

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

May 13, 2014

A meeting of the Audit Committee (the “Committee”) of Hudson Yards Infrastructure Corporation (the “Corporation”) was held on May 13, 2014 at approximately 2:14 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;

Alicia Glen, Deputy Mayor for Economic Development of the City, represented by Peter Wertheim; and

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

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 of New York.

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

Approval of Minutes of Meeting of September 26, 2013

The first item on the agenda was approval of the minutes of the meeting of September 26, 2013. 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 26, 2013; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 26, 2013 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 Deputy Comptroller of the Corporation, was available to explain the Financial Integrity Compliance Statement.

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 2013, 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. Ms. Kostik inquired about start of PILOT payments. A brief discussion ensued.

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

The fifth and final item on the agenda was the presentation of the Annual Pre-Audit Presentation (for the Audit Year ended June 30, 2014) (the “Audit Plan”) by the Marks Paneth, the independent auditors of the Corporation, with respect to the annual financial statements of

the Corporation. Mr. Balducci introduced Warren Ruppel, the engagement partner at Marks Paneth and Dan McElwee, 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 new accounting standards known as GASB 70 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.



ASSISTANT SECRETARY