

MEETING OF THE BOND FINANCING COMMITTEE

OF THE

NEW YORK CONVENTION CENTER DEVELOPMENT

CORPORATION

Wednesday

August 10, 2016

BOND FINANCING COMMITTEE
OF THE
NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION

633 Third Avenue, 37th Floor Board Room

New York, New York

Wednesday

August 10, 2016 – 11:00 a.m.

AGENDA

I. FOR CONSIDERATION

- A. New York Convention Center Development Corporation Senior Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016A (the "Series 2016A Bonds") and Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016B (the "Series 2016B Bonds") – Final Committee Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Corporation's Series 2016A and Series 2016B Bonds, to Confirm the Appointment of Underwriters and to Take Related Actions

ITEM I.A.



**New York
Convention Center
Development
Corporation**

A Subsidiary of Empire State Development

FOR CONSIDERATION

August 10, 2016

TO: Bond Financing Committee

FROM: Robert M. Godley

SUBJECT: New York Convention Center Development Corporation Senior Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016A (the "Series 2016A Bonds") and Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016B (the "Series 2016B Bonds")

REQUEST FOR: Final Committee Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Corporation's Series 2016A and Series 2016B Bonds, to Confirm the Appointment of Underwriters and to Take Related Actions

I. Introduction

The Bond Financing Committee of the New York Convention Center Development Corporation (the "Corporation") is being asked to authorize the sale and delivery of the Corporation's Senior Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016A (the "Series 2016A Bonds") and Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016B (the "Series 2016B Bonds", and together with the Series 2016A Bonds, collectively referred to as the "Series 2016 Bonds") to pay the costs of further expansion and renovation of the Convention Center.

In connection with the issuance, the Corporation is also being asked to confirm the appointment of underwriters, adopt a resolution that approves an amended and restated senior lien bond resolution, a subordinated lien bond resolution and a related third supplemental bond resolution relating to the Series 2016A Bonds and first supplemental bond resolution relating to the Series 2016B Bonds, as well as the forms of (1) the senior lien credit support agreement (the "CSA") relating to the Series 2016A Bonds, (2) the subordinated lien credit support agreement (the "SLCSA") relating to the Series 2016B Bonds, (3) the preliminary official statement and official statement, (4) the contract of purchase (the "Contract of Purchase"), (5) the continuing disclosure agreement of the Corporation (the "Continuing Disclosure Agreement"), and (6) related documents, as well as the delegation to certain officers and employees of the Corporation of the power to determine the terms and conditions of the proposed sale of the Series 2016 Bonds and to sell the Series 2016 Bonds on a negotiated basis pursuant to the Contract of Purchase.

II. Background

The Corporation intends to issue the Series 2016 Bonds pursuant to Chapter 35 of the Laws of 1979 and Chapter 3 of the Laws of 2004, as amended (collectively, the "Act") in an amount not to exceed \$500,000,000 to pay the costs of further expansion and renovation of the Convention Center, fund certain reserves, and pay the costs of issuance of the Series 2016 Bonds. The Series 2016A Bonds will be issued by the Corporation under the "Amended and Restated Revenue Bond (Hotel Unit Fee Secured) Resolution" adopted on November 3, 2005, amended and restated on August 3, 2015, as further amended and restated in accordance with the issuance of the Series 2016A Bonds (the "Senior Lien Resolution") and the "Third Supplemental Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "Senior Lien Supplemental Resolution"). The Series 2016B Bonds will be issued by the Corporation under the "Subordinated Lien Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "Subordinated Lien Resolution" and together with the Senior Lien Resolution, collectively referred to as the "Resolutions") and the "First Supplemental Subordinated Lien Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "Subordinated Lien Supplemental Resolution", and together with the Senior Lien Supplemental Resolution, collectively referred to as the "Supplemental Resolutions").

The Board of Directors of the Corporation previously approved the appointment of co-bond counsel, the preliminary appointment of underwriters, the appointment of financial advisors, and the submission of an application to the Public Authorities Control Board ("PACB") to request authorization to fund the projects or programs for which the Series 2016 Bonds will be issued. The PACB approved such application on July 20, 2016.

