

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON MAY 3, 2001**

Pursuant to notice dated April 26, 2001, the Nassau County Interim Finance Authority (NIFA) was convened at 3:00 PM in the Omni Executive Club Room in Uniondale, NY.

The following Directors of the Authority were present:

**Frank G. Zarb, Chairman
Richard M. Kessel
Martin Payson
David Peirez
Robert Smith
Ronald Stack (via telephone)
Robert Wallach**

Also representing the Authority was Richard Luke, Executive Director, Jeremy Wise, General Counsel, Carol Kostik, Chief Financial Officer, Janet Jones, Deputy Chief Financial Officer, Evan Cohen, Deputy Director, Timothy Sullivan, Deputy Director and Laurie Leat, Corporate Secretary.

Upon determining that a quorum was present, the Chairman called the meeting to order.

Chairman Zarb stated that the first item on the agenda is the approval of

the minutes from the March 22 meeting of the Directors.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 01-52

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
MARCH 22, 2001 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on March 22, 2001, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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Chairman Zarb asked Mr. Luke to present the Executive Director's report.

Mr. Luke stated that the labor guidelines will be distributed after this meeting. Chairman Zarb stated that the guidelines are an attempt to move everyone in a common direction.

Mr. Luke stated that NIFA has just received the quarterly report from the County and NIFA is now in the process of reviewing it. He stated that the County's report is projecting a surplus of over \$2.6 million which includes the \$113 million of

State assistance. He indicated that without the State assistance, the County would have about a \$110 million deficit. Therefore, this is a virtual surplus. He stated that the County is projecting that they are going to meet their budget on sales tax. Mr. Luke stated that NIFA is meeting with the County to go over the quarterly report to make sure everyone is comfortable with it.

Director Payson asked what are the areas, other than concern about sales tax, that are troublesome. Mr. Luke replied that the big issues are the outstanding labor contracts, and the pension costs because the economy has hurt the State Comptroller's investment of pension funds.

Director Payson stated that no one should miss NIFA's resolve to solve whatever problems the County has, including going into a control period. He also disagreed with the recommendation of a County Legislative committee concerning the City of Glen Cove. The committee had recommended that the County indemnify the City of Glen Cove for pending certiorari claims. Director Kessel added that this would be moving in the opposite direction of the four-year plan.

Director Peirez asked for information on the raises that were recently given out at the County. He requested to know who received the raises, how much they received and what was the percentage. Mark Young speaking for the Majority stated that he would supply NIFA with the information. Chairman Zarb asked Ms. Albicocco

to make sure the County also gets this information to NIFA. She agreed to do this.

Mr. Luke stated that the County is required to give NIFA their annual independent audit within 120 days after the end of the fiscal year. He stated that the County Comptroller sent a letter to NIFA on April 30 stating that the hospital audit is not yet completed. The Comptroller has sent the County's audit to NIFA without the hospital audit which will follow once it is concluded.

Mr. Luke stated that the next items on the agenda are resolutions authorizing two financings. He stated that the first financing is for bond anticipation notes and the second is for long-term borrowings. Ms. Kostik stated that the first issue, the BANs, will be linked to the County revenue anticipation note borrowing that is normally done by the County every year in May or June. She stated that the second issue will be long-term senior NIFA debt with the main purposes being refunding and restructuring new money. Mr. Wise then discussed briefly the legal issues covered by the resolutions.

Director Payson asked if the 9 percent cap on the interest rate was a realistic estimate of the borrowing cost. Ms. Kostik replied that the all-in borrowing cost at this time would be about five percent but NIFA put in a higher ceiling rate of nine percent in case the market moves. Chairman Zarb and Directors Payson and Stack requested that Ms. Kostik lower the rate to 8 percent.

Chairman Zarb then requested that the Directors receive from time to time a recap of the savings to the County from the Authority's issuances of bonds or notes.

