

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
TSASC, INC.**

September 22, 2008

A meeting of the Board of Directors (the “Board”) of TSASC, Inc. (the “Corporation”) was held on September 22, 2008 at approximately 3:45 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following directors or their alternates were present:

Mark Page	-	in person
Michael Stern	-	alternate for William C. Thompson, Jr., Comptroller of The City of New York (the “City”)
Albert F. Moncure, Jr.	-	alternate for Michael A. Cardozo, Corporation Counsel of the City
John Sarich	-	alternate for Martha E. Stark, Commissioner of Finance of the City

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

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 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 Board of Directors of TSASC, Inc. has reviewed the minutes of its meeting held on April 29, 2008; it is therefore

**RESOLVED**, that the minutes of the meeting of the Board of Directors held on April 29, 2008 be, and they hereby are, adopted.

Acceptance of Independent Auditors' Report and Authorization to Release Audited Financial Statements

The second item on the agenda was acceptance of 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 authorization to release such financial statements. Mr. Page explained to the Directors that the Audit Committee of the Corporation had reviewed such audited financial statements and had recommended their acceptance by the Board. A motion was made to adopt the resolution set forth below providing for the acceptance of the report and release of the audited financial statements. The motion was seconded and, there being no objections, duly adopted.

**WHEREAS**, the Audit Committee has met with the independent auditors of TSASC, Inc. (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; and

**WHEREAS**, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors' report and authorize the release of the financial statements; it is therefore

**RESOLVED**, that the Board hereby accepts 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 authorizes the release of such audited financial statements; 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.

Authorization of the Annual Report for Presentation to the Members

The third item on the agenda was the authorization of the presentation of the Annual Report required by Section 519 of the New York Not-for-Profit Corporation Law, a copy of which is attached hereto as Exhibit A, to the Members of the Corporation. Mr. Page briefly described the report. A motion was made to approve the resolution set forth below providing for such authorization. The motion was seconded and, there being no objections, approved.

**WHEREAS**, Section 519 of the New York Not-For-Profit Corporation Law (the “N-PCL”) requires that the Board of Directors of not-for-profit corporations present an annual report relating to the financial conditions of such corporations to the members of such corporations at their annual meeting; and

**WHEREAS**, in compliance with Section 519 of the N-PCL the Board of Directors of the Corporation has caused an annual report relating to the Corporation’s fiscal year 2008 (the “Annual Report”) to be prepared; it is therefore

**RESOLVED**, that the Board of Directors does hereby authorize and ratify the preparation of the Annual Report and its presentation to the Members of the Corporation; and

**FURTHER RESOLVED**, that the Annual Report be entered in the minutes of this meeting of the Board of Directors.

Approval of Revision of Special Project Fees for Bond Counsel

The fourth item on the agenda was approval of a revision of special project fees for Bond Counsel. Mr. Page explained that the resolution set forth below with respect to this matter clarifies the Corporation’s intention with respect to special project fees to be paid to Orrick Herrington & Sutcliffe LLP, Bond Counsel to the Corporation. A motion was made to approve resolution. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Board of Directors of TSASC, Inc. (the “Corporation”) previously ratified retention of Orrick Herrington & Sutcliffe LLP (“Orrick”) as the Corporation’s bond counsel through the final expiration of the contract between the City and its bond counsel; and

**WHEREAS**, the Corporation’s staff has recommended that the hourly fee schedule for work performed between transactions be revised; and

**RESOLVED**, that the Board of Directors hereby directs the Corporation's staff to revise the hourly fee schedule under which Orrick is paid for work performed between transactions to reflect the hourly rates set forth below, with all previously ratified provisions to remain unchanged.

Approval of Administrative Services Agreement

The fifth item on the agenda was approval of the Administrative Services Agreement among the Office of Management and Budget ("OMB"), the Corporation and other entities. Mr. Page explained that the Agreement relates to staffing and compensation arrangements among these entities. A motion was made to approve the resolution set forth below adopting such Agreement. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the staff of the TSASC, Inc. (the "Corporation") believes it is in the best interest of the Corporation to adopt a revised Administrative Services Agreement to memorialize its relationship with the Office of Management and Budget of the City of New York, the New York City Municipal Water Finance Authority and other related issuers; and

**WHEREAS**, the staff of the Corporation believes that the Administrative Services Agreement submitted to the Board herewith is reasonable and appropriate and recommends that such Administrative Services Agreement be adopted; and

**WHEREAS**, the Board has reviewed the attached Administrative Services Agreement and has deemed it reasonable and appropriate, it is therefore

**RESOLVED**, that the Administrative Services Agreement submitted to the Board herewith is hereby adopted and a copy of such Administrative Services Agreement shall be filed with the minutes of the Board.

Presentation by Governance Committee Chair

The sixth and final item on the agenda was a presentation by the Chairperson of the Governance Committee of the Corporation. Albert F. Moncure, Jr., the Chairperson of the

Governance Committee, presented a report with respect to the Governance Committee's accomplishments during the calendar years 2007 and 2008.

Adjournment

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



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ASSISTANT SECRETARY