III. Series 2016 Bonds

The Series 2016 Bonds will be issued pursuant to the Resolutions and the Supplemental Resolutions as fixed rate tax-exempt bonds, consisting of current interest bonds and capital appreciation bonds. The Series 2016 Bonds are being issued to pay the costs of further expansion and renovation of the Convention Center. Proceeds from the Series 2016 Bonds will also be used to (1) fund certain reserves, and (2) finance the costs of issuance of the Series 2016 Bonds.

The Bonds will not be general obligations of the Corporation but will be special, limited obligations payable principally from a \$1.50/unit/day Convention Center Hotel Unit Fee imposed pursuant to Section 1104 of the Tax Law (added by Chapter 3 of the Laws of 2004). The Series 2016 Bonds will have the benefit of (1) the requirement that there be retained in the Revenue Account under each of the Resolutions an amount equal to 80% of an amount equal to the highest amount of debt service on all outstanding senior lien bonds and subordinated lien bonds, as applicable, payable in any bond year, and (2) a debt service reserve fund, funded at maximum annual debt service on all outstanding senior lien bonds and subordinated lien bonds, as applicable, subject to Federal tax constraints. The Bonds will be additionally secured by the obligation of the State of New York Mortgage Agency ("SONYMA") to make certain debt

service payments under the CSA and SLCSA, which obligation is secured by a credit support account in the Mortgage Insurance Fund of SONYMA ("MIF"). Chapter 3 of the Laws of 2004 permits the amount of additional security to be up to \$50 million. However, the amount to be on deposit in the credit support account is expected to be \$25 million in connection with the Senior Lien Resolution Bonds supported by SONYMA, the amount which also secures the outstanding Series 2015 Bonds, and approximately \$8.2 million to be deposited into a separate subaccount within the credit support account in connection with the Subordinated Lien Resolution Bonds supported by SONYMA.

The Series 2016 Bonds will be offered pursuant to a preliminary official statement and official statement. The Series 2016 Bonds are expected to be sold pursuant to the Contract of Purchase.

IV. Underwriters

On April 19, 2016 the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), the corporate parent and stockholder of the Corporation, placed an advertisement in the New York Contract Reporter, pursuant to which it solicited responses to its Request for Proposals ("RFP") from firms interested in qualifying to serve as underwriters on a rotating basis, as well as, financial advisors.

ESD also posted on its website, and in The Bond Buyer, a notice advising that ESD was soliciting for professional services pursuant to this RFP. Further, ESD emailed the RFP to representatives of fifty-two firms. These firms included 17 New York State certified minority and women-owned business enterprise firms ("MWBE firms") and three Service-Disabled Veteran Owned Businesses ("SDVOB").

On June 1, 2016 45 firms, including thirteen 13 MWBE firms and three SDVOB firms, responded to the RFP with several firms applying for more than one position. A team of staff from ESD Treasury, Portfolio Management, Office of Contractor and Supplier Diversity and Legal reviewed and rated the firms requesting to serve as underwriters. Rating criteria included:

- Experience
- Underwriter's ability to structure and sell ESD's bond issues
- Knowledge and technical expertise
- Capitalization
- Support of ESD bonds in the secondary market
- Diversity practices

On the basis of overall ranking of the proposals from the responding firms, the recommended group includes 13 Senior Managers and 23 Co-Managers.

Pursuant to the Corporation's preliminary approval and ESD's RFP review and selection process, you are requested to confirm Citigroup Global Markets Inc. as book running Senior Manager, with Loop Capital Markets LLC, Rice Financial Products Company, Siebert Brandford Shank and Co., L.L.C. and Ramirez and Company, Inc. serving as Senior Managers on the transaction. All five firms responded to the RFP and satisfied all of the criteria and requirements set forth in the RFP. Other underwriters from the approved ESD list may be selected to assist in the sale as needed. All the above named firms, except Citigroup, are certified MWBE firms.

