

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

September 22, 2008

A meeting of the Audit Committee (the "Committee") of TSASC, Inc. (the "Corporation") was held on September 22, 2008 at approximately 3:00 p.m. at 75 Park Place, Room 6M4, New York, New York.

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

Michael Stern	-	alternate for William C. Thompson, Jr., Comptroller of The City of New York (the "City")
John Sarich	-	alternate for Martha E. Stark, Commissioner of Finance of the City
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 State.

The meeting was called to order by Mr. Stern.

Approval of Minutes of Meeting of April 29, 2008

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on April 29, 2008. 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 April 29, 2008; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of April 29, 2008, be, and they hereby are, approved.

Presentation by Management and Independent Auditors Regarding Audited Annual Financial Statements

The next item on the agenda was a presentation by the Corporation's management and independent auditors regarding the audited annual financial statements of the Corporation. Eileen Moran, the Deputy Comptroller of the Corporation, informed the Committee that the firm of Marks Paneth & Shron are now the independent auditors for the Corporation. Ms. Moran then proceeded to described the contents of the draft financial statements that were before the Committee. Mr. Stern enquired as to whether there would be any change from the draft financial statements to the final financial statements and Ms. Moran replied that there would be none. Warren Ruppel of Marks Paneth & Shron then made a presentation with respect to the procedures and standards followed by his firm in connection with the audit. He then introduced Dina Hlinka of the firm as manager of the Corporation's audit and expressed his appreciation of her efforts.

Executive Session

The next item on the agenda was a resolution for the meeting to move into executive session. A motion was made to adopt such resolution which is set forth below. The motion was seconded and, there being no objections, adopted.

WHEREAS, Section 105 of the New York State Public Officers Law states that upon a majority vote, a meeting involving the financial history of a corporation, may be held in executive session; and

WHEREAS, the Audit Committee wishes to hold a portion of its meeting to discuss the financial history of a corporation, it is hereby

RESOLVED, the Audit Committee shall hold a portion of its meeting in executive session; and

FURTHER RESOLVED, that following that portion of the Audit Committee's meeting held in executive session, the executive session shall end and the remainder of the Audit Committee meeting shall be open to the public.

Executive Session Ends

The portion of the Committee's meeting that was held in executive session came to an end and the meeting became open to the public.

Recommendation to Board of Directors to Accept Independent Auditors' Report and to Release the Audited Annual Financial Statements

The next item on the agenda was the recommendation by the Committee to the Board of Directors that it accept the report of Marks Paneth & Shron with respect to the audited annual financial statements of the Corporation for the fiscal years ended June 30, 2007 and June 30, 2008 and that it authorize the release of such financial statements. A motion was made to adopt the resolution set forth below recommending acceptance of such report and authorization of the release of the financial statements. The motion was seconded and, there being no objections, adopted.

WHEREAS, the Audit Committee of TSASC, Inc. (the "Corporation") has met with the independent auditors of the Corporation and has reviewed the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2007 and June 30, 2008 and such financial statements, as submitted to the committee; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate; it is therefore

RESOLVED, that the Audit Committee recommends to the Board the acceptance of the independent auditors' report and the authorization of the release of the audited financial statements of the Corporation for the fiscal years ended June 30, 2007 and June 30, 2008; 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 Corporation.

Discussion of Internal Control Policies

The next and final item on the agenda was a discussion the Internal Control Policies of the Corporation. Michele Mark Levine, the Comptroller of the Corporation, referred to an outline that was before the Committee with respect to such Policies. She asked that the Committee review this material and provide feedback with respect to it. She advised the Committee that based on such feedback a draft statement of such Policies would be provided at a future meeting of the Committee. Mr. Stern asked if such Policies would be updated annually and Ms. Levine replied that they would be updated periodically to reflect changes.

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