

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
MINUTES OF THE MEETING OF THE DIRECTORS**

**HELD ON MARCH 25, 2004**

Pursuant to notice dated March 18, 2004, the Nassau County Interim Finance Authority (NIFA) was convened at 3:00 PM in the Executive Club Room on the lower level of the Omni Building located in Uniondale, NY.

The following Directors of the Authority were present:

**Ronald Stack, Chairman  
Richard M. Kessel  
Martin Payson  
David Peirez  
Robert Smith**

Also representing the Authority was Richard Luke, Executive Director, Jeremy Wise, General Counsel, Evan Cohen, Deputy Director, Timothy Sullivan, 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 asked Rich Luke to go through the items on the agenda.

**Rich Luke stated that the first item on the agenda was a resolution to approve the minutes of the November 5, 2003 Directors' meeting.**

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

**Resolution No. 04-140**

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 5, 2003 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY**

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**RESOLVED, that the Minutes of the meeting of the Authority held on November 5, 2003, 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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**Rich Luke stated that the next item on the agenda was a resolution to approve an increase in the amount of money spent on accounting software due to NIFA's server crashing.**

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

**RESOLUTION NO. 04-141**

**Authorization to Increase the Amount Necessary to Purchase Accounting Software and to Take Related Actions**

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**RESOLVED, that the materials presented to this meeting (the “Materials”) are hereby ordered to be filed with the records of the Authority; and be it further**

**RESOLVED, that the Chairman or his designee(s) are hereby ordered to enter into an agreement with Micro Force Inc. to purchase a Microsoft-Great Plains governmental fund accounting software system and to install said system, transfer data from the Authority’s existing accounting software, and train NIFA personnel in its use, at a cost not to exceed \$22,500; and be it further**

**RESOLVED, that the Chairman or his designee(s) are further authorized to take all actions deemed necessary or appropriate to implement the foregoing and to take related actions.**

**\* \* \***

**Mr. Luke stated that the next item on the agenda was a resolution concerning the State Environmental Quality Review Act (SEQRA) in relation to the borrowing that NIFA is currently working on. Mr. Wise stated that the resolution ensures that use of any bond proceeds do not violate any environmental rules or regulations.**

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

**Resolution No. 04- 142**

**RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2004A AND SERIES 2004B**

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**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 to refund outstanding bonds of the Authority, as applicable; 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 2004 Bonds") are expected to be used (A) to finance Financeable Costs under the Act, which may include but are not limited to (i) tax certiorari settlements and judgments; (ii) other settlements or judgments; (iii) capital projects; (iv) refunding or restructuring of certain outstanding indebtedness of the County; and (v) the costs of issuance of such series of Bonds, and (B) subject to the terms outlined in a resolution of even date by the Directors of the Authority, to refund outstanding bonds of the Authority; 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 Deputy 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 2004 Bonds in order (A) to finance Financeable Costs under the Act, which may include but are not limited to (i) tax certiorari settlements and judgments; (ii) other settlements or judgments; (iii) capital projects; (iv) refunding or restructuring of certain outstanding indebtedness of the County; and (v) the costs of issuance of the Bonds, and (B) to refund outstanding bonds of the Authority, in each case, except clause (A)(iii), 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 2004 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 2004 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 past or 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 2004 Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.**

**\* \* \***

**Director Kessel stated that while he votes for this resolution, as Chairman of LIPA he is engaged in SEQRA issues not related to this.**

**Chairman Stack stated that the next item on the agenda was a resolution for the borrowing that NIFA is currently working on. He stated that after careful review, the County and NIFA concluded, as a group, that NIFA should proceed with**

the borrowing instead of the County doing the borrowing. He stated that the borrowing would consist of a refunding of NIFA debt, a refunding of County debt and new money.

Chairman Stack explained that the first component is simple, fixed rate bonds. He stated that there will be two additional series totaling \$400 million of which \$200 million will be issued through Goldman Sachs and \$200 million through UBS. Chairman Stack explained that these bonds will be of varying duration and sold in auction rate modes. Chairman Stack stated that AMBAC, which was competitively bid, would insure the bonds. He stated that with insurance the bonds would hold an AAA rating even though NIFA holds a AA rating.