V. ENVIRONMENTAL REVIEW

ESD Staff, on behalf of CCDC, has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VI. Requested Action

In accordance with the attached resolution (the "Bond Financing Committee Resolution"), you are hereby requested to (1) adopt an amended and restated Senior Lien Resolution, (2) adopt the Subordinated Lien Resolution, (2) adopt the Supplemental Resolutions, (3) approve the forms of (A) the CSA, (B) the SLCSA, (C) the preliminary official statement and official statement, (D) the Contract of Purchase, (E) the Continuing Disclosure Agreement and (F) related documents, (4) authorize the sale of the Series 2016 Bonds on a negotiated basis pursuant to the Contract of Purchase, (5) confirm the appointment of underwriters and (6) authorize certain officers and employees of the Corporation to take all actions deemed necessary to accomplish the final sale and delivery of the Series 2016 Bonds, including making the determination pursuant to Section 711 of the Senior Lien Resolution that the execution and delivery of the CSA and SLCSA are not materially adverse to the rights or interests of the owners of the bonds currently outstanding under the Senior Lien Resolution.

Please note that by approving the Bond Financing Committee Resolution you will be: (a) establishing an aggregate maximum par amount of Series 2016 Bonds that may be issued; (b) establishing the maximum true interest cost for the Series 2016 Bonds; and (c) delegating to certain officers and employees the power to (i) determine the terms of the Series 2016 Bonds within the parameters set forth therein, including, but not limited to, the final aggregate principal amount of current interest Series 2016 Bonds and compounded amounts of capital appreciation Series 2016 Bonds, the principal amount of the Series 2016 Bonds maturing in each year, the final maturity date(s) for such Series 2016 Bonds and the interest rates to be borne (or compounded) by the Series 2016 Bonds, and (ii) make such changes to the related documents as he or she deems necessary and appropriate.

VII. Enclosures

Bond Financing Committee Resolution with the following exhibits to the Directors only:

- Exhibit A Amended and Restated Senior Lien Bond Resolution
- Exhibit B Third Supplemental Bond Resolution
- Exhibit C Subordinated Lien Bond Resolution
- Exhibit D First Subordinated Lien Supplemental Resolution
- Exhibit E Senior Lien Credit Support Agreement and Subordinated Lien Credit Support Agreement
- Exhibit F Preliminary Official Statement for Series 2016 Bonds
- Exhibit G Contract of Purchase for the Series 2016 Bonds
- Exhibit H Continuing Disclosure Agreement for the Series 2016 Bonds

RESOLUTION CONCERNING THE SALE AND ISSUANCE OF SENIOR LIEN REVENUE BONDS (HOTEL UNIT FEE SECURED), SERIES 2016A AND SUBORDINATED LIEN REVENUE BONDS (HOTEL UNIT FEE SECURED), SERIES 2016B

Adopted August 10, 2016

WHEREAS, on July 26, 2005, the Directors of the New York Convention Center Development Corporation (the "**Corporation**") adopted a resolution appointing its Bond Financing Committee and delegating to its Bond Financing Committee responsibility for all future bond-related activities including the sale or issuance of bonds or notes issued by the Corporation, including the Senior Lien Revenue Bonds (Hotel Unit Fee Secured) Series 2016A (the "**Series 2016A Bonds**") and the Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured), Series 2016B (the "**Series 2016B Bonds**", collectively with the Series 2016A Bonds, the "**Bonds**") and including, without limitation, the adoption of the Bond Resolution and Supplemental Resolutions described below, the issuance, sale and delivery of the Bonds, the execution and delivery of an Amended and Restated Credit Support Agreement Relating to Certain Bonds Issued Under the Amended and Restated Revenue Bond (Hotel Unit Fee Secured Resolution) (the "**CSA**") in connection with the Series 2016A Bonds and a Credit Support Agreement Relating to Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured) (the "**SLCSA**") in connection with the Series 2016B Bonds, each by and between the Corporation and the State of New York Mortgage Agency ("**SONYMA**"), and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, the Bonds will be issued to provide the Corporation with funds to pay Financing Costs, including but not limited to Costs of Issuance, all in accordance with Chapter 35 of the Laws of 1979 and Chapter 3 of the Laws of 2004, as amended (collectively, the "**Act**"); and

