

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MINUTES OF THE MEETING OF THE DIRECTORS

HELD ON MAY 30, 2002

Pursuant to notice dated May 23, 2002, the Nassau County Interim Finance Authority (NIFA) was convened at 2:30PM on the second floor of the Omni Building located in Uniondale, NY.

The following Directors of the Authority were present:

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

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

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

The Chairman stated that the first item on the agenda is the approval of the minutes from the April 17, 2002 meeting of the Directors.

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

Resolution No. 02-88

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
APRIL 17, 2002 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on April 17, 2002, 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.

* * *

Mr. Luke stated that the next items on the agenda are the borrowings that NIFA will be doing on behalf of the County. He asked Carol Kostik to give the Directors some background on the borrowings. Ms. Kostik stated that the first financing is a Bond Anticipation Note offering, from which NIFA will use proceeds to purchase the County's Revenue Anticipation Notes. She stated that NIFA is requesting authorization to borrow up to \$160 million. She noted that this is a reduction in borrowing from prior years.

Ms. Kostik stated that the second financing is a long-term bond issue of up

to \$260 million with a final maturity of twenty years. Ms. Kostik explained that the borrowing has two purposes; retire some NIFA short-term notes, and provide new money to the County in accordance with the Declaration of Need that the Legislature passed unanimously earlier this month. She further stated that this is NIFA's first variable rate issue which was requested by the County.

Director Wallach asked how many basis points would rates have to move before NIFA would be in a disadvantage with the variable rate. Ms. Kostik replied that at this point there is an unusually wide spread between fixed and floating rate cost of over three hundred basis points.

Director Payson said that while he supports this issuance, he will continue to raise questions at each issuance.

Director Wallach asked if the bonds would actually be delivered to minority firms so that they could distribute those bonds. Ms. Kostik replied that minority firms are given equal opportunity to sell Authority debt.

Mr. Wise stated that there are two resolutions regarding SEQRA that go along with the two financing resolutions.

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

Resolution No. 02-89

RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF BOND ANTICIPATION NOTES, SERIES 2002A-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 fourth series of such Notes (the "Series 2002A-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 ("SEQRA"), to complete environmental reviews in connection with certain of its activities, including the issuance of its 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. 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 2002A-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 SEQRA 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; and further

RESOLVED, that no proceeds of the Series 2002A-1 Notes shall be applied with respect to any Financeable Cost 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 SEQRA 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 SEQRA prior to the disbursement of proceeds of the Series 2002A-1 Notes with respect to each Financeable Cost; 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 SEQRA with respect to any Financeable Costs to be financed with the proceeds of any future series of Notes; 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 SEQRA), and that all such actions heretofore taken in connection with the Series 2002A-1 Notes by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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Resolution No. 02-90

RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES THREE AND BOND ANTICIPATION NOTES, SERIES 2002A-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 Sixth 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 therefor, 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 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 (original) 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 “Sixth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York, as Trustee Authorizing Up To \$_____ Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series Three and Up To \$_____ Nassau County Interim Finance Authority Bond Anticipation Notes, Series 2002A-1, dated as of June 1, 2002” (the “Sixth Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series Three (the “Series Three Bonds”) and the Notes, initially bearing the designation “Bond Anticipation Notes, Series 2002A-1”, subject to renewal thereof, (the General Indenture, as amended and supplemented, including by said Sixth Supplemental Indenture, 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 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 has submitted 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 therefor (the “Purchase Contract”); and

WHEREAS, 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 2002A-1 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:
Sixth Supplemental Indenture

RESOLVED, that the form of Sixth 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

Sixth Supplemental Indenture in substantially such form with such further changes thereto prior to the issuance and delivery of the Notes or the Series Three 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

Declaration of Need

RESOLVED, that pursuant to the Act and the Financing Agreement, the County has requested the Authority to undertake this financing and has submitted 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 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

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

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

Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters, in substantially the form presented to this meeting, a copy 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

I. 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, a copy 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

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

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:

The principal amount of Notes to be issued in an aggregate principal amount up to \$160,000,000;

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 eighteen months after their date of issuance.

