

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

May 2, 2011

A meeting of the Board of Directors (the “Board”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on May 2, 2011 at approximately 2:50 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following director was present in person:

- Mark Page, Director of Management and Budget of The City of New York (the “City”)

The following directors were represented by their alternates:

- John Liu, Comptroller of the City, represented by Michael Stern
- Christine Quinn, Speaker of the City Council, represented by Raymond Majewski
- David Frankel, Commissioner of Finance of the City, represented by John Sarich
- Elizabeth Weinstein, 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.

The meeting was called to order by Mr. Page.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board held on March 4, 2011. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

WHEREAS, the Board of Directors of the Sales Tax Asset Receivable Corporation has reviewed the minutes of its meeting held on March 4, 2011; it is therefore

RESOLVED, that the minutes of the meeting of March 4, 2011 be, and they hereby are, approved.

Expansion of Governance and Audit Committees

The second item on the agenda was the proposed expansion of the Governance and Audit Committees. Mr. Page explained that the proposed resolution expands the membership of the Governance and Audit Committees to include all the members of the Board of Directors.

Mr. Majewski, on behalf of Speaker of the City Council, expressed his belief that committees with a different composition than that of the Board would be beneficial to the Corporation. The Speaker will vote no on this matter.

Mr. Stern, on behalf of the Comptroller of the City, expressed his belief that the representation of the Comptroller's Office in the Committees would be diluted by this resolution. The Comptroller will vote against the approval of this resolution. A brief discussion ensued.

A motion was made to approve the resolution set forth below. Those in favor: Mr. Page, Mr. Sarich, and Mr. Davis. Those opposed: Mr. Majewski and Mr. Stern. The motion was seconded and the following resolution was approved by majority vote:

WHEREAS, pursuant to the Public Authorities Law (the "PAL"), the Board of Directors (the "Board") of the Sales Tax Asset Receivable Corporation (the "Corporation") previously established an Audit Committee and a Governance Committee; and

WHEREAS, it is in the interests of the Corporation to expand the membership of the Audit Committee and the Governance Committee to include the Director of Management and Budget of the City of New York (the "City"); it is hereby

RESOLVED that the memberships of each of the Audit Committee and Governance Committee of the Board shall be comprised of the following Directors:

- (1) Director of Management and Budget of the City;
- (2) Comptroller of the City;
- (3) Speaker of the City Council;
- (4) Corporation Counsel of the City;
- (5) Commissioner of Finance of the City; and
- (6) Director of the Mayor's Office of Operations

FURTHER RESOLVED that each Committee's Charter shall be amended to reflect the above change in membership.

Approval of Budget

The third item on the agenda was the proposed approval of the budget of the Corporation. Mr. Page explained that the Public Authorities Law requires the Corporation to submit budget information annually to City and State officials. A brief discussion ensued. A motion was made to approve the resolution set forth below approving the budget. The motion was seconded and, there being no objections, approved.

WHEREAS, the Sales Tax Asset Receivable Corporation (the "Corporation"), pursuant to Section 2801(2) of the Public Authorities Law (the "PAL"), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the

Authorities Budget Office, at least sixty days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

WHEREAS, the Corporation is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

WHEREAS, the Board of Directors of the Corporation has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

RESOLVED, that the Board of Directors of the Corporation approves the budget information and financial plan as attached hereto.

Approval of Directors' and Officers' Insurance Contracts

The fourth item on the agenda was the proposed approval of the Directors' and Officers' Liability Insurance Broker Contract. Mr. Page explained that the proposed resolution provides for the procurement of insurance that would provide coverage for the period starting May 25, 2011 through May 24, 2012 and the annual premium will not exceed \$180,000. However, Mr. Page further explained that the expectation is that the insurance will not cost more than it did last year. Currently, the Corporation is soliciting bids and expects to purchase the insurance from the same company as last year, which was Wells Fargo Insurance Services.

For the record, Mr. Majewski stated that his brother is an account executive with Wells Fargo. Mr. Majewski stated that he received no benefit from this transaction. He informed the Board that the City's Conflict of Interest Board (COIB) has determined that he would be eligible to vote on this matter. A motion was made to approve the resolution set forth below approving the procurement of Directors' and Officers' Liability Insurance. The motion was seconded and, there being no objection, approved.

WHEREAS, despite their diligence and good faith, directors and officers of the Sales Tax Asset Receivable Corporation (the "Corporation") may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation; and

WHEREAS, Article VI of the Bylaws of the Corporation provides that the Corporation shall indemnify each member, director and officer, to the fullest extent permitted by law; and

WHEREAS, Directors' and Officers' Liability Insurance is a prudent supplement to such indemnification; it is therefore

RESOLVED, that the Corporation hereby approves the procurement of Directors' and Officers' Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. from Allied World Assurance Company, Inc. ("AWAC"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual") and Arch Insurance Group, Inc. ("Arch" and together with AWAC, Zurich, and Liberty Mutual, the "Insurers"), or such other substitute insurers as the President shall determine, providing coverage for the period from May 25, 2011 through May 24, 2012; provided that the annual premium payable by the Corporation to the Insurers will not exceed \$180,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President or such other officer of the Corporation shall deem necessary, desirable or appropriate and that the President shall be authorized to procure such insurance coverage.

Discussion of Annual Board Evaluation

The last item on the agenda was the discussion of the Annual Board Evaluation. Mr. Page explained that beginning this year, the Board is required to conduct annual self-evaluations pursuant the law. Mr. Page further explained that the Board members will receive evaluation forms to evaluate the Board. He noted that these forms will be shared with the State of New York.

Adjournment

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


ASSISTANT SECRETARY