WHEREAS, the Corporation is required (i) by the Act and Article 1-A of the Public Authorities Law to obtain the approval of the Public Authorities Control Board (the "**PACB**") for the issuance and sale of the Bonds, and (ii) by the Act to obtain the written approval of the State Comptroller for the sale of the Bonds and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, on July 20, 2016, the PACB authorized the Corporation to, among other things, issue the Bonds for the purpose of financing a portion of the costs of expansion and renovation to the Javits Convention Center; and

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

WHEREAS, in 2005 the duly authorized officers of the Corporation caused to be prepared a resolution of the Corporation entitled "Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "**Original Senior Lien Bond Resolution**") 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, in 2005 the duly authorized officers of the Corporation caused to be issued the Corporation's Revenue Bonds (Hotel Unit Fee Secured), Series 2005 (the "**Series 2005 Bonds**"); and

WHEREAS, in 2015 the duly authorized officers of the Corporation caused to be prepared and authorized the Corporation's resolution entitled "Second Supplemental Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "**Second Supplemental Resolution**") which amended the Original Senior Lien Bond Resolution and authorized the issuance of the Corporation's Revenue Refunding Bonds (Hotel Unit Fee Secured), Series 2015 (the "**Series 2015 Bonds**"); and

WHEREAS, the Series 2015 Bonds defeased, redeemed and retired the Series 2005 Bonds; and

WHEREAS, certain of the Series 2015 Bonds remain outstanding; and

WHEREAS, the duly authorized officers of the Corporation have caused the Original Senior Lien Bond Resolution to be further amended and restated and have prepared the Corporation's Amended and Restated Revenue Bond (Hotel Unit Fee Secured) Resolution (the "**Senior Lien Bond Resolution**"); and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the Corporation's resolution entitled "Third Supplemental Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "**Third Supplemental Resolution**", and together with the Second Supplemental Resolution, and the Senior Lien Bond Resolution, the "**Senior Lien Resolution**") pursuant to which the Corporation will authorize the issuance of the Series 2016A Bonds as "Senior Lien Bonds" under the Senior Lien Resolution on parity with the Series 2015 Bonds and the transfer of certain moneys currently on deposit in funds and accounts under the Resolution for application to the financing of certain additional capital projects authorized by the Act; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the Corporation's resolution entitled "Subordinated Lien Revenue Bonds (Hotel Unit Fee Secured) Resolution" (the "**Subordinated Lien Bond Resolution**") and the Corporation's resolution entitled "First Supplemental Subordinated Lien Revenue Bond (Hotel Unit Fee Secured) Resolution" (the "**First Subordinated Lien Supplemental Resolution**", and together with the Subordinated Lien Bond Resolution, the "**Subordinated Lien Resolution**") pursuant to which the Corporation will authorize the issuance of the Series 2016B Bonds which shall be subordinate and junior in terms of the lien of the pledge to the bonds issued under the Senior Lien Resolution for application to the financing of certain additional capital projects authorized by the Act; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared the CSA and the SLCSA; and

WHEREAS, the duly authorized officers of the Corporation have caused to be distributed a Preliminary Official Statement (the "**Preliminary Official Statement**"), relating to the Bonds; and

WHEREAS, certain of the officers and employees of the Corporation will participate in the preparation of a final Official Statement (the “**Official Statement**”) to be used in connection with the issuance and sale of the Bonds, and will participate in the negotiation of the Contract of Purchase by and among the Corporation and the Underwriters relating to the issuance and sale of the Bonds (the “**Contract of Purchase**”); and