Upon motion duly made and seconded, the following resolutions were approved unanimously:

Resolution No. 01-53

RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the "Act"), authorizes the Nassau County Interim Finance Authority (the "Authority") to issue bonds for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the "County"); and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority intend to provide from time to time for the authorization, issuance and sale of its sales tax secured bonds (the "Bonds"); and

WHEREAS, the proceeds of an additional series of such Bonds (the "Series 2001A Bonds") are expected to be used to finance Financeable Costs under the Act, which may include but are not limited to (i) restructuring of certain outstanding indebtedness of the County; (ii) tax certiorari settlements and judgments; (iii) other settlements or judgments; (iv) refunding certain outstanding indebtedness of the County to achieve present value debt savings if certain savings conditions are met; (v) cash flow needs of the County including real property reassessment costs; and (vi) the costs of issuance of such series of Bonds; and

WHEREAS, the Authority is required under the State Environmental Quality Review Act, as amended ("SEQR"), to complete environmental reviews in connection with its activities, including the issuance of its Bonds from time to time or the expenditure of the proceeds thereof:

NOW, THEREFORE, the Authority hereby adopts the following resolutions:

I. Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant Treasurer and any Assistant Corporate Secretary of the Authority, and any other person duly authorized to act in such capacity, is designated an "Authorized Officer" for the purposes of the following resolutions; and further

II. SEQRA Findings and Delegation

RESOLVED, that the issuance of the Series 2001A Bonds in order to finance Financeable Costs under the Act, which may include but are not limited to (i) restructuring of certain outstanding indebtedness of the County; (ii) tax certiorari settlements and judgments; (iii) other settlements or judgments; (iv) refunding certain outstanding indebtedness of the County to achieve present value debt savings if certain savings conditions are met; (v) cash flow needs of the County including real property reassessment costs; and (vi) the costs of issuance of such series of Bonds, in each case constitutes a "Type II" action under SEQR and, accordingly, no further action or review is required to be made with respect to the issuance of bonds and the application of the proceeds for such purposes; and further

RESOLVED, that no proceeds of the Series 2001A Bonds shall be applied with respect to any Financeable Cost constituting an appropriated capital cost of the County (or otherwise not within the findings set forth above) unless and until an Authorized Officer has taken all necessary action pursuant to the delegation in the following clause in order to comply with the requirements of SEQR with respect to such Financeable Cost; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to take any and all actions necessary to comply with the requirements of SEQR prior to the disbursement of proceeds of the Series 2001A Bonds with respect to each Financeable Cost constituting an appropriated capital cost of the County (or otherwise not within the findings set forth above) prior to the expenditure of Series 2001A Bond proceeds for such purpose; and provided, further, that such Authorized Officers may, to the extent permitted by law, rely upon information supplied by and representations and findings of authorized representatives of the County in connection therewith; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to take any and all actions necessary to comply with the requirements of SEQR with respect to any Financeable Costs to be financed with the proceeds of any future series of Bonds; and provided, further, that such Authorized Officers may, to the

extent permitted by law, rely upon information supplied by and representations and findings of authorized representatives of the County in connection therewith; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to approve and execute such documents or certifications and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out the foregoing resolutions (including without limitation the making of any findings and the preparation of any assessment forms required by SEQR), and that all such actions heretofore taken in connection with the Series 2001A Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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Resolution No. 01-54

**RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND
ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2001A**

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the "Act") authorizes the Nassau County Interim Finance Authority (the "Authority") to issue bonds for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the "County"); and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance and sale of an additional series of its sales tax secured bonds (the "Bonds") through the approval of appropriate documentation, including, without limitation, the approval of the Fourth Supplemental Indenture (as such term is defined below), the issuance, sale and delivery of such series of Bonds, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, the proceeds of such series of Bonds will be used to finance Financeable Costs under the Act, which may include but are not limited to (i) restructuring of certain outstanding indebtedness of the County; (ii) tax certiorari settlements and judgments; (iii) other settlements or judgments; (iv) refunding certain outstanding indebtedness of the County to achieve present value debt service savings if the

savings conditions contained in this Resolution are met; (v) cash flow needs of the County including real property reassessment costs; and (vi) the costs of issuance of such series of Bonds; and

WHEREAS, the Authority is authorized by the Act, upon submission by the County to the Authority of an approved declaration of need in accordance with the Act, to enter into agreements, in the Authority's discretion, providing for the financing of Financeable Costs by the Authority and to issue its Bonds therefore, and the Authority is required to obtain the written approval of the State Comptroller for the sale of each series of Bonds and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the additional series of Bonds; and

