

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF
TSASC, INC.**

February 26, 2010

A meeting of the Audit Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on February 26, 2010 at approximately 4:20 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

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| Michael Stern | - alternate for John C. Liu, Comptroller of The City of New York (the “City”) |
| Raymond Majewski | - alternate for Christine C. Quinn, Speaker of the City Council |
| Albert F. Moncure Jr. | - alternate for Michael A. Cardozo, Corporation Counsel of the City |

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 Corporation and employees of various agencies of the City and the State of New York.

The meeting was called to order by Mr. Stern, the Chairperson of the Committee.

Approval of Minutes of Meeting of September 25, 2009

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on September 25, 2009. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved.

WHEREAS, the Audit Committee of TSASC, Inc. has reviewed the minutes of the previous meeting of the Audit Committee held on September 25, 2009; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 25, 2009, be, and they hereby are, approved.

Review and Acceptance of Management Letter

The second item on the agenda was the review and acceptance of the Management Letter of Marks Paneth & Shron (“Marks Paneth”), the Corporation’s independent auditors. Eileen Moran, the Deputy Comptroller of the Corporation, explained that the letter indicates that the auditors did not find any material weaknesses in connection with their audit of the Corporation’s financial statements. Dina Holinka of Marks Paneth was present to answer any questions of the Committee. There were no questions.

Evaluation of Independent Auditors and Authorization of Engagement Letter

The third item on the agenda was the evaluation of Marks Paneth and the authorization of an engagement letter with Marks Paneth. Ms. Holinka left the meeting room. Mr. Stern explained that Marks Paneth currently has a contract to audit the financial statements of the Corporation for the fiscal years ending June 30, 2008, 2009 and 2010. He stated that management is satisfied with the performance of the firm and recommends that the Corporation sign an engagement letter with Marks Paneth for the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2010. Ms. Moran also noted that management is

satisfied with the firm. A motion was made to approve the resolution set forth below with respect to such engagement letter. The motion was seconded and, there being no objections, approved.

WHEREAS, the Audit Committee of TSASC, Inc. (the “Corporation”) is authorized under the Audit Committee Charter, to recommend to the Board of Directors of the Corporation the appointment and retention of the Corporation’s independent auditors; and

WHEREAS, the Corporation, as authorized by the Board of Directors, previously retained the firm of Marks Paneth & Shron LLP for such firm to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending on June 30, 2008, 2009 and 2010; and

WHEREAS, the Officers of the Corporation have expressed their satisfaction with the independent auditors and recommended that the Corporation sign an engagement letter for Marks Paneth & Shron LLP for the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2010; it is hereby

RESOLVED, that pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors and found their performance to be satisfactory; and

FURTHER RESOLVED, that the Audit Committee recommends that the Board of Directors authorize the Corporation’s Officers to sign an engagement letter with Marks Paneth & Shron LLP for the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2010, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

Review of Annual Financial Integrity Compliance Statement

The fourth item on the agenda was the review of the annual Financial Integrity Compliance Statement of the Corporation. Mr. Stern explained that Directive 22 of the Office of the City Comptroller requires that the Committee review and evaluate such Statement. He noted that there were typos in the fourth and fifth paragraphs of the Statement in that the word “Authority” was used instead of “Corporation” and he pointed out that the resolution with respect to the review provides for changes to the draft as approved by the Corporation’s

Comptroller. A motion was made to approve the resolution set forth below with respect to such review. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to section 6.1(5) of Directive 22 of the Office of the Comptroller of the City of New York (the “Comptroller”), the Audit Committee of TSASC, Inc. (the “Corporation”) is required to review and evaluate the annual Financial Integrity Statements as required by Section 7.0 of Directive 22 and the Comptroller’s Directive 1; and

WHEREAS, the Audit Committee of the Corporation has reviewed and evaluated the Corporation’s draft Financial Integrity Statements; it is hereby

RESOLVED, that the Audit Committee finds the Corporation’s Financial Integrity Statements to be satisfactory and complete and authorizes the Corporation’s Comptroller to approve any necessary changes before the Statements are submitted.

Annual Self-Evaluation and Review of Annual Report of the Audit Committee

The fifth item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Stern referred to the Annual Report contained in the packet provided to the Committee Members. He mentioned that the Report would be sent to the Comptroller of the City and stated that based on the accomplishments described in the Annual Report, he believed that the Committee performed its duties satisfactorily. A motion was made to approve the resolution set forth below with respect to the Annual Report. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

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

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of TSASC, Inc., copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Annual Review and Approval of the Audit Committee Charter and Charter Schedule

The sixth item on the agenda was the annual review and approval of the Audit Committee Charter and Charter Schedule. Mr. Stern explained that annual review and approval of the Charter are required under the Committee's Charter. He stated that there are no changes to the Charter and minor changes to the Charter Schedule. Mr. Moncure pointed out that paragraph 1 of the Schedule refers to the "Authority" whereas the reference should be to the "Corporation". A motion was made to approve the resolution set forth below with respect to the Charter and Charter Schedule, subject to correction based on Mr. Moncure's comment. The motion was seconded and, there being no objections, approved.

WHEREAS, the Board of Directors (the "Board") of TSASC, Inc. (the "Corporation") originally adopted an Audit Committee Charter on October 4, 2007 and has subsequently amended it; and

WHEREAS, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Corporation is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Corporation; and

WHEREAS, pursuant to the Audit Committee Charter, section III(u), the Audit Committee of the Corporation is required to develop a schedule of dates by which the requirements of the Charter shall be carried out; and

WHEREAS, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and the Audit Committee Schedule, as amended and attached hereto, and finds them to be reasonable and appropriate; it is hereby

RESOLVED, that the Audit Committee hereby approves the Audit Committee Charter as adopted and subsequently amended, and further, approves the Audit Committee Schedule as attached.

Annual Review of Internal Controls

The seventh and final item on the agenda was the annual review of the Corporation's Internal Controls. Mr. Stern explained that the Committee's Charter requires that the Corporation's Internal Controls be reviewed annually by the Committee and that this is the first such review. A number of errors were pointed out by the Committee members as follows:

Mr. Stern pointed out that on page 5 there were two references to "TRS" which should have been "TSR".

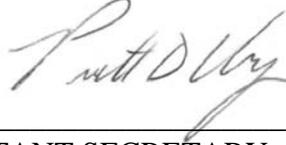
Mr. Moncure pointed out that:

- in paragraph 3 on page 1, "less than" should be "greater than"
- in paragraph 2 under "Receipts" on page 3, the reference to the Indenture should read "the Indenture as Amended and Restated..."
- in the last sentence of paragraph 1 under "Disbursements" on page 5, the TS Trust has three trustees – a Delaware Trust and two Controlling Trustees
- in the last sentence of the carryover paragraph on page 6, the Controlling Trustee referred to as the President of TSASC should be referred to as the Director of Management and Budget.

Michele Mark Levine, the Comptroller of the Corporation, thanked the Committee members for their comments.

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.



ASSISTANT SECRETARY