firm of KPMG for such firm to serve as independent auditors for the Corporation's financial statements for the fiscal years ending on June 30, 2009, 2010 and 2011; and

WHEREAS, the Officers of the Corporation have expressed their satisfaction with the independent auditors; it is hereby

RESOLVED, that pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors and found their performance to be satisfactory.

Review of Annual Agency Financial Integrity Compliance Statement

The fifth item on the agenda was the review of the annual Financial Integrity Compliance Statement. Mr. Balducci explained that pursuant to Section 6.1(5) of Directive 22 of the Office of the Comptroller of the City ("Directive 22"), the Committee must review the Corporation's annual Financial Integrity Statement which is completed pursuant to Directive 1 of the Office of the Comptroller of the City. Mr. Balducci briefly summarized the statement. A motion was made to adopt the resolution set forth below. The motion was seconded and, there being no objection, approved.

WHEREAS, pursuant to section 6.1(5) of Directive 22 of the Office of the Comptroller of the City of New York (the “Comptroller”), the Audit Committee of the Sales Tax Asset Receivable Corporation (the “Corporation”) is required to review and evaluate the annual Financial Integrity Statements as required by Section 7.0 of Directive 22 and the Comptroller’s Directive 1; and

WHEREAS, the Audit Committee of the Corporation has reviewed and evaluated the Corporation’s draft Financial Integrity Statements; it is hereby

RESOLVED, that the Audit Committee finds the Corporation’s Financial Integrity Statements to be satisfactory and complete and authorizes the Corporation’s Comptroller to approve any necessary changes before the Statements are submitted.

Annual Self-Evaluation and Review of Annual Report of the Audit Committee

The sixth item on the agenda was the Committee’s annual self-evaluation and the approval of the Committee’s Annual Report. Mr. Stern referred the Committee to the attached report, which contains a summary of the Committee’s actions during calendar year 2009. Mr. Stern informed the Committee that the Committee’s Annual Report will be submitted to the Office of the Comptroller of the City as required by Section 6.3 of Directive 22. A motion was made to adopt the resolution set forth below. The motion was seconded and, there being no objection, approved.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Sales Tax Asset Receivable Corporation, copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Annual Review and Approval of the Audit Committee Charter and Charter Schedule

The seventh item on the agenda was the annual review and approval of the Committee’s Charter and Charter Schedule. Mr. Stern summarized the changes made to the Charter Schedule. A

motion was made to adopt the resolution set forth below approving the Committee's Charter and Charter Schedule. The motion was seconded and, there being no objection, approved.

WHEREAS, the Board of Directors (the "Board") of the Sales Tax Asset Receivable Corporation (the "Corporation") originally adopted an Audit Committee Charter on October 4, 2007 and has subsequently amended it; and

WHEREAS, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Corporation is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Corporation; and

WHEREAS, pursuant to the Audit Committee Charter, section III(u), the Audit Committee of the Corporation is required to develop a schedule of dates by which the requirements of the Charter shall be carried out; and

WHEREAS, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and the Audit Committee Schedule, as amended and attached hereto, and finds them to be reasonable and appropriate; it is hereby

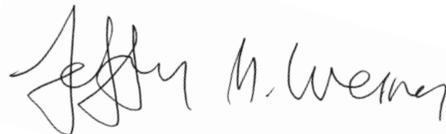
RESOLVED, that the Audit Committee hereby approves the Audit Committee Charter as adopted and subsequently amended, and further, approves the Audit Committee Schedule as attached.

Annual Review of Internal Controls

The last item on the agenda was the annual review of the Internal Controls of the Corporation. Mr. Balducci explained that no change were made to the Corporation's Policies and Procedures Manual regarding Internal Controls since the last Committee meeting.

Adjournment

There being no further business to come before the Committee, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.



ASSISTANT SECRETARY