WHEREAS, the Contract of Purchase will require the Corporation to enter into a Continuing Disclosure Agreement with respect to the Series 2016A Bonds and the Series 2016B Bonds, as described in the Preliminary Official Statement (the “**Continuing Disclosure Agreement**”) to assist the Underwriters in meeting their responsibilities under Securities and Exchange Commission Rule 15c2-12 (the “**Rule**”);

NOW, THEREFORE, the Board, in the name of and on behalf of the Corporation, hereby adopts the following resolutions:

I. Resolutions

RESOLVED, that the Senior Lien Bond Resolution presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A, is hereby adopted and approved, with such changes thereto prior to the issuance and delivery of the Series 2016A Bonds as may be approved by an Authorized Officer or further resolution of the Board; and further

RESOLVED, that the Third Supplemental Resolution presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby adopted and approved, with such changes thereto prior to the issuance and delivery of the Series 2016A Bonds as may be approved by an Authorized Officer or further resolution of the Board; and further

RESOLVED, that the Subordinated Lien Bond Resolution presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit C, is hereby adopted and approved, with such changes thereto prior to the issuance and delivery of the Bonds as may be approved by an Authorized Officer or further resolution of the Board; and further

RESOLVED, that the First Subordinated Lien Supplemental Resolution presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit D, is hereby adopted and approved, with such changes thereto prior to the issuance and delivery of the Bonds as may be approved by an Authorized Officer or further resolution of the Board; and further

II. Credit Support Agreements

RESOLVED, that the forms of CSA and SLCSA presented to this meeting, copies of which shall be annexed to this resolution as Exhibit E, are hereby approved, and any Authorized Officer, on behalf of the Corporation, is hereby authorized to execute and deliver the CSA and SLCSA in substantially such forms as so approved, with such changes thereto as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof; and further

III. Preliminary Official Statement and Official Statement

RESOLVED, that the Preliminary Official Statement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit F, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds, is hereby approved, together with such changes thereto as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the Authorized Officer's execution of a "deemed final" certificate under the Rule; and further

RESOLVED, that a final Official Statement, in substantially the form of the Preliminary Official Statement, with appropriate changes to reflect the pricing terms of the Bonds, and the use of the Official Statement in connection with the offering and sale of the Bonds, is hereby approved, and any Authorized Officer, on behalf of the Corporation, is hereby authorized to execute and deliver the Official Statement in substantially such form as so approved, with such further changes thereto as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by such Authorized Officer's execution thereof; and further

IV. Contract of Purchase

RESOLVED, that the form of Contract of Purchase presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit G, is hereby approved, and any Authorized Officer, on behalf of the Corporation, is hereby authorized and directed to execute and deliver the Contract of Purchase in substantially such form as so approved, with such changes thereto as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by such Authorized Officer's execution thereof; the Contract of Purchase, including the opinions and certificates referred to therein, shall be in substantially the form of the Contract of Purchase executed and delivered by the Authority in connection with the sale of the Series 2015 Bonds and incorporate the pricing terms and other details relating to the Bonds; and further

V. Terms of Bonds

RESOLVED, that the power (i) to establish the final aggregate principal amount of the Bonds at not greater than \$500,000,000, the principal amount of the current interest Bonds and Compounded Amounts of the Capital Appreciation Bonds maturing in each year, the final maturity date for the Bonds of each series (which shall not be later than up to forty (40) years after the year of issuance – i.e., December 31, 2056), the interest rates (and compounding rates) to be borne by the Bonds of each series, and the true interest cost of the Bonds of each series (which true interest cost may not exceed seven percent (7.0%)), the redemption provisions of the Bonds, the particular programs or projects to be financed with the proceeds of the Bonds, the plan of finance relating thereto, the date of sale of the Bonds, the maturities, prices, yields and other terms of or relating to the Bonds and other details of the Bonds (collectively, the "Terms"), (ii) to sell the Bonds at a public, negotiated sale pursuant to the Contract of Purchase and (iii) to execute and deliver any and all documents required thereby or in connection therewith, including the determination pursuant to Section 711 of the Senior Lien Bond Resolution that the execution and delivery of the CSA and SLCSA are not materially adverse to