Provisions for renewal of the Notes consistent with the Indenture; provided that any renewal notes shall mature no later than May 31, 2006;

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, therefor; 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 five percent (5%) per annum, and the true interest cost of any renewal of such Notes as so determined shall not exceed eight percent (8%) per annum;

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

Directions for the (i) application of the proceeds of the Notes to the purchase of the RANs and other purposes and (ii) investment of the proceeds of the Notes not in conflict with the provisions hereof;

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 Three 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

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

Terms of Series Three 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 Three Bonds to determine and carry out the following:

The principal amount of Series Three Bonds to be issued in an aggregate principal amount up to \$175,000,000;

The date or dates, maturity date or dates and principal amount of each maturity of the Series Three Bonds, the amount and date of each sinking fund installment, if any, and which Series Three Bonds, if any, are serial bonds or term bonds; provided, however, that the Series Three Bonds shall mature no later than November 15, 2022, unless this provision shall be amended by future resolution of the Directors, with the advise of bond counsel to the Authority;

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

The redemption price or redemption prices, if any, and the redemption terms, if any, for the Series Three Bonds; provided, however, that the redemption price of any Series Three 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 Three Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

Additional provisions for the sale or exchange of the Series Three 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 Three Bond Instruments, as defined and provided for in Section 4.03 of the form of Sixth Supplemental Indenture;

Directions for the application of the proceeds of the Series Three Bonds and investment thereof not in conflict with the provisions hereof;

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 Three Bonds, incorporating a liquidity or 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

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

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

Negotiated Sale

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

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;

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 Three Bonds; and

the Underwriters will have the flexibility to sell the Notes, renewal notes and the Series Three 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 Three 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 (issuance value) of the Notes, any renewal notes and the Series Three Bonds, respectively, to be sold; and further

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 Three Bonds, the Notes and any renewals thereof; and further

Authority Auditors

RESOLVED, that Deloitte & Touche LLP, the Authority's outside auditors, are hereby requested to undertake any procedures necessary for accomplishing the purposes of the financing including consenting to the inclusion of their report on the Authority's financial statements in the Preliminary Offering Circular and Offering Circular, and that the Authorized Officers are hereby directed and authorized to take

all necessary or useful actions to effect such purposes, including the negotiation and payment of any customary related fees to Deloitte & Touche LLP and further

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 Three Bonds to the Underwriters; and further

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 Three 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 Three 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 Three Bonds and the purchase of the RANs by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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Resolution No. 02-91

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 Financable 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 one or more additional series of such Bonds (the "Series 2002 Bonds") are expected to be used to finance Financeable Costs under the Act, which may include but are not limited to (i) retiring the Authority's \$125,895,000 Bond Anticipation Notes, Series 2001B-1 at their July 18, 2002 maturity; (ii) restructuring of certain outstanding indebtedness of the County; (iii) tax certiorari settlements and judgments; (iv) other settlements or judgments; (v) cash flow needs of the County including real property reassessment costs; (vi) capital projects and (vii) the costs of issuance of each series of Bonds; and

WHEREAS, the Authority is required under the State Environmental Quality Review Act, as amended ("SEQRA"), 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 2002 Bonds in order to finance Financeable Costs under the Act, which may include but are not limited to (i) retiring the Authority's \$125,895,000 Bond Anticipation Notes, Series 2001B-1 at their July 18, 2002 maturity; (ii) restructuring of certain outstanding indebtedness of the County; (iii) tax certiorari settlements and judgments; (iv) other settlements or judgments; (v) cash flow needs of the County including real property reassessment costs; (vi) capital projects; and (vii) the costs of issuance of such series of Bonds in each case, except clause (vi), constitutes a "Type II" action under SEQRA 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 2002 Bonds shall be applied with respect to any Financeable Cost 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 SEQRA 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 SEQRA prior to the disbursement of proceeds of the Series 2002 Bonds with respect to each Financeable Cost; 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 SEQRA 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 SEQRA), and that all such actions heretofore taken in connection with the Series 2002 Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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Resolution No. 02-92**RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2002A AND SERIES 2002B**

