

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

September 25, 2009

A meeting of the Governance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 25, 2009 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:

William C. Thompson, Jr., 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 Jeff Bonne;

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 24, 2009. 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 24, 2009; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of April 24, 2009, are hereby approved.

Recommendation to Board to Adopt Amended and Restated Audit Committee Charter

The second item on the agenda was the recommendation to the Board of Directors to adopt an Amended and Restated Audit Committee Charter. Mr. Majewski explained that the amendments were minor, including a change made to comply with amended Directive 22 of the Office of the Comptroller of the City. He pointed out that there was a grammatical error on line four of Section III(a) of the proposed amended Charter. Such line currently reads "... providing non-audit services unless it has received previous written..." but should read "... providing non-audit services unless they have received previous written..." A motion was made to adopt the resolution below recommending adoption by the Board of Directors of the Amended and Restated Audit Committee Charter, subject to such grammatical correction. The motion was seconded and, there being no objections, duly adopted.

WHEREAS, pursuant to section III(a)(ii) of the Governance Committee Charter, the Governance Committee of the New York City Transitional Finance Authority (the "Authority") may periodically review the Audit Committee Charter and recommend changes to the Board of Directors of the Authority; and

WHEREAS, the Governance Committee of the Authority has reviewed the Amended and Restated Audit Committee Charter as attached hereto as Exhibit A; and

WHEREAS, the Governance Committee believes the changes as reflected in the Amended and Restated Audit Committee Charter, including changes made to comply with the amended Directive 22 of the Office of the Comptroller of the City of New York, are reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby recommends that the Board adopt the Amended and Restated Audit Committee Charter, a copy of which shall be filed with the minutes of the Governance Committee.

Self-Evaluation and Discussion of Presentation to Board of Directors

The third item on the agenda was a self-evaluation and discussion of a presentation to be made to the Board of Directors. Mr. Majewski explained that the Charter of the Committee requires the Committee to annually self-evaluate its functions. He referred to a report of the Governance Committee summarizing its findings and actions during the 2009 fiscal year, which report was in the package provided to the Committee members. A motion was then made to approve the resolution set forth below with respect to the annual self-evaluation, including that the Governance Committee finds it functioning to be satisfactory. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(g) of the Governance Committee Charter requires the Governance Committee to conduct an annual self-evaluation of its functions; and

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

RESOLVED, that the Governance Committee finds its functioning to be satisfactory and the Chair of the Governance Committee shall present the Committee's findings to the Board of Directors of the New York City Transitional Finance Authority.

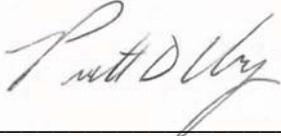
Review of Compensation and Benefits

The fourth and final item on the agenda was a review of compensation and benefits. Mr. Majewski explained that the Authority has no employees but rather compensates the City's Office of Management and Budget and the New York City Municipal Water Finance Authority

for the services of their employees to the Authority. A summary of such compensation was in the package provided to the Committee members and is 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