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered an indenture entitled "Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as Trustee, dated as of October 1, 2000" (the "General Indenture"), authorizing the issuance of one or more series of Bonds for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such Bonds and the security pledged to the payment thereof; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of supplemental indenture entitled "Fourth Supplemental Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as Trustee Authorizing \$_____ Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2001A dated as of June 1, 2001" (the "Fourth Supplemental Indenture"), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2001A (the "Series 2001A Bonds") (the General Indenture, as amended and supplemented, being hereinafter collectively referred to as the "Indenture"); and

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered a financing agreement dated as of October 1, 2000 (the "Financing Agreement"), by and between the Authority and the County, pursuant to which the County has made certain agreements and covenants relating to the issuance of Bonds by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of a Preliminary Offering Circular (the "Preliminary Offering Circular"), relating to the Series 2001A Bonds; and

WHEREAS, certain of the officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Series 2001A Bonds and have negotiated the Contract of Purchase therefore (the "Purchase Contract"); and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2001A Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the Authority and the Trustee in order to assist the Underwriters (as defined below) in complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended:

NOW, THEREFORE, the Authority, hereby adopts the following resolutions:

I. Fourth Supplemental Indenture

RESOLVED, that the form of Fourth Supplemental Indenture presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Fourth Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2001A Bonds (which may be issued in one or more series or subseries) as may be approved by the Authorized Officer subject to the terms referred to in item VII below; and further

II. Preliminary Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved for use in marketing the Series 2001A Bonds with such changes as an Authorized Officer may approve; and further

III. Offering Circular

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, a final Offering Circular ("Offering Circular") relating to the Series 2001A Bonds, with such changes to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriters to comply with SEC rules; and further

IV. Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters, in substantially the form presented to this meeting, copies of which

shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

V. Continuing Disclosure Agreement

RESOLVED, that the Continuing Disclosure Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit D, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Continuing Disclosure Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

VI. Escrow Deposit Agreement

RESOLVED, that the Escrow Deposit Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit E, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Escrow Deposit Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

VII. Terms of Series 2001A Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the General Indenture, the power with respect to the Series 2001A Bonds to determine and carry out the following:

(a) The principal amount of Series 2001A Bonds to be issued in an aggregate principal amount up to \$295,000,000, provided that any Series 2001A Bonds to be issued for refunding certain outstanding indebtedness of the County to achieve present value debt service savings must produce either (i) present value debt service savings at least equal to 2% of the principal amount of each maturity of the County bonds so being refunded, or (ii) adequate present value savings for each such maturity of County bonds so being refunded as determined by an option model approved by an Authorized Officer of the Authority;

(b) The series of bonds and the maturities or portions thereof of the County which are to be refunded or restructured with a portion of the proceeds of the Series 2001A Bonds, and the date or dates, if any, on which such refunded obligations are to be called for redemption, as determined by such Authorized Officer to best carry out the Authority's statutory purposes;

(c) The date or dates, maturity date or dates and principal amount of each maturity of the Series 2001A Bonds, the amount and date of each sinking fund installment, if

any, and which Series 2001A Bonds, if any, are serial bonds or term bonds; provided that the Series 2001A Bonds shall mature no later than November 15, 2021;

(d) The interest rate or rates of the Series 2001A Bonds (including a zero interest rate), the date from which interest on the Series 2001A Bonds shall accrue and the interest payment dates, if any, therefore; provided, however, that the true interest cost on the Series 2001A Bonds (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed 8% per annum;

(e) The redemption price or redemption prices, if any, and the redemption terms, if any, for the Series 2001A Bonds; provided, however, that the redemption price of any Series 2001A Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2001A Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(f) Additional provisions for the sale or exchange of the Series 2001A Bonds and for the delivery thereof not otherwise set forth herein;

(g) Directions for the application of the proceeds of the Series 2001A Bonds and investment thereof not in conflict with the provisions hereof;

(h) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the General Indenture, including, without limitation, incorporating a credit facility to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further.