Chairman Stack explained that simultaneous with the issuance of the variable rate bonds, NIFA would enter into a swap contract, which is a qualified hedge contract. He stated that NIFA will hedge this debt with Goldman Sachs and UBS. NIFA will be required to pay to the swap counter parties a fixed rate. He stated that the counter parties in turn would pay NIFA a variable rate payment that will be based upon an index, which will be chosen by NIFA closer to the time of sale. Chairman Stack stated that this transaction is saving the County approximately \$38 million in present value savings. He stated that NIFA would be locking into a fixed rate of approximately three and-a-half percent.

Director Kessel thanked Chairman Stack for all the work he did on this

**bond issue. He stated that although he supports this bond issue, he looks forward to the day when the County can do this kind of financing on its own without NIFA's assistance.**

**Jeremy wise stated that in addition to the usual attachments for a bond issue, there are several new attachments. He stated that there are swap guidelines that the Directors will be adopting in addition to an ISDA agreement which outlines the terms of this particular swap. He stated that also included are auction agent and broker dealer agreements. He stated that one additional item that is not in the agenda books is the issue of a surety bond, which will allow NIFA to buy an insurance policy instead of holding moneys in a separate account.**

**Director Payson asked if the documents were viewed by outside counsel. Mr. Wise replied that substantially everything has been reviewed by outside counsel.**

**Director Payson asked if New York City and other municipalities have done swaps of this nature. Mr. Wise replied that it has become increasing common for the State and other authorities to do this type of swap.**

**Mr. Luke stated that he is reaching out to the rating agencies to affirm NIFA's ratings. He stated that Standard & Poor's has affirmed NIFA's rating and the other two rating agencies will be responding today or tomorrow.**

**Director Smith stated that the County would never have been able to put**

**this type of deal together without NIFA and all the talent on the NIFA Board.**

**Director Stack stated that NIFA could not have done this deal without the County. He stated that if there is any question about the relevance of NIFA, it should be dissipated by today's actions.**

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

**Resolution No. 04-143**

**RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2004A AND SERIES 2004B**

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**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 to refund outstanding bonds of the Authority, as applicable; 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 Tenth 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 (A) to finance Financeable Costs under the Act, which may include but are not limited to (i) tax certiorari settlements and judgments; (ii) other settlements or judgments; (iii) capital projects; (iv) refunding or restructuring of certain outstanding indebtedness of the County; and (v) the costs of issuance of such series of Bonds, and (B) subject to the terms hereof, to refund outstanding bonds of the Authority; and**

**WHEREAS, the Authority is authorized by the Act to enter into interest rate exchange agreements or similar arrangements under such terms and conditions as the Authority may determine, and in accordance with such authority has reviewed proposed Guidelines For Entering Into Payment Agreements (the “Guidelines”) and proposes to enter into one or more ISDA Master Agreements, Schedules and related Confirmations, to be dated as of the date of their execution, to complete one or more variable-to-fixed rate interest rate swaps in connection with the issuance of the Series 2004 Bonds (as defined below); 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 to issue refunding Bonds, 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 “Tenth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York, as Trustee Authorizing Up To \$900,000,000 Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2004A and Series 2004B dated as of April 1, 2004” (the “Tenth Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2004A and Series 2004B (collectively, the “Series 2004 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 2004 Bonds, all or any portion of which may be issued at a fixed and/or auction rate; and**

**WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of Preliminary Offering Circular (the “2004A Preliminary Offering Circular”) relating to the Series 2004 Bonds issued at a fixed rate and a form of Preliminary Offering Circular (the “2004B Preliminary Offering Circular”) relating to the Series 2004 Bonds issued at an auction rate; and**

**WHEREAS, officers and employees of the Authority will participate in revisions to the 2004A Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Series 2004 Bonds issued at a fixed rate (the “2004A Offering Circular”) and have negotiated the Contract of Purchase therefor (the “2004A Purchase Contract”); and**

