

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF HUDSON YARDS
INFRASTRUCTURE CORPORATION**

April 15, 2015

A meeting of the Audit Committee (the “Committee”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on April 15, 2015 at approximately 3:19 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee were represented by their alternates:

Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”), represented by Alan Anders;

Scott M. Stringer, Comptroller of the City, represented by Carol Kostik;

Melissa Mark-Viverito, Speaker of the City Council, represented by Raymond Majewski; and

Anthony Shorris, Deputy Mayor for Operations of the City, represented by Peter Hatch;

constituting a quorum of the Committee. Michael Moore 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 and State of New York.

The meeting was called to order by Alan Anders, Chairperson of the Committee.

Approval of Minutes of Meeting of September 23, 2014

The first item on the agenda was approval of the minutes of the meeting of September 23, 2014. A motion was made to approve the resolution set forth below approving such minutes. The motion was seconded and, there being no objections, duly adopted.

WHEREAS, the Audit Committee of the Hudson Yards Infrastructure Corporation has reviewed the minutes of the Audit Committee meeting held on September 23, 2014; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 23, 2014 be, and they hereby are, approved.

Acceptance of Annual Agency Financial Integrity Compliance Statement

The second item on the agenda was the review of the Corporation's annual Agency Financial Integrity Compliance Statement, a copy of which was in the materials provided to the Committee members. Mr. Anders explained that pursuant to Section 6.1(5) of Directive 22 of the Comptroller of the City, the Committee must review the Corporation's annual Financial Integrity Compliance Statement. Mr. Anders stated that Robert Balducci, the Comptroller of the Corporation, was available to explain the Financial Integrity Compliance Statement. A brief discussion ensued.

Self-Evaluation and Review of Annual Report of the Audit Committee

The third item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Anders noted that the Annual Report, which describes the Committee's activities during calendar year 2014, was contained in the packet provided to the Committee members and will be sent to the Comptroller of the City. He indicated that the Committee believes it has performed its duties in a satisfactory manner and referred to the resolution set forth below that expresses this view and approves the presentation of the Annual

Report to the Board of Directors. A motion was made to approve such resolution. 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 fourth item on the agenda was the annual review of the Internal Controls of the Corporation. Mr. Anders noted that minor changes had been made to the Internal Controls and that a blacklined version reflecting these changes was in the packet provided to the Committee members. A brief discussion ensued.

Recommendation to Board: Approval of Independent Auditors Contract

The fifth item on the agenda was the approval of the Independent Auditors contract with Marks Paneth. The representatives from Marks Paneth left the meeting room. Mr. Anders then explained that the Corporation currently has a contract with Marks Paneth pursuant to which Marks Paneth is responsible for auditing the Corporation's financial statements for the fiscal years ending June 30, 2012, 2013 and 2014. He stated that the Audit Committee is satisfied with

Marks Paneth’s performance. A brief discussion ensued. A motion was then made to approve the resolution set forth below. The motion was seconded and, there being no objections, approved.

WHEREAS, the Audit Committee of the Hudson Yards Infrastructure Corporation (the “Corporation”) is authorized, pursuant to Section III(a) of the Audit Committee Charter, to recommend to the Board of Directors of the Corporation the appointment and retention of the Corporation’s independent auditors; and

WHEREAS, following a request for proposals, the selection committee of the Corporation has selected the firm of Marks Paneth LLP (“Marks Paneth”); it is hereby

RESOLVED, that Audit Committee recommends that the Board authorize the Officers of the Corporation to enter into an agreement with Marks Paneth to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2015, 2016 and 2017 with a one one-year extension at the discretion of the Corporation with no further action required by the Audit Committee or Board of Directors to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2018, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the staff of the Corporation shall determine, and which agreement shall provide for compensation not to exceed the following rates:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Audit	\$20,000	\$21,000	\$22,000	\$23,000

Special Projects (per hour)

Position	FY 2015	FY 2016	FY 2017	FY 2018
Partner	\$310	\$315	\$320	\$325
Manager	\$175	\$180	\$185	\$190
Senior	\$135	\$140	\$145	\$150
Associate	\$115	\$120	\$125	\$130
Specialists	\$230	\$235	\$235	\$240

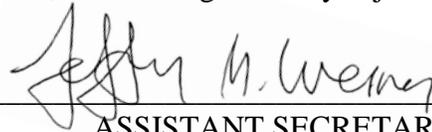
The representatives of Marks Paneth then returned to the meeting room.

Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards

The sixth and final item on the agenda was the presentation of the Annual Pre-Audit Presentation (for the Audit Year ending June 30, 2015) (the “Audit Plan”) by Marks Paneth, the independent auditors of the Corporation, with respect to the annual financial statements of the Corporation. Mr. Balducci introduced Warren Ruppel, as the engagement partner at Marks Paneth and Dan McElwee, as the engagement manager. Mr. Ruppel explained and discussed the Audit Plan, which had been distributed to the Committee members, and he entertained questions from the Committee members. Mr. Ruppel provided an overview of the Plan, discussed internal control procedures and explained that a new accounting standard known as GASB 72 will be implemented. He also inquired, in accordance with applicable accounting standards, whether the Committee had knowledge or suspicion of fraud or of whistleblower activities. The Committee responded that it did not. Finally Mr. Balducci informed the Committee that procedures will be implemented in September to account for pilot payments.

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.



Handwritten signature of Jeffrey M. Weimer in black ink, written over a horizontal line.

ASSISTANT SECRETARY