VIII. Issuance of Bonds

RESOLVED, that the Authority shall issue, award and deliver the Series 2001A Bonds pursuant to the Purchase Contract, and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Series 2001A Bonds; and further

IX. Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant Treasurer and any Assistant Corporate Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an "Authorized Officer" for the purposes of the foregoing resolutions; and further

X. Appointment of Underwriters

RESOLVED, that the firm of UBS PaineWebber Inc. is hereby appointed as book running senior managing underwriter, with Goldman, Sachs & Co. serving as co-senior manager for the Series 2001A Bonds. The other members of the underwriting team will include: First Albany Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., M.R. Beal & Company, Quick & Reilly, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Ramirez & Co., Inc. and Roosevelt & Cross Incorporated. These other members shall participate in the financing in the capacities set forth in the Authority's resolution dated August 23, 2000, or as further determined by an Authorized Officer. Further, the book running senior managing underwriter is hereby appointed as bidding agent for the purchase of escrow securities; and further

XI. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of the Series 2001A Bonds is found to be appropriate for the following reasons:

(i) the Underwriters have and will continue to assist in all structuring tasks including preparation of the Offering Circular and presentations to or discussions with rating agencies;

(ii) the Underwriters have and will continue to be able to undertake presale marketing to help determine the level of demand for the Series 2001A Bonds; and

(iii) the Underwriters will have the flexibility to sell the Series 2001A Bonds on short notice and make rapid changes in structure to accommodate the market; and further provided, that the Series 2001A Bonds shall be awarded and sold to the Underwriters named in the Purchase Contract upon the terms and conditions set forth in the Purchase Contract at a purchase price of not less than ninety percent (90%) of the aggregate original principal amount of the Series 2001A Bonds to be sold; and further

XII. Sale of Series 2001A Bonds

RESOLVED, that, subject to obtaining the approval of the Comptroller of the State, the Authority shall sell and award, at private sale, the aggregate principal amount of the Series 2001A Bonds to the Underwriters; and further

XIII. Appointment of Bond Counsel

RESOLVED, that the law firm of Sidley Austin Brown & Wood LLP is hereby appointed bond counsel for the Series 2001A Bonds; and further

XIV. Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Series 2001A Bonds), make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out the foregoing resolutions, including without limitation the

execution, sale and delivery of the Series 2001A Bonds, any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution, and that all such actions heretofore taken in connection with the Series 2001A Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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Resolution No. 01-55

RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF BOND ANTICIPATION NOTES, SERIES 2001A-1

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the "Act"), authorizes the Nassau County Interim Finance Authority (the "Authority") to issue bonds or notes (the "Bonds" or "Notes") for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the "County"); and

WHEREAS, the proceeds of the second series of such Notes (the "Series 2001A-1 Notes") are expected to be used to finance Financeable Costs under the Act, including (i) cash flow needs of the County; and (ii) the costs of issuance of such series of Notes; and

WHEREAS, the Authority is required under the State Environmental Quality Review Act, as amended ("SEQR"), to complete environmental reviews in connection with certain of its activities, including the issuance of it Notes from time to time or the expenditure of the proceeds thereof for certain purposes:

NOW, THEREFORE, the Authority hereby adopts the following resolutions:

I. SEQRA Findings and Delegation

RESOLVED, that the issuance of the Series 2001A-1 Notes in order to finance (i) cash flow needs of the County; and (ii) the costs of issuance of such series of Notes, in each case constitutes a "Type II" action under SEQR and, accordingly, no further action or review is required to be made with respect to the issuance of Notes and the application of the proceeds for such purposes.

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Resolution No. 01-56**RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2001A-ONE AND BOND ANTICIPATION NOTES, SERIES 2001A-1**

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the “Act”) authorizes the Nassau County Interim Finance Authority (the “Authority”) to issue bonds and notes for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the “County”); and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance and sale of a series of its sales tax secured bonds (the “Bonds”) and a series of bond anticipation notes in anticipation of such Bonds (such series of bond anticipation notes, including any renewals thereof, the “Notes”), through the approval of appropriate documentation, including, without limitation, the approval of the Third Supplemental Indenture (as such term is defined below), the authorization of the issuance of such series of Bonds and the issuance, sale and delivery of such series of Notes, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, the proceeds of such series of Notes will be used to finance Financeable Costs under the Act, including (i) cash flow needs of the County; and (ii) the costs of issuance of such series of Notes; and