**WHEREAS, officers and employees of the Authority will participate in revisions to the 2004B Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Series 2004 Bonds issued at an auction rate (the “2004B Offering Circular” and, together with the 2004A Offering Circular, the “Offering Circulars”) and have negotiated the Contract of Purchase therefor (the “2004B Purchase Contract” and, together with the 2004A Purchase Contract, the “Purchase Contracts”); 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 2004A and Series 2004B 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; and**

**WHEREAS, the duly authorized officers of the Authority have caused to be prepared an Auction Agreement (the “Auction Agreement”) by and among the Authority, the Trustee and the Auction Agent to be determined by the Authority and set forth in the Tenth Supplemental Indenture (the “Auction Agent”), obligating the Auction Agent to conduct auctions for the Series 2004 Bonds bearing interest at an auction rate and calculate the interest rate that results from such auctions or default interest rates if such auctions are not held; and**

**WHEREAS, the duly authorized officers of the Authority have caused to be prepared a Broker-Dealer Agreement (the “Broker-Dealer Agreement”) by and among the Authority, the Auction Agent and each Broker-Dealer to be determined by the Authority and set forth in the Tenth Supplemental Indenture (the “Broker-Dealer”),**

which obligates each Broker-Dealer to submit bids, sell orders or hold orders to the Auction Agent on behalf of the persons listed in their records as beneficial owners of the Series 2004 Bonds bearing interest at an auction rate or to submit bids on behalf of persons who wish to obtain the beneficial ownership of the Series 2004 Bonds bearing interest at an auction rate under certain conditions; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared an Index Agent Agreement (the “Index Agent Agreement”) by and between the Authority and Standard & Poor’s Securities Evaluations, Inc. (the “Index Agent”), which obligates the Index Agent to provide index rates for the Series 2004 Bonds bearing interest at an auction rate under certain conditions; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared one or more ISDA Master Agreements, Schedules and Confirmations thereto, in connection with the issuance of all or any portion of the Series 2004 Bonds to complete a variable-to-fixed rate interest rate swap with one or more counterparties selected by the Authority in accordance with the Guidelines, which shall be the providers of such swap:

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

**I. Tenth Supplemental Indenture**

RESOLVED, that the form of Tenth 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 Tenth Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2004 Bonds (which may be issued at one time or from time to time in one or more series or subseries, subject to redesignation as hereinafter provided) as may be approved by the Authorized Officer subject to the terms referred to in item XI 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; and further

**III. Preliminary Offering Circulars**

RESOLVED, that the 2004A Preliminary Offering Circular of the Authority relating to the Series 2004 Bonds issued at a fixed rate in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B-1 and the 2004B Preliminary Offering Circular of the Authority relating to the Series 2004

Bonds issued at an auction rate in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B-2, are hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized to approve the distribution of the same on behalf of the Authority; and further

#### **IV. Offering Circulars**

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, a final 2004A Offering Circular relating to the Series 2004 Bonds issued at a fixed rate, and a final 2004B Offering Circular relating to the Series 2004 Bonds issued at an auction rate, each with such changes, insertions and omissions to the respective Preliminary Offering Circulars 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 Contracts**

RESOLVED, that the Purchase Contracts by and among the Authority and the Underwriters relating to the Series 2004 Bonds issued at a fixed rate and auction rate, respectively, in substantially the forms presented to this meeting, copies of which shall be annexed to this resolution as Exhibit C-1 and C-2, are 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. 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

#### **VII. Escrow Deposit Agreements**

RESOLVED, that the Escrow Deposit Agreements relating to the refunding or restructuring of County indebtedness and the refunding of certain outstanding bonds of the Authority, 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

#### **VIII. Auction Agreement**

RESOLVED, that the Auction 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 the Auction Agreement with the Auction Agent appointed by the Authority pursuant to clause XXV hereof 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. Broker-Dealer Agreement**

