

HUDSON YARDS INFRASTRUCTURE CORPORATION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

March 2, 2011

A meeting of the Audit Committee (the “Committee”) of Hudson Yards Infrastructure Corporation (the “Corporation”) was held on March 2, 2011 commencing at approximately 4:35 p.m. at 75 Park Place, Conference Room 6M4, New York, New York.

The following directors were represented by their alternates:

- John C. Liu, Comptroller of the City, represented by Carol Kostik;
- Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski;
- Robert K. Steel, Deputy Mayor for Economic Development and Rebuilding of the City, represented by Andrew Winters; and
- Stephen Goldsmith, Deputy Mayor for Operations of the City, represented by Brian Geller.

A quorum was present. Uyen Nguyen served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

The meeting was called to order by Mr. Geller, current Chair of the Audit Committee.

Election of Chair

The first item on the agenda was the election of a new Chair of the Audit Committee. Mr. Geller nominated Andrew Winters as successor for Chair of the Audit Committee. Mr. Jeff Perlman, on behalf of the Corporation’s management, thanked Mr. Geller for serving as Chair of the Audit Committee since year 2007. Upon motion duly made and seconded, there being no objections, the following resolution to select Andrew Winters as Chair was approved:

WHEREAS, pursuant to Section 2824(7) of the New York State Public Authorities Law, the Authority is required to establish an Audit Committee, which has been established; and

WHEREAS, Brian Geller, who was previously elected chair of the Audit Committee, has resigned as chair; and

WHEREAS, the Audit Committee believes it is in the best interest of the Audit Committee to have a chair and to select Andrew Winters for such position; it is therefore

RESOLVED, the Audit Committee hereby selects Andrew Winters to act as Chair of the Audit Committee.

Approval of Minutes

The second item on the agenda was the approval of the minutes of the meeting of the Committee held on September 22, 2010. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

WHEREAS, the Audit Committee of the Hudson Yards Infrastructure Corporation has reviewed the minutes of the Audit Committee meeting held on September 22, 2010; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 22, 2010 be, and they hereby are, approved.

Evaluation of Independent Auditors

The third item on the agenda was the evaluation of the Corporation's independent auditors, Deloitte and Touche, LLP ("Deloitte"). After the members of Deloitte left the meeting room, Ms. Michele Levine, the Corporation's Comptroller, noted that Deloitte's contract has expired and during the next Committee meeting in April, the selection committee will present their recommendations for independent auditors to the Committee. A motion was made to approve the resolution set forth below finding that Deloitte's performance as independent auditors of the Corporation has been satisfactory. The motion was seconded and, there being no objections, approved.

WHEREAS, the Audit Committee of the Hudson Yards Infrastructure Corporation (the "Corporation") is authorized under Section III(c) of the Audit Committee Charter, to evaluate the Corporation's independent auditors; and

WHEREAS, the Corporation, as authorized by the Board of Directors, previously retained the firm of Deloitte and Touche, LLP for such firm to serve as independent auditors for the Corporation's financial statements for the fiscal years ending on June 30, 2007, 2008, 2009 and 2010; and

WHEREAS, the Officers of the Corporation have expressed their satisfaction with the independent auditors; it is hereby

RESOLVED, that pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors and found their performance to be satisfactory.

Review of Annual Agency Financial Integrity Compliance Statement

The fourth item on the agenda was the review of the annual Financial Integrity Statements. Ms. Levine explained that entities (such as the Corporation), which are included in the City's Comprehensive Annual Financial Report, are required to annually submit Financial Integrity Statements to the City's Comptroller's Office. With respect to the Agency Evaluation of Internal Controls, Ms. Levine reported that generally no substantive changes were made to answers from prior years. She noted that there was one minor change due to the non-uniform application of the endorsement policy regarding checks received by the Corporation. She further noted that the Corporation rarely receives checks. A brief discussion ensued. Ms. Carol Kostik abstained from voting on this resolution because her office is responsible for the review of the Financial Integrity Statements. A motion was made to approve the resolution set forth below. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to section 6.1(5) of Directive 22 of the Office of the Comptroller of the City of New York (the "Comptroller"), the Audit Committee of the Hudson Yards Infrastructure Corporation (the "Corporation") is required to review and evaluate the annual Financial Integrity Statements as required by Section 7.0 of Directive 22 and the Comptroller's Directive 1; and

WHEREAS, the Audit Committee of the Corporation has reviewed and evaluated the Corporation's draft Financial Integrity Statements; it is hereby

RESOLVED, that the Audit Committee finds the Corporation's Financial Integrity Statements to be satisfactory and complete and authorizes the Corporation's Comptroller to approve any necessary changes before the Statements are submitted.

Annual Report of the Audit Committee

The fifth item on the agenda was the approval of the Annual Report of the Audit Committee. Mr. Winters directed the Committee's attention to the Annual Report of the Audit Committee, which was included in the Committee's package. The report summarizes the meetings and activities of the Committee during calendar year 2010. A motion was made to approve the resolution set forth below approving the report and its presentation to the Board of Directors of the Corporation. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Hudson Yards Infrastructure Corporation, copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Annual Review of Internal Controls

The last item on the agenda was the annual review of the Corporation's internal controls. Mr. Winters explained that pursuant to the Charter of the Audit Committee, the Committee is required to annually review the Corporation's internal controls. Ms. Levine reported that a substantive change was made to the Internal Controls. The change permits certain approvals to be made by any Accounting Manager (including the Comptroller, Deputy Comptroller, Assistant Comptroller, and Finance Manager) if the supervisor of accounting services (SAS) or Assistant Comptroller is unavailable.

Adjournment

There being no further business to come before the Committee, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.


ASSISTANT SECRETARY