WHEREAS, the Authority is authorized by the Act, upon submission by the County to the Authority of an approved declaration of need in accordance with the Act, to enter into agreements, in the Authority’s discretion, providing for the financing of Financeable Costs by the Authority and to issue its Bonds and notes therefore, and the Authority is required to obtain the written approval of the State Comptroller for the sale of each series of Bonds or notes and the terms thereof if such sale be a private sale to other than the State Comptroller; and WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the series of Notes; and

WHEREAS, the Authority has previously approved a form of indenture entitled “Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as Trustee, dated as of October 1, 2000” (the “General Indenture”), authorizing the issuance of one or more series of Bonds or notes, including bond anticipation notes, for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such Bonds or notes and the security pledged to the payment thereof; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of supplemental indenture entitled “Third Supplemental Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as Trustee Authorizing Up To \$240,000,000 Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2001A-One and Up To \$200,000,000 Nassau County Interim Finance Authority Bond Anticipation Notes, Series 2001A-1, dated as of May 1, 2001” (the “Third Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2001A-One (the “Series 2001A-One Bonds”) and the Notes, initially bearing the designation “Bond Anticipation Notes, Series 2001A-1”, subject to renewal thereof, (the General Indenture, as amended and supplemented, including by said Third Supplemental Indenture, being hereinafter collectively referred to as the “Indenture”); and

WHEREAS, the Authority has previously approved a form of financing agreement dated as of October 1, 2000 (the “Financing Agreement”), by and between the Authority and the County, pursuant to which the County has made certain agreements and covenants relating to the issuance of Bonds or notes by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders and noteholders; and

WHEREAS, pursuant to the Act and the Financing Agreement, the County has requested (and, as a condition to the Authority’s financing, will submit an approved Declaration of Need in accordance with the Financing Agreement in form satisfactory to the Authority) that the Authority undertake this financing through the issuance of the Notes for the purpose of financing cash flow needs of the County at lower cost than the County could finance such cash flow needs on its own; and further that as a condition thereto, the County will issue and deliver to the Authority as noteholder, its issue of Revenue Anticipation Notes (the “RANs”), the payments thereunder to the Authority expected to be sufficient for the Authority to pay in full amounts owing on the Notes at their respective maturity date or dates; and

WHEREAS, the duly authorized officers of the Authority have participated in the preparation of a form of Preliminary Offering Circular (the “Preliminary Offering Circular”), relating to the Notes; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Notes and have negotiated a form of Contract of Purchase therefore (the “Purchase Contract”); and

WHEREAS, certain officers and employees of the Authority have negotiated a form of contract of purchase between the Authority and the County relating to the purchase by the Authority of the RANs from the County (the “RANs Purchase Contract”); and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a Nassau County Interim Finance Authority Bond Anticipation Notes, Series 2001-A Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) between the Authority and the Trustee in order to assist the Underwriters (as defined below) in complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended:

NOW, THEREFORE, the Authority, hereby adopts the following resolutions:

I. Third Supplemental Indenture

RESOLVED, that the form of Third Supplemental Indenture presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Third Supplemental Indenture in substantially such form with such further changes thereto prior to the issuance and delivery of the Notes or the Series 2001A-One Bonds (which may be issued in one or more series or subseries) as may be approved by the Authorized Officer subject to the terms referred to in items VIII and X below, respectively; and further

II. Declaration of Need

RESOLVED, that pursuant to the Act and the Financing Agreement, the County has requested the Authority to undertake this financing and is expected to submit a Declaration of Need in substantially the form set forth in the Financing Agreement and any Authorized Officer is hereby authorized to execute and deliver an acceptance of said Declaration of Need consistent with this resolution; it being expressly understood that the Authority’s undertaking of this financing through the issuance of the Notes is conditioned upon (i) submission of an approved Declaration of Need satisfactory to an Authorized Officer of the Authority and (ii) issuance and delivery by the County to the Authority as noteholder of the RANs in a form satisfactory to an Authorized Officer of the Authority and to bond counsel to the Authority; and further

