

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

November 4, 2011

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on November 4, 2011 at approximately 11:45 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:

John C. Liu, Comptroller of the City, represented by Michael Stern;

Christine C. Quinn, Speaker of the City Council, represented by Jeffrey Rodus;
and

David Burney, Commissioner of the Department of Design and Construction of the City, represented by Michael Garrett;

constituting a quorum of the Board. Kathy Blyn 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 of New York.

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 October 11, 2011. 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 October 11, 2011 it is therefore

RESOLVED, that the minutes of the meeting of October 11, 2011 be, and they hereby are, approved.

Approval of Issuance of Fiscal 2012 Series D Future Tax Secured Bonds

The second item on the agenda was the approval of the issuance of the Authority's Fiscal 2012 Series D Future Tax Secured Bonds (the "Bonds") consisting of (i) \$600,000,000 Subseries D-1 Tax-Exempt Subordinate Bonds, (ii) \$100,000,000 Subseries D-2 Taxable Subordinate Bonds (Qualified School Construction Bonds), and (iii) \$200,000,000 Subseries D-3 Taxable Subordinate Bonds. Mr. Page noted that the Finance Committee of the Authority had considered and recommended the approval of such bonds. A motion was made to approve the Sixty-Fifth Series Resolution Authorizing Up to \$1,000,000,000 Future Tax Secured Bonds of the Authority (a copy of which is attached hereto) which authorizes the issuance of the Bonds. The motion was seconded and, there being no objections, approved.

Approval of Financial Advisor Contracts

The third item on the agenda was approval of financial advisor contracts for the Authority. Mr. Page explained that as a result of a request for proposals process and extensive staff review, Authority staff had recommended the selection of two financial advisor firms and a SWAP advisor firm. The financial advisor firms recommended were Public Financial

Management Inc. (“PFM”) and Public Resources Advisory Group (“PRAG”) for terms extending from November 4, 2011 to June 20, 2014 with two one-year extensions ~~ats-at~~ the option of the Authority. Additional information, including fee structure, was in the materials provided to the Board. A motion was made to approve the resolution set forth below authorizing the contracts with PFM and PRAG. 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 conducted a Request for Proposals process for financial advisor services; and

WHEREAS, the Board of Directors believes that it is in the best interests of the Authority to authorize contracts with Public Resources Advisor Group (“PRAG”) and Public Financial Management Inc. (“PFM”), respectively, effective November 4, 2011 to June 30, 2014, with two one-year extensions available at the option of Management, on the terms set forth in Schedule I hereto and to provide for compensation for both firms in accordance with these terms, it is therefore

RESOLVED, that the contracts with PRAG and PFM, respectively, are hereby authorized and approved on the terms identified herein, and the Executive Director or the Treasurer of the Authority is authorized to enter into contracts on such terms and to exercise the extension options identified herein and, all actions taken by such officers consistent with the terms provided herein are hereby ratified.

Schedule I

Term – November 4, 2011-June 30, 2014, with 2 one year renewals at the option of the Authority’s Management, ending June 30, 2015 and June 30, 2016, respectively

Compensation

- Pricing advisory services: \$25,000 flat fee per negotiated transaction, and hourly rates (listed below) for transactions that are entirely sold by competitive bid.
- Non-Pricing Financial Advisory services: hourly rates listed below not to exceed \$933,000, per firm, for the initial term. For the renewal options, the cap is increased by \$350,000 per year. In addition there shall be an increase in such cap of \$70,000 for each transaction in excess of five per fiscal year.
- Special Projects: hourly rates listed below not to exceed \$100,000 per project for special projects, identified and authorized by Management, which are outside the normal Financial Advisor scope of work.

Financial Advisor Hourly Rates:

PFM	
Managing Director	\$400
Senior Managing Consultant	\$325
Consultant	\$250
Administrative	\$125

PRAG	
President	\$375
Chairman/Exec VP/Senior Counselor	\$350
Sr Mg Director	\$300
Mg Director	\$275
Vice President	\$250
AVP	\$200
Other	\$150

Approval of SWAP Advisor Contract

The fourth and final item on the agenda was authorizing a contract for SWAP advisor services. Mr. Page explained that the firm of Mohanty Gargiulo LLC (“Mohanty Gargiulo”) had been selected by the Authority staff. He further explained that the term of the contract was similar to that of the financial advisor contracts and that information about the fee structure was in the materials provided to the Board. A motion was made to approve the resolution set forth below with respect to the contract with Mohanty Gargiulo. The motion was seconded and, there being no objections, approved.

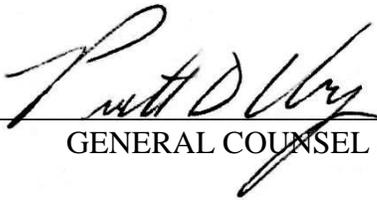
~~retain a swap advisor; and~~

WHEREAS, the Board of Directors of the Authority, having initiated and completed a competitive procurement process, believes that it is in the best interests of the Authority to retain Mohanty Gargiulo LLC, as its swap advisor; 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 Mohanty Gargiulo LLC, will serve as swap advisor to the Authority upon such terms as the Executive Director or the Treasurer deems reasonable and appropriate; provided, however, that such agreement shall be effective retroactively from November 4, 2011 to June 30, 2014, or its earlier termination as provided therein, and may be extended at the option of the Authority for two additional one-year periods ending June 30, 2015 and June 30, 2016 respectively; and provided, further, that compensation to Mohanty Gargiulo LLC shall not exceed \$450 per hour for managing directors, \$350 per hour for vice presidents and \$200 for associates.

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