

**MINUTES OF THE MEETING OF THE GOVERNANCE COMMITTEE
OF THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

May 17, 2010

A meeting of the Governance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on May 17, 2010 at approximately 2:05 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following Committee members were represented by their designees:

John C. Liu, Comptroller of The City of New York (the “City”), represented by Carol Kostik;

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

David M. Frankel, Commissioner of the Department 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 Mike Garrett;

constituting a quorum of the Committee. 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. Majewski, the Chairperson of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee which occurred on April 27, 2010. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved.

WHEREAS, the Governance Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Governance Committee held on April 27, 2010; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of April 27, 2010, are hereby approved.

Recommendation to Board to Approve Amended Policy on the Procurement of Goods and Services

The second and final item on the agenda was a recommendation to the Board of Directors that it approve an Amended Policy on the Procurement of Goods and Services. Mr. Majewski explained that the proposed amended Policy was the same as the one considered at the prior meeting and held over because Ms. Jaffee and Ms. Kostik had had questions with respect to it. Ms. Jaffee and Ms. Kostik indicated that they had no more questions and that they were comfortable with the changes. A motion was made to approve the resolution set forth below with respect to the Policy. The motion was seconded, there being no objections, approved.

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the New York City Transitional Finance Authority (the "Authority") is required to establish a policy on the procurement of goods and services; and

WHEREAS, the Authority adopted a consolidated Policy on the Procurement of Goods and Services (the "Policy") on April 24, 2009; and

WHEREAS, the Policy specifies that procurements of goods and services, the value of which is less than \$7,500 do not require competition or approval of the Board of Directors; and

WHEREAS, the Authority's Officers have recommended that the small purchase exception to the Authority's requirement for competitive procurements be clarified to state

explicitly that such exception applies to contracts the value of which is less than \$7,500 in any one fiscal year; and

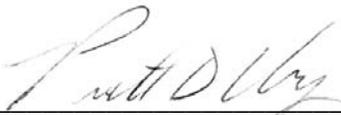
WHEREAS, the Authority's Officers have recommended that, considering recent market conditions, specific provisions be added to the Policy concerning letters of credit and liquidity facilities expressing a preference for but not requiring competition; and

WHEREAS, pursuant to subsection III(a)(viii) of the Governance Committee Charter, the Governance Committee has reviewed the Policy, as amended and attached hereto, and found it to be reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby recommends that the Board of Directors adopt the Policy, as amended and attached hereto.

Adjournment

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


GENERAL COUNSEL