RESOLVED, that the Broker-Dealer Agreement 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 one or more Broker-Dealer Agreements with the Broker-Dealers appointed by the Authority pursuant to clause XVI hereof 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. Index Agent Agreement**

RESOLVED, that the Index Agent Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit H, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Index Agent Agreement with the Index Agent appointed pursuant to clause XXVI hereof 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

#### **XI. ISDA Master Agreement, Schedule and Confirmation thereto**

RESOLVED, that the ISDA Master Agreement, Schedule and Confirmation thereto presented to this meeting, copies of which shall be annexed to this resolution as Exhibit I, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the ISDA Master Agreement, Schedule and Confirmation thereto, 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

## **XII. Terms of Series 2004 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 2004 Bonds to determine and carry out the following:

- a) The number of series and subseries of the Series 2004 Bonds and the designation for each series and subseries;**
- b) The principal amount of each series of the Series 2004 Bonds to be issued in an aggregate total principal amount up to \$900,000,000;**
- 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 2004 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) Subject to the provisions of the Act, the General Indenture and the determination of present value savings in connection therewith, the series of senior Bonds and the maturities or portions thereof, if any, which are to be refunded with a portion of the proceeds of the Series 2004 Bonds, and the date or dates, if any, on which such refunded Bonds are to be called for redemption, the selection of a bidding agent for the funding of an escrow, the provisions of any escrow deposit agreement, the selection of a verification agent therefor and any other matters necessary, as determined by such Authorized Officer to best carry out the Authority's statutory purposes;**
- e) The dated date or dates, maturity date or dates and principal amount of each series and maturity of the Series 2004 Bonds, the amount and date of each sinking fund installment, if any, and which Series 2004 Bonds, if any, are serial bonds or term bonds; provided, however, that each series of the Series 2004 Bonds shall mature no later than November 15, 2026;**
- f) The interest rate or rates of each series of the Series 2004 Bonds (including a zero interest rate), the dates from which interest on each series of the Series 2004 Bonds shall accrue and the interest payment dates, if any, therefor and the interest rate mode or modes thereof, as provided in the Tenth Supplemental Indenture; provided, however, that the true interest cost on the Series 2004 Bonds issued at a fixed rate (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed six percent (6%) per annum and that any Series 2004 Bonds issued at an auction rate shall be subject to a maximum interest rate of not greater than 15% per annum, or such higher rate or rates as determined by an Authorized Officer;**
- g) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series 2004 Bonds; provided, however, that the redemption price of any Series 2004 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 2004 Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

- h) Additional provisions for the sale or exchange of the Series 2004 Bonds and for the delivery thereof not otherwise set forth herein;
- i) Directions for the application of the proceeds of the Series 2004 Bonds and investment thereof not in conflict with the provisions hereof;
- j) Convert from time to time, the interest rate mode or modes of the Series 2004 Bonds, as provided in the Tenth Supplemental Indenture;
- k) The advisability of entering into one or more swap transactions as described in and subject to the terms referred to in item XIII below;
- l) 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

### **XIII. Issuance of Bonds**

**RESOLVED**, that the Authority shall issue, award and deliver each series of the Series 2004 Bonds pursuant to the respective 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 2004 Bonds; and further

### **XIV. Swap Transactions**

**RESOLVED**, that, the proposed Guidelines, a copy of which shall be annexed to this resolution as Exhibit J, are hereby adopted by the Board, and consistent with the Guidelines, any Authorized Officer is hereby authorized, in connection with all or any portion of the Series 2004 Bonds, from time to time to enter into one or more swap agreements and other documents necessary or appropriate to completing a variable-to-fixed rate interest rate swap, substantially in the forms of the ISDA Master Agreement, Schedule and Confirmation thereto presented to this meeting which forms are in conformance with the requirements of the Guidelines, and to negotiate the terms thereof with Goldman, Sachs & Co., UBS Financial Services Inc., or affiliates thereof, and any other counterparty selected by the Authority in accordance with the Guidelines, which shall be the providers of such swap, or competitively bid such swap among any such managing underwriters or other parties selected by such Authorized Officer, 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, provided, however, that the principal amount of variable rate bonds which have associated interest rate swap agreement or agreements shall not exceed \$450,000,000 in the aggregate and that the fixed rate payable by the Authority under such interest

rate swap agreement or agreements shall not exceed 5%; and further

**RESOLVED**, that any such Authorized Officer is hereby authorized to find and determine on behalf of the Authority the reasons for entering into any such transaction, including that such transactions are reasonably expected to, among other things, reduce the Authority's exposure to changes in interest rates and/or are projected to result in a lower net cost of borrowing than other alternatives; and further