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 additional series of its sales tax secured bonds (the "Bonds") through the approval of appropriate documentation, including, without limitation, the approval of the Seventh 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) retiring the Authority's \$125,895,000 Bond Anticipation Notes, Series 2001B-1 at their July 18, 2002 maturity (the "2001B-1 BANs"); (ii) restructuring of certain outstanding indebtedness of the County; (iii) tax certiorari settlements and judgments; (iv) other settlements or judgments; (v) cash flow needs of the County including real property reassessment costs; (vi) capital projects; and (vii) 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 therefor, 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 (original) 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 "Seventh Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York, as Trustee Authorizing \$_____ Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2002A and Series 2002B dated as of July 1, 2002" (the "Seventh Supplemental Indenture"), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2002A and Series 2002B (collectively, the "Series 2002 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, pursuant to the Act and the Financing Agreement, the County has requested (and has submitted 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 Series 2002 Bonds at a variable rate; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of an Offering Circular (the "Offering Circular"), relating to the Series 2002 Bonds; 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 Series 2002 Bonds and have negotiated the Contract of Purchase therefor (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 2002A and Series 2002B 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. Seventh Supplemental Indenture

RESOLVED, that the form of Seventh 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 Seventh Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2002 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 X below; 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 has submitted 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.

III. Offering Circular

RESOLVED, that the 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 2002 Bonds with such changes as an Authorized Officer may approve; and further, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, the Offering Circular, said execution being conclusive evidence of the approval of any changes to the form presented to this meeting, 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 that a preliminary offering circular may also be prepared and disseminated if necessary or desirable; 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, a copy 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 Agreements

RESOLVED, that the Escrow Deposit Agreements relating to the restructuring of County Indebtedness and the retirement of the 2001B-1 BANs, respectively, presented to this meeting, copies of which shall be annexed to this resolution as Exhibit E-1 and E-2, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Escrow Deposit Agreements in substantially such forms as are 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. Liquidity Facility

RESOLVED, that the Authorized Officers are hereby authorized to negotiate and execute a Standby Bond Purchase Agreement or other form of liquidity facility by and between the Authority and one or more banks or other financial institutions, to be selected by an Authorized Officer(s), that are prominent in the business of furnishing liquidity for municipal bond issues, provided, however, that each liquidity facility shall have an initial term not to exceed five years, shall be renewable, and shall have customary industry provisions for the replacement of the liquidity provider, and further

VIII. Remarketing Agreements

RESOLVED, that the Remarketing Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit F, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver each Remarketing 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

IX. Tender Agent Agreement

RESOLVED, that the Tender Agent Agreement by and between the Authority and The Bank of New York presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit G, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Tender Agent 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

X. Terms of Series 2002 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 2002 Bonds to determine and carry out the following:

(a) The number of series of the Series 2002 Bonds and the designation for each series;

(b) The principal amount of each series of the Series 2002 Bonds to be issued in an aggregate total principal amount up to \$260,000,000;

(c) 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 2002 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;

(d) The date or dates, maturity date or dates and principal amount of each series and maturity of the Series 2002 Bonds, the amount and date of each sinking fund installment, if any, and which Series 2002 Bonds, if any, are serial bonds or term bonds; provided, however, that each series of the Series 2002 Bonds shall mature no later than November 15, 2022;

(e) The interest rate or rates of each series of the Series 2002 Bonds (including a zero interest rate), the dates from which interest on each series of the Series 2002 Bonds shall accrue, the interest payment dates, if any, therefor and the interest rate mode or modes thereof, as provided in the Seventh Supplemental Indenture;

(f) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series 2002 Bonds; provided, however, that the redemption price of any Series 2002 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 2002 Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(g) Additional provisions for the sale or exchange of the Series 2002 Bonds and for the delivery thereof not otherwise set forth herein;

(h) Directions for the application of the proceeds of the Series 2002 Bonds and investment thereof not in conflict with the provisions hereof;

(i) Convert from time to time, the interest rate mode or modes of the Series 2002 Bonds, as provided in the Seventh Supplemental Indenture, provided, however, that no conversion to an auction rate mode shall take effect until approved by the Directors of the Authority;

(j) 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 bond insurance or other form of 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

XI. Issuance of Bonds

RESOLVED, that the Authority shall issue, award and deliver each series of the Series 2002 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 2002 Bonds; and further

XII. 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

XIII. Appointment of Underwriters and Remarketing Agents

RESOLVED, that the firm of Goldman, Sachs & Co. is hereby appointed as senior managing underwriter, with UBS PaineWebber Inc. serving as co-senior manager for the Series 2002A Bonds and the firm of UBS PaineWebber Inc. is hereby appointed as senior managing underwriter, with Goldman, Sachs & Co. serving as co-senior manager for the Series 2002B Bonds. The other members of the underwriting team for each series of the Series 2002 Bonds 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 firms of Goldman, Sachs & Co. and UBS Paine Webber Inc. are appointed remarketing agents for those Series 2002 Bonds as further specified by an Authorized Officer.