III. Preliminary Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved for use in marketing the Notes with such changes as an Authorized Officer may approve; and further

IV. Offering Circular

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, a final Offering Circular (“Offering Circular”) relating to the Notes, with such changes to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriters to comply with SEC rules; and further

V. Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters, in substantially the form presented to this meeting, copies of which shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

VI. RANs Purchase Contract

RESOLVED, that the RANs Purchase Contract by and among the Authority and the County, in substantially the form presented to this meeting, copies of which shall be annexed to this resolution as Exhibit D is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

VII. Continuing Disclosure Agreement

RESOLVED, that the Continuing Disclosure Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit E, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Continuing Disclosure Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof; and further

VIII. Terms of Notes

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the General Indenture, the power with respect to the Notes to determine and carry out the following:

(a) The principal amount of Notes to be issued in an aggregate principal amount up to \$200,000,000;

(b) The date or dates, maturity date or dates and principal amount of each maturity of the Notes; provided, however, that the Notes shall mature no later than December 31, 2002.

(c) Provisions for renewal of the Notes consistent with the Indenture; provided that any renewal notes shall mature no later than May 31, 2005;

(d) The interest rate or rates of the Notes (including a zero interest rate), the date from which interest on the Notes shall accrue and the interest payment dates, if any, therefore; provided, however, that the true interest cost on the Notes (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed seven percent (7%) per annum, and the true interest cost of any renewal of such Notes as so determined shall not exceed nine percent (9%) per annum;

(e) Additional provisions for the sale or exchange of the Notes and for the delivery thereof not otherwise set forth herein;

(f) Directions for the application of the proceeds of the Notes and investment thereof not in conflict with the provisions hereof;

(g) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the General Indenture, including, without limitation, incorporating a credit facility, amending the pledge of collateral (other than the pledge of the Series 2001A-One Bonds) securing the Notes, or changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

IX. Issuance of Notes

RESOLVED, that the Authority shall issue, award and deliver the Notes pursuant to the Purchase Contract, and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Notes; and further

X. Terms of Series 2001A-One Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the General Indenture, the power with respect to the Series 2001A-One Bonds to determine and carry out the following:

(a) The principal amount of Series 2001A-One Bonds to be issued in an aggregate principal amount up to \$240,000,000;

(b) The date or dates, maturity date or dates and principal amount of each maturity of the Series 2001A-One Bonds, the amount and date of each sinking fund installment, if any, and which Series 2001A-One Bonds, if any, are serial bonds or term bonds; provided, however, that the Series 2001A-One Bonds shall mature no later than November 15, 2005, unless this provision shall be amended by future resolution of the Directors, with the advise of bond counsel to the Authority;

(c) The interest rate or rates of the Series 2001A-One Bonds (including a zero interest rate), the date from which interest on the Series 2001A-One Bonds shall accrue and the interest payment dates, if any, therefore; provided, however, that the true interest cost on the Series 2001A-One Bonds (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed eight percent (8%) per annum;

(d) The redemption price or redemption prices, if any, and the redemption terms, if any, for the Series 2001A-One Bonds; provided, however, that the redemption price of any Series 2001A-One Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2001A-One Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(e) Additional provisions for the sale or exchange of the Series 2001A-One Bonds and for the delivery thereof not otherwise set forth herein, including, but not limited to, provisions for negotiated sale thereof and preparation and approval of the Series 2001A-One Bond Instruments, as defined and provided for in Section 4.03 of the form of Third Supplemental Indenture;

(f) Directions for the application of the proceeds of the Series 2001A-One Bonds and investment thereof not in conflict with the provisions hereof;

(g) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the General Indenture, including, without limitation, changing the designation of the Series 2001A-One Bonds, incorporating a credit facility, changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

XI. Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant Treasurer and any Assistant Corporate Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an "Authorized Officer" for the purposes of this resolution; and further

XII. Appointment of Underwriters

RESOLVED, that the firm of UBS PaineWebber Inc. is hereby appointed as book running senior managing underwriter, with Goldman, Sachs & Co. serving as co-senior manager for the financings authorized by this resolution. The other members of the underwriting team will include: First Albany Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., M.R. Beal & Company, Quick & Reilly, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Ramirez & Co., Inc. and Roosevelt & Cross Incorporated. These other members shall participate in the financing in the capacities set forth in the Authority's resolution dated August 23, 2000, or as further determined by an Authorized Officer, and further