**RESOLVED**, that any such Authorized Officer is hereby further authorized in connection with any such swap agreement entered into in accordance with the provisions of the Tenth Supplemental Indenture to terminate, amend, supplement, replace, extend or otherwise modify such swap agreement at any time during the term thereof for purposes including, but not limited to, the effectuation of a change in the basis for or timing of the payments to be made thereunder, modifications of the terms or provisions relating to termination provisions, the provision of collateral thereunder, or the granting of option rights to the counterparty, as such Authorized Officer determines to be necessary or desirable and consistent with the terms and provisions of the Guidelines.

#### **XV. Authorized Officers**

**RESOLVED**, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the Deputy 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

#### **XVI. Appointment of Underwriters and Broker-Dealers**

**RESOLVED**, that the firm of Goldman, Sachs & Co. is hereby appointed as bookrunning senior managing underwriter, with UBS Financial Services Inc. serving as co-senior manager for the Series 2004 Bonds issued at a fixed rate. The other members of the underwriting team for the Series 2004 Bonds issued at a fixed rate will include: Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc., M.R. Beal & Company, RBC Dain Rauscher Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Ramirez & Co., Inc., Roosevelt & Cross Incorporated and First Albany Corporation. 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

**RESOLVED**, that the firm of Goldman, Sachs & Co. is hereby appointed as bookrunning senior managing underwriter, and that Goldman, Sachs & Co. and UBS Financial Services Inc. are hereby appointed Underwriters and Broker-Dealers for the

**Series 2004 Bonds issued at an auction rate as further specified by an Authorized Officer; and further**

**XVII. Appointment of Verification Agent**

**RESOLVED, that an Authorized Officer shall solicit proposals by means of a request for proposals for the services of a verification agent with respect to the Escrow Deposit Agreements described in clause VII hereof; and further**

**XVIII. Appointment of Bidding Agents**

**RESOLVED, that an Authorized Officer shall solicit proposals by means of a request for proposals for the services of a 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, to the extent specified by an Authorized Officer; and further**

**XIX. Negotiated Sale**

**RESOLVED, that the use of a negotiated underwriting in connection with the sale of each series of the Series 2004 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 Preliminary Offering Circulars and Offering Circulars 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 2004 Bonds; and**

**(iii) the Underwriters will have the flexibility to sell the Series 2004 Bonds on short notice and make rapid changes in structure to accommodate the market; and further**

**provided, that each series of the Series 2004 Bonds shall be awarded and sold to the Underwriters named in the respective 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 such series of the Series 2004 Bonds to be sold; and further**

**XX. Sale of Series 2004 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 2004 Bonds to the Underwriters; and further**

**XXI. Appointment of Bond Counsel**

**RESOLVED**, that the law firm of Sidley Austin Brown & Wood LLP is hereby appointed bond counsel for the Series 2004 Bonds; and further

**XXII. Appointment of Swap Counsel**

**RESOLVED**, that the law firm of Nixon Peabody LLP is hereby appointed swap counsel to advise the Authority on legal matters with respect to interest rate exchange agreements to be entered into in connection with the Series 2004 Bonds; and further

**XXIII. Swap Advisor**

**RESOLVED**, that the firm of Swap Financial Group, LLC is hereby selected to provide financial advice to the Authority with respect to interest rate exchange agreements to be entered into in connection with the Series 2004 Bonds; and further

**XXIV. 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 Circulars and Offering Circulars, 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

