

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY CAPITAL RESOURCE CORPORATION
HELD AT THE 110 WILLIAM STREET OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
May 11, 2010

The following directors and alternates were present, constituting a quorum:

Seth W. Pinsky, Chairperson
Derek B. Park, Vice Chairperson
Albert V. De Leon
Steven C. Devereaux
Barry Dinerstein, alternate for Amanda M. Burden,
Chair of the City Planning Commission of The City of New York
Joseph I. Douek
Kevin Doyle
Bernard Haber
Carol Kostik, alternate for John C. Liu,
Comptroller of The City of New York
Eugene Lee, alternate for Robert C. Lieber,
Deputy Mayor for Economic Development of The City of New York
James McSpiritt, alternate for Michael A. Cardozo, Esq., Corporation Counsel of The
City of New York
Albert M. Rodriguez

The following directors were not present:

Andrea Feirstein
Robert D. Santos

Also present by invitation of the Board were members of New York City Economic Development Corporation ("NYCEDC") staff and interns.

Also present at the meeting were Arthur Cohen and Christopher Waterman from Hawkins Delafield & Wood LLP; H. Sidney Holmes from Winston & Strawn LLP; Scott Singer from Nixon Peabody LLP; Stephen J. Adnopoz, Philip Berg and Ken Louard from Gonzales Saggio & Harlan LLP; Shane Muchon from the City's Office of Management and Budget; Matthew Mirones from Staten Island Borough President Molinaro's Office; Ross Moskowitz from Stroock & Stroock & Lavan LLP; Scott Sieber from the NYC Comptroller's Office; Keith Wolf from Arthur Management; Ted Phillips from *The Bond Buyer*, and other members of the public.

Seth W. Pinsky, President of NYCEDC and Chairperson of New York City Capital Resource Corporation (the "Corporation" or "NYCCRC"), convened the meeting of the Corporation at 10:20 a.m., at which point a quorum was present.

1. Approval of the Minutes of the April 13, 2010 Board of Directors Meeting

There were no questions or comments with respect to the minutes of the April 13, 2010 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Interim Financial statements ending March 31, 2010 and 2009

Chris Malin, Treasurer of the Corporation, stated that all income and expenses were in line with previous projections.

3. Fiscal Year 2011 Budget

Caitlin Leary, an NYCEDC Assistant Vice President, presented for review and approval the Corporation's fiscal year 2011 Budget (the "Budget"). There being no comments or questions, a motion to approved the 2011 Budget was made, seconded and adopted unanimously.

4. Public Hearing Testimony of May 6, 2010

Richard Marshall, Vice President for Legal Affairs of the Corporation, stated that there was no Public Hearing for the Corporation in May.

5. Resolutions and other Matters

(a) Arthur Management Corporation

Ivan Mirabelli, an NYCEDC Senior Project Manager, presented for review and adoption for Arthur Management Corporation ("Arthur Management"), a tax-exempt Recovery Zone Facility Bond transaction eligibility and authorizing resolution in the amount of approximately \$19,800,000. Mr. Mirabelli described the project and its benefits, stating that Staff had reviewed the Environmental Assessment Form ("EAF") and recommended the adoption of a State Environmental Quality Review Act ("SEQRA") determination that there are no significant effects upon the environment. Before any discussion over the project, the Corporation's new Finance Committee, comprised of Joseph Douek, Andrea Feirstein, and Barry Dinerstein, presented the findings of their investigation into the project and stated that they had three main concerns. The first was the high 7.5% interest rate, although they did find that it was the best rate available. The second concern was the close relationship between the affiliated entities and the management structure. The third concern was the ongoing litigation regarding the project. After reviewing all the relevant facts, it was the unanimous recommendation of the Committee that the project should go forward at the Board meeting. In a discussion regarding the high interest rate, Mr. Dinerstein stated that the main issue was market conditions making it difficult to get financing as a new entity. In a discussion regarding how the Committee communicates information to the Board, Mr. Douek stated that the Board would receive a report from the Committee prior to the Board meeting in the future. Ms. Babis stated that in the interest of not limiting the Board, the Committee's recommendations were non-binding. Ms. Kostik then explained the relationship between Arthur Management and the hospital, stating that it would have been useful for the Board to know. There being no further comments or questions, the eligibility and authorizing resolution on behalf of Arthur Management was made, seconded and adopted, with Ms. Kostik voting in opposition, not in judgment of the project but

reflecting the Comptroller's ongoing examination of how scarce public resources are being used.

6. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously adopted the meeting of the Board of Directors was adjourned at 10:30 a.m.