

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

April 19, 2012

A meeting of the Audit Committee (the “Committee”) of Hudson Yards Infrastructure Corporation (the “Corporation”) was held on April 19, 2012 at approximately 2:37 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

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| Alan Anders | - alternate for Mark Page, Director of Management and Budget of The City of New York (the “City”); |
| Carol Kostik | - alternate for John C. Liu, Comptroller of The City; |
| Raymond Majewski | - alternate for Christine C. Quinn, Speaker of the City Council; |
| Brian Geller | - alternate for Caswell F. Holloway, Deputy Mayor for Operations of the City; |
| Andrew Winters | - alternate for Robert K. Steel, Deputy Mayor for Economic Development of the City; |

constituting a quorum of the Committee. Jinelle Craig 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 the State of New York.

The meeting was called to order by Andrew Winters, Chairperson of the Committee.

Approval of Minutes of Meeting of September 27, 2011

The first item on the agenda was approval of the minutes of the meeting of September 27, 2011. 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 27, 2011; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 27, 2011 be, and they hereby are, approved.

Evaluation of Independent Auditors

The second item on the agenda was the evaluation of Marks Paneth & Shron (“Marks Paneth”). The representatives from the independent auditing firm, Marks Paneth, left the meeting room. Mr. Winters 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, 2011, 2012 and 2013. 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 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 Marks Paneth & Shron LLP for such firm to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending on June 30, 2011, 2012, and 2013; 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.

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

Review of Annual Agency Financial Integrity Compliance Statement

The third item on the agenda was the review of the Corporation's annual Agency Financial Integrity Compliance Statement. Mr. Winters explained that pursuant to Section 6.1(5) of Directive 22 of the Comptroller, the Committee must review the Corporation's annual Financial Integrity Compliance Statement. Mr. Balducci and Michele Mark Levine, the Comptroller of the Corporation briefly discussed the Statement. The Audit Committee of the Corporation reviewed and evaluated the Corporation's Financial Integrity Statements; it found the Corporation's Financial Integrity Compliance Statement to be satisfactory. The Corporation's Comptroller stated that she is available to explain the Statement and answer questions. Ms. Kostik asked a question about the Statement. A brief discussion ensued.

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

The fourth item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Winters explained that the Annual Report was contained in the packet provided to the Committee members and that the Report outlines the Committee's actions in 2011. The Audit Committee finds that it has performed in a satisfactory manner. A motion was made to approve the resolution set forth below with respect to the Annual Report. 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 fifth item on the agenda was the annual review of the Internal Controls of the Corporation. Mr. Winters explained that the Committee's Charter requires such review and the corporation's internal controls are satisfactory. He indicated that no changes have been proposed.


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

The sixth and last item on the agenda was the presentation of the Audit Plan by the Independent Auditors with respect to the annual financial statements of the Corporation and a discussion by management of new accounting and auditing standards. Such financial statements as well as the report of the independent auditors were in the package provided to the Committee members. Robert Balducci, the Deputy Comptroller of the Corporation, introduced Warren Ruppel and John Luke of Marks Paneth to the Committee. The Marks Paneth representatives conducted a brief presentation on its audit report on the financial statements and answered questions presented by Committee members. Mr. Ruppel explained that he was required to make a formal inquiry of the Committee as to whether they had any knowledge or suspicion of fraud or activities under the Whistleblower Act. The Committee responded that it did not. He also

discussed the future impact of certain new accounting standards. A discussion among Ms. Kostik, Ms. Levine, Mr. Balducci and representatives from Marks Paneth with respect to various aspects of the financial statements and new GASB auditing standards ensued. The Independent Auditors reported to the Committee that management is doing a good job and that no material weaknesses came to light during the audit procedures.

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