**XXV. Auction Agent**

**RESOLVED**, that The Bank of New York is hereby appointed Auction Agent with respect to the Series 2004 Bonds issued at an auction rate; and further

**XXVI. Index Agent**

**RESOLVED**, that Standard & Poor's Securities Evaluations, Inc. is hereby appointed Index Agent with respect to the Series 2004 Bonds issued at an auction rate; and further

**XXVII. 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 2004 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 2004 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 2004 Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved; and further

**XXVIII. Findings With Respect To Consultants And Advisors**

**RESOLVED**, that the Authority hereby finds and determines that extraordinary circumstances exist, in view of the accelerated time schedule for the transaction and the significant benefit to the County of completing the transaction under current market conditions, which make competition impracticable or inappropriate and merit the procurement of certain consultants and advisors, including, but not limited to, the Swap Advisor, Swap Counsel, Auction Agent and Index Agent identified in this resolution, as well as any other consultants and advisors deemed necessary or appropriate in carrying out the intent of this resolution, including, but not limited to, verification agents and bidding agents, on a sole source or single source basis, as provided in the Authority's Procurement Contract Guidelines, upon such terms and conditions as the Authorized Officer may find reasonable and appropriate.

\* \* \*

Director Kessel stated for the record that as Chairman of LIPA, he approves bond resolutions and a number of the institutions involved are also on occasion involved with LIPA but there is no conflict.

Chairman Stack asked Mr. Luke to give his executive report.

Mr. Luke stated that the County entered the financial markets on its own in December of 2003 for a \$120 million tax anticipation note. He stated that because of the short duration, interest rate differentials between the County and NIFA were not that much.

**Mr. Luke stated that the County Comptroller reported that the County should end the year with a surplus of \$25.5 million, which includes about \$56.6 million of NIFA assistance. He stated that the County had additional resources of approximately \$100 million due to pension changes last year. He stated that the County used the moneys to make various prepayments and to freeze some debt that will benefit 2004 and beyond.**

**Mr. Luke then stated that Fitch has upgraded the County from BBB plus to A minus.**

**Chairman Stack stated that the next item on the agenda is a report on the certiorari claims process.**

**Glenn Borin, Chairman of the Assessment Review Commission stated that in 2003 there was a spike in residential liability due to errors on the initial revaluation roll. He stated that the spike would dissipate in 2004.**

**He stated that most of the liability is in commercial. He stated that the County roll generates taxes from commercial properties of \$1.4 billion that go to the school, districts, County, towns and other taxing districts. He stated that the tax liability is heavily concentrated in larger properties. He indicated that the thousand**

**largest properties account for more than 50 percent of the total taxes under review. He stated that the accuracy of the revaluation would improve each year. He stated that having an assessment review process that goes on throughout the year and an annual update program by the Assessor means there are opportunities for exchange of information which will improve both processes.**

**He indicated that when the Suozzi administration began, the cert backlog was estimated at over \$300 million and is now estimated at \$270 million. Mr. Borin further indicated that although the backlog has not been substantially reduced, it has also not grown considerably.**

**Chairman Stack stated that the Directors have a lot of legitimate questions in terms of the moneys that are being held. He suggested that the County assess its situation and if the County so chooses, come back to the NIFA Directors and make its case and the Board will seriously consider releasing some of the money. Mr. Peirez added that the County should include a summary of what it has accomplished.**

**Director Kessel asked if the County Comptroller is conducting an audit on this. Mr. Gianelli stated that the audit is scheduled to start in April.**

**Director Payson asked how many years would it take to become sort of normalized. Mr. Borin stated that he thinks the County will stabilize in roughly 2008 or 2009.**

**The Chairman then entertained a motion to go into executive session to discuss a litigation matter and personnel issues.**

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

**Resolution No. 04-144**

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

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**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.**

**\* \* \***

**The open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 5:15 PM the executive session was adjourned and the open session was reconvened. The Chairman stated that no votes or actions had been taken in the executive session.**

**The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 5:15 PM.**

**Respectfully submitted,**

**Laurie A. Leat**

**Corporate Secretary**