XIV. Appointment of Bidding Agents

The firms of Goldman, Sachs & Co. and UBS PaineWebber Inc. may each serve as bidding agent for the purchase of escrow securities or in connection with any forward purchase agreement utilized to invest amounts credited to the Bond Account, each to the extent specified by an Authorized Officer.

XV. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of each series of the Series 2002 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 2002 Bonds; and

(iii) the Underwriters will have the flexibility to sell the Series 2002 Bonds on short notice and make rapid changes in structure to accommodate the market; and further provided, that each series of the Series 2002 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 (issuance value) of such series of the Series 2002 Bonds to be sold; and further

XVI. Sale of Series 2002 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 each series of the Series 2002 Bonds to the Underwriters; and further

XVII. Appointment of Bond Counsel

RESOLVED, that the law firm of Sidley Austin Brown & Wood LLP is hereby appointed bond counsel for the Series 2002 Bonds; and further

XVIII. Authority Auditors

RESOLVED, that Deloitte & Touche LLP, the Authority's outside auditors, are hereby requested to undertake any procedures necessary for accomplishing the purposes of the financing including consenting to the inclusion of their report on the Authority's financial statements in the Preliminary Offering Circular and Offering Circular, and that the Authorized Officers are hereby directed and authorized to take all necessary or useful actions to effect such purposes, including the negotiations and payment of any customary related fees to Deloitte & Touche LLP and further

XIX. 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 2002 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 2002 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 2002 Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

* * *

Mr. Luke stated in regard to the County's quarterly budget status report, the report projects the County will end the year with an operating surplus of \$4.5 million. Mr. Luke stated that this is predicated upon \$57 million in restructuring relief and \$20 million of State aid so the County still has a structural operating deficit of about \$73 million. He stated that projected sales tax revenues seem to be on target. Mr. Luke stated that there are several uncertainties that NIFA is monitoring

that could negatively affect the County; the retirement bill from the State Comptroller's office, the possibility that more police may retire than were in the budget, and all of the police contracts that have expired and are at various stages of impasse.

Director Peirez asked Art Gianelli what was going on with negotiations. Mr. Gianelli replied that there are ongoing negotiations with the police.

Mr. Luke stated that the County's projection presumes that the employee headcount, other than police, will be held constant. Since the County's goal is to reduce the workforce, NIFA recognizes that between now and the end of the year there are going to be some number of people that are going to be leaving either through normal attrition or the early retirement program.

Mr. Gianelli asked if he could have a copy of NIFA's comments on the County's quarterly budget status report. Chairman Zarb replied that he could have a copy.

Mr. Luke asked Mr. Gianelli to talk about the monitoring process. Chairman Zarb asked Mr. Gianelli to also speak about the status of the County's legislative program in Albany.

Mr. Gianelli stated that the County is aggressively lobbying for the bills to get passed. Director Kessel stated that it is very important that the County get the bills in print form and sponsored before they can even be lobbied. He stated that there are only three weeks left in the legislative session which amounts to approximately nine business days.

Chairman Zarb stated that it is his fear that the County says it didn't get done because Albany didn't perform and Albany says it didn't get done because the County didn't perform. He stated that the County should be very public about what it is doing to get these bills passed. Chairman Zarb asked Mr. Gianelli for a note before close of business on May 31 stating exactly what the County has done and who it has been dealing with in Albany. Mr. Gianelli stated that he will have Helena Williams draft the memo since she is the point person.

Mr. Gianelli gave the NIFA directors an overview of the County's monitoring process.

Director Kessel stated that the next item on the agenda is a resolution to obtain Directors and Officers liability insurance.

After a lengthy discussion, this item was removed from the agenda until

certain questions can be answered.

The Chairman entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 3:35 p.m.

Respectfully submitted,

**Laurie A. Leat
Corporate Secretary**