

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

September 29, 2008

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on June 3, 2008 at approximately 10:30 a.m. at 75 Park Place, Room 6M4, New York, New York.

The following director was present:

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

the following directors were represented by their designees:

William C. Thompson, Jr., Comptroller of the City, represented by Carol Kostik;

Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski; and

Martha E. Stark, Commissioner of Finance of the City, represented by Dara Jaffee; and

David Burney, Commissioner of the Department of Design and Construction of the City, represented by Robert Cleary;

constituting a quorum of the Board. Jeffrey M. Perlman served as secretary of the meeting.

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

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 of Directors which occurred on June 3, 2008. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved:

WHEREAS, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on June 3, 2008; it is therefore

RESOLVED, that the minutes of the meeting of June 3, 2008 be, and they hereby are, approved.

Authorization of Fiscal 2009 Series S-1 Building Aid Revenue Bonds

The next final item on the agenda was the authorization of the Authority's Building Aid Revenue Bonds, Fiscal 2009 Series S-1 (the "Bonds"). Mr. Page briefly described the financing schedule and the provisions of the Bonds as authorized pursuant to the Forty-Third Series Resolution of the Authority (a copy of which is attached hereto as Appendix A). A brief discussion ensued. A motion was made to approve the Forty-Third Series Resolution. The motion was seconded and, there being no objections, duly adopted.

Acceptance of the independent auditors' report on the audited financial statements for the fiscal years ended June 30, 2007 and June 30, 2008 and authorization to release such financial statements

The next item on the agenda was the acceptance of the independent auditors' report on the audited financial statements for the fiscal years ended June 30, 2007 and June 30, 2008 and authorization to release such financial statements. Mr. Page explained that the Audit Committee had previously met with the Authority's independent auditors and recommended the acceptance of the financial statements and authorization of their release. A motion was made to approve the resolution set forth below providing for such acceptance and authorization to release. The motion was seconded and, there being no objections, approved.

WHEREAS, the Audit Committee has met with the independent auditors of the New York City Transitional Finance Authority (the "Authority") and has reviewed the independent auditors' report on the audited financial statements of the Authority for the fiscal years ended June 30, 2007 and June 30, 2008 and such financial statements; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors' report and authorize the release of the financial statements; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the Authority for the fiscal years ended June 30, 2007 and June 30, 2008 and authorizes the release of such audited financial statements; provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Approval of Amendment to Arbitrage Rebate Consultant Contract

The next item on the agenda was the approval of an amendment to the arbitrage rebate consultant's contract. Mr. Page explained that the Board had previously authorized a contract with BondResource Partners, LP effective as of July 1, 2006 and expiring June 30, 2011, with a 5-year optional extension. He went on to explain that the work done by the consultants comes in batches and this change would allow for when there is more work in some years and less in others. A brief discussion ensued. A motion was made to approve the resolution set forth below

providing for such amendment. The motion was seconded and, there being no objections, approved.

WHEREAS, the Board of Directors previously authorized the Authority, following a Request for Proposals process, to retain BondResource Partners, LP (“BondResource”) as the Authority’s arbitrage rebate consultant; and

WHEREAS, the Authority is party to a contract with BondResource Partners, LP (“BondResource”) for arbitrage rebate consultant services, effective as of July 1, 2006 and expiring June 30, 2011, at a cost of no more than \$50,000 per year, with a five-year optional extension; and

WHEREAS, in working with BondResource, the Authority has determined that the fees incurred will fluctuate from year-to-year, sometimes exceeding the previously set compensation maximum; and

WHEREAS, the Board of Directors has determined that it is in the best interest of the Authority to revise the existing contract with BondResource to reflect a maximum compensation of \$250,000 per five-year term, including fee and expenses, and delete the existing yearly maximum; it is therefore

RESOLVED, that the Executive Director or the Treasurer of the Authority is each hereby authorized and directed to amend the Authority’s arbitrage rebate consultant contract with BondResource to replace the current cap of \$50,000 per year with a maximum compensation of \$250,000 per five-year term, including fees and expenses.