the rights or interests of the owners of the bonds currently outstanding under the Senior Lien Bond Resolution, is hereby delegated to the Chief Financial Officer of the Corporation (or, in its absence, any other Authorized Officer of the Corporation), and action taken by the Chief Financial Officer or any other Authorized Officer shall be sufficient, and the approval of the Bond Financing Committee shall be conclusively determined from the signature of any such Authorized Officer on the document or documents evidencing such determinations; that the Supplemental Resolutions shall be conformed thereto, with the Terms inserted effective as of the date hereof; and that all other documents relating to the Bonds shall similarly, as appropriate, be conformed thereto; and further

VI. Sale of Bonds

RESOLVED, that, subject to obtaining the approval of the State Comptroller, the Corporation shall sell and award, at negotiated sale, the aggregate principal amount of the Bonds to the Underwriters under and pursuant to the Contract of Purchase; and further

RESOLVED, that pursuant to the Contract of Purchase, certain Bonds shall be sold by the Underwriters to SONYMA and shall constitute "**SONYMA Bonds**" under the Resolution and "**SONYMA Subordinated Lien Bonds**" under the Subordinated Lien Resolution; and further

VII. Issuance of Bonds

RESOLVED, that the Corporation shall issue and deliver the Bonds pursuant to the Act, the Senior Lien Resolution, the Subordinated Lien Resolution and the Contract of Purchase, and shall apply the proceeds thereof, and make certain transfers of moneys on deposit in the funds and accounts created under the Senior Lien Resolution and the Subordinated Lien Resolution, in accordance with the provisions of the Senior Lien Resolution and the Subordinated Lien Resolution and certain other certificates to be delivered upon issuance of the Bonds; and further

VIII. Continuing Disclosure Agreement

RESOLVED, that the form of the Continuing Disclosure Agreement relating to the Bonds presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit H, is hereby approved and any Authorized Officer, on behalf of the Corporation, is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement, with such changes thereto as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by such Authorized Officer's execution thereof; and further

IX. Authorized Officers

RESOLVED, that each of the officers referenced in the case of the Corporation, the President, any Senior Vice President, any Vice President, the Treasurer, the Secretary, the Chief Financial Officer, the Controller, any Assistant Treasurer and any Assistant Secretary, and when used with reference to any act or document, any other person authorized by resolution of

the Corporation to perform such act or sign such document, is designated an “**Authorized Officer**” for the purposes of the foregoing Resolutions; and further

X. Negotiated Sale

RESOLVED, that the appointment of Citigroup Global Markets Inc. as book running Senior Manager, with Loop Capital Markets LLC, Rice Financial Products Company, Siebert Brandford Shank and Co., L.L.C. and Ramirez and Company, Inc. serving as Senior Managers on the transaction, is hereby confirmed, and that other underwriters from the pre-approved list of the Corporation may be selected to assist in the sale of the Bonds as needed; and further

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

(i) the Underwriters will be able to assist in all structuring tasks including preparation of the Official Statement and presentations to rating agencies;

(ii) the Underwriters will be able to undertake presale marketing to help determine the level of demand for the Bonds at a time when many agencies of the State of New York are planning to sell bonds;

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

(iv) a negotiated transaction gives the Corporation the ability to help the Underwriters place the Bonds with firms or entities which require special attention or assistance such as start-ups or minority-owned firms; and further

XI. Memorandum of Understanding

RESOLVED, that the foregoing, and the transactions contemplated thereby and terms and conditions thereof, are hereby determined to be consistent with the Memorandum of Understanding dated March 25, 2004, between The City of New York and the State of New York as it relates to the Expansion Project and principles agreed upon therein; and further

XII. Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents, make such payments and transfers, finance such additional capital projects consistent with the Act and project approvals, and take such other actions, in the name of the Corporation 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 Bonds, and that all such actions heretofore taken in connection with the Bonds by any Authorized Officer, or his or her designee(s), are hereby ratified and approved.