XIII. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of the Notes, renewal notes and the Series 2001A-One Bonds is found to be appropriate for the following reasons:

- (i) the Underwriters, designated in item XII above, have and will continue to assist in all structuring tasks including preparation of the Offering Circular and presentations to rating agencies;**
- (ii) the Underwriters have and will continue to be able to undertake presale marketing to help determine the level of demand for the Notes, renewal notes and the Series 2001A-One Bonds; and**
- (iii) the Underwriters will have the flexibility to sell the Notes, renewal notes and the Series 2001A-One Bonds on short notice and make rapid changes in structure to accommodate the market; and further provided, that each of the Notes, any renewal notes and the Series 2001A-One Bonds shall be awarded and sold to the Underwriters named in the Purchase Contract upon the terms and conditions set forth in the respective Purchase Contract at a purchase price of not less than ninety percent (90%) of the aggregate original principal amount of the Notes, any renewal notes and the Series 2001A-One Bonds, respectively, to be sold; and further**

XIV. Appointment of Bond Counsel

RESOLVED, that Sidley Austin Brown & Wood LLP is hereby appointed bond counsel for the Authority in connection with the authorization, sale and issuance of the Series 2001A-One Bonds, the Notes and any renewals thereof; and further

XV. Sale of Notes

RESOLVED, that, subject to obtaining the approval of the Comptroller of the State, the Authority shall sell and award, at private sale, the aggregate principal amount of each of the Notes, any renewal notes and the Series 2001A-One Bonds to the Underwriters; and further

XVI. Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Notes, any renewals thereof and the Series 2001A-One Bonds), make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out this resolution, including without limitation: the execution, sale and delivery of the Notes (and any renewals thereof) and the Series 2001A-One Bonds; the purchase of the RANs; any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution; the application of payments received by the Authority on the RANs; and that all such actions heretofore taken in connection with the Notes, any renewal thereof, the Series 2001A-One Bonds and the purchase of the

RANs by any Authorized Officer, or his or her designee, are hereby ratified and approved.

*** * ***

Chairman Zarb asked Santa Albicocco of the County Executive's Office to give the Directors an update.

Ms. Albicocco stated that she will attempt to get the personnel list of the exempt salary increases. She also stated that the County is continuing to have weekly monitoring meetings. She stated that the tax certiorari plan is moving ahead very aggressively and quickly. Ms. Albicocco stated that the County is in the process of doing a hiring needs assessment throughout the County departments.

Chairman Zarb asked Judy Jacobs to address the Directors.

Ms. Jacobs stated that the Legislature recently held its first quarter budget hearings. Ms. Jacobs stated that the Majority appreciates the labor guidelines it received. Ms. Jacobs stated that she would supply NIFA with an itemized list of the salary increases for the Majority.

Chairman Zarb asked Ed Ward, on behalf of the Minority to address the Directors.

Mr. Ward stated that the Minority Legislators are grateful for the labor guidelines supplied by NIFA but expressed concern over the binding arbitration law that was recently passed. Chairman Zarb replied that NIFA will do whatever is necessary if the County does not meet its budget.

Director Wallach stated that in reference to the Glen Cove tax certiorari issue, he feels strongly that it is not in the County's best interest to take on another tax certiorari issue when the County has not solved the main tax certiorari issue. Ms. Jacobs replied that she understands the problem.

Chairman Zarb entertained a motion to go into executive session to discuss personnel issues.

Upon motion duly made and seconded, the following resolution was approved unanimously:

RESOLUTION NO. 01-57

EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Directors of the Nassau County Interim Finance Authority shall convene in Executive Session for the purpose of discussing litigation and personnel matters.

* * *

At 3:48 p.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 3:58 p.m. the executive session was adjourned and the open session was reconvened. The Chairman stated that no votes were taken during executive session.

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:00 p.m.

Respectfully submitted,

**Laurie A. Leat
Corporate Secretary**