Approval of Graphic Design Consultant

The next item on the agenda was the approval of a graphic design contract. Mr. Page explained that following an RFP, Creative Source, Inc., a woman-owned business, was selected by the Authority’s staff. He went on to explain that Creative Source was the lowest bidder and had demonstrated its ability to provide excellent service in the past. He further explained that the resolution allows for a higher amount than what the contract is expected to cost, in case of situations such as changes made by the Authority. A motion was made to approve the resolution set forth below providing for such contract. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the New York City Transitional Finance

Authority Act, to make and execute contracts and agreements necessary and convenient to carry out its powers and functions; and

WHEREAS, the Authority conducted a Request for Proposals process for a graphic design consultant to work with the Authority in connection with the preparation of the Authority's Comprehensive Annual Financial Report ("CAFR"); and

WHEREAS, Creative Source, Inc. is a woman owned business which in the past has demonstrated its ability to provide excellent service; and

WHEREAS, Creative Source, Inc. was the lowest bidder; and

WHEREAS, the Board of Directors believes that it is in the best interests of the Authority to authorize a contract with Creative Source, Inc.; it is therefore

RESOLVED, that the Executive Director or the Treasurer of the Authority is each hereby authorized and directed to enter into an agreement in the name of the Authority whereby Creative Source, Inc. will serve as graphic design consultant to the Authority upon such terms as the Executive Director or the Treasurer deems reasonable and appropriate; provided, however, that such agreement shall be limited to work on the fiscal year 2008 CAFR; and provided, further, that compensation to Creative Source, Inc. shall not exceed \$12,000, plus an amount not to exceed \$30,000 to be pre-approved by the Executive Director or Treasurer of the Authority for payment of printing services to be performed under a sub-contract managed by Creative Source, Inc.

Approval of Extension of Financial Advisor Contracts

The next item on the agenda was the approval of an extension of the financial advisor contracts. Mr. Page explained that the Authority intends to issue RFP's for both financial advisors and underwriters in the near future. He went on to explain that the Authority would need to keep the financial advisors in place for participation in the process of selecting underwriters. He further explained that the underwriters RFP has been delayed in anticipation of greater stability in the banking market. A brief discussion ensued. A motion was made to approve the resolution set forth below providing for such extension. The motion was seconded and, there being no objections, approved.

WHEREAS, the Authority is authorized, pursuant to Section 2799-ee of the New York City Transitional Finance Authority Act (the "Act"), to make and execute contracts and agreements necessary and convenient to carry out its powers and functions; and

WHEREAS, the Authority, at the direction of the Board of Directors, previously entered into contracts for financial advisor services with Public Resources Advisor Group (“PRAG”) and A.C. Advisory, Inc. (“A.C. Advisory”), respectively, following a Request for Proposals process; and

WHEREAS, the Board of Directors previously authorized six-month extensions to the contracts with PRAG and A.C. Advisory, respectively, for the period from May 1, 2008 through October 31, 2008; and

WHEREAS, the Authority expects to issue a Request for Proposals for financial advisors in the near future; and

WHEREAS, the Board of Directors believes that it is in the best interest of the Authority to authorize additional extensions to the contracts with PRAG and A.C. Advisory, respectively, for the period from October 31, 2008 through December 31, 2008, on the terms set forth in Schedule I, attached hereto, and to provide for the not-to-exceed amounts set forth therein so as to properly compensate both firms; it is therefore

RESOLVED, that the two-month extensions of the contracts with PRAG and A.C. Advisory, respectively, for the period from October 31, 2008 through December 31, 2008, are hereby authorized and approved on the terms set forth in Schedule I, attached hereto, including the not-to-exceed amounts specified therein, and the Executive Director or the Treasurer of the Authority is authorized to enter into contracts on such terms, and all actions taken by such officers consistent with the terms provided herein are hereby ratified.

Approval of Administrative Services Agreement

The next item on the agenda was the approval of the administrative services agreement. Mr. Page explained that the agreement involves staffing and allocation of costs among the Authority, the City of New York and various other entities. He went on to explain that the amendment to the agreement provides that the City Office of Management and Budget will pay any costs allocable to the Jay Street Development Corporation after it ceases to exist. A motion was made to approve the resolution set forth below providing for such approval. The motion was seconded and, there being no objections, approved.

WHEREAS, the staff of the New York City Transitional Finance Authority (the “Authority”) believes it is in the best interest of the Authority to adopt a revised Administrative Services Agreement to memorialize its relationship with the Office of Management and Budget of the City of New York, the New York City Municipal Water Finance Authority and other related issuers; and

WHEREAS, the staff of the Authority believes that the Administrative Services Agreement submitted to the Board herewith is reasonable and appropriate and recommends that such Administrative Services Agreement be adopted; and

WHEREAS, the Board has reviewed the attached Administrative Services Agreement and has deemed it reasonable and appropriate, it is therefore

RESOLVED, that the Administrative Services Agreement submitted to the Board herewith is hereby adopted and a copy of such Administrative Services Agreement shall be filed with the minutes of the Board.

Presentation by Governance Committee Chair

The next item on the agenda was a presentation by the governance committee chair, Ray Majewski. Mr. Majewski presented a report of the governance Governance Committee's accomplishments and findings since the formation of the committee.

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.

GENERAL COUNSEL