

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

February 26, 2010

A meeting of the Audit Committee (the “Committee”) of Hudson Yards Infrastructure Corporation (the “Corporation”) was held on February 26, 2010 at approximately 2:55 p.m. at 75 Park Place, Room 6M4, New York, New York.

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

Carol Kostik	- alternate for John C. Liu, Comptroller of The City of New York (the “City”)
Raymond Majewski	- alternate for Christine C. Quinn, Speaker of the City Council
Brian Geller	- alternate for Edward Skyler, Deputy Mayor for Operations of the City

constituting a quorum of the Committee. Kathy Blyn 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 Brian Geller, Chairperson of the Committee.

Approval of Minutes of Meeting of September 25, 2009

The first item on the agenda was approval of the minutes of the meeting of September 25, 2009. 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 25, 2009; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of September 25, 2009 be, and they hereby are, approved.

#### Review and Acceptance of Management Letter

The second item on the agenda was the review and acceptance of the management letter of Deloitte & Touche LLP (“Deloitte”) the Corporation’s independent auditors. Robert Balducci, the Assistant Comptroller of the Corporation, explained that the letter relates to the auditors’ consideration of management’s internal control over financial reporting and that the letter indicated that the auditors found no material deficiencies in connection with this. Glenn Friedrich of Deloitte then reported to the Committee that management is doing a good job and that no material weaknesses came to light during the audit procedures.

#### Evaluation of Independent Auditors and Independent Auditor Contract Extension

The third item on the agenda was evaluation of Deloitte and the proposed extension of their contract with the Corporation. Mr. Friedrich left the meeting room. Mr. Geller then explained that the Corporation currently has a contract with Deloitte pursuant to which Deloitte has audited the Corporation’s financial statements for the fiscal years ending June 30, 2007, 2008 and 2009. He stated that management is satisfied with Deloitte’s performance and recommends the extension of the contract through June 30, 2010. A brief discussion ensued. A motion was then made to approve the resolution set forth below with respect the extension of Deloitte’s contract. 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 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**, 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 and 2009 with two optional one-year extensions; and

**WHEREAS**, the Officers of the Corporation have expressed their satisfaction with the independent auditors and recommended that the Corporation extend the contract with Deloitte and Touche, LLP for one year and sign an engagement letter for Deloitte and Touche, LLP for the audit of the Corporation's financial statements for the fiscal year ending June 30, 2010; 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; and

**FURTHER RESOLVED**, that the Audit Committee recommends that the Board of Directors authorize the Corporation's Officers to extend the contract with Deloitte and Touche, LLP and sign an engagement letter with Deloitte and Touche, LLP for the audit of the Corporation's financial statements for the fiscal year ending June 30, 2010, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

#### Review of Annual Agency Financial Integrity Compliance Statement

The fourth item on the agenda was the review of the Corporation's annual Agency Financial Integrity Compliance Statement. Mr. Geller 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. A motion was made to approve the resolution set forth below with respect to the review of the Statement. 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 Self-Evaluation and Review of Annual Report of the Audit Committee

The fifth item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Geller 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 2009. Ms. Kostik stated that the Report was a fair presentation and Mr. Majewski agreed with this. 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 and Approval of the Audit Committee Charter and Charter Schedule

The sixth item on the agenda was the annual review and approval of the Committee's Charter and the Charter Schedule, copies of which were in the packet provided to the Committee members. Mr. Geller explained that such review is required pursuant to the Committee's Charter and Directive 22 of the Comptroller. He indicated that no changes were made to the Charter and that minor changes were made to the Schedule to reflect prior changes to the Charter. A motion was made to approve the resolution set forth below with respect to the Charter and Charter Schedule. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Board of Directors (the "Board") of the Hudson Yards Infrastructure Corporation (the "Corporation") originally adopted an Audit Committee Charter on October 4, 2007 and has subsequently amended it; and

**WHEREAS**, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Corporation is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Corporation; and

**WHEREAS**, pursuant to the Audit Committee Charter, section III(u), the Audit Committee of the Corporation is required to develop a schedule of dates by which the requirements of the Charter shall be carried out; and

**WHEREAS**, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and the Audit Committee Schedule, as amended and attached hereto, and finds them to be reasonable and appropriate; it is hereby

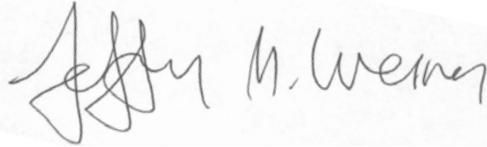
**RESOLVED**, that the Audit Committee hereby approves the Audit Committee Charter as adopted and subsequently amended, and further, approves the Audit Committee Schedule as attached.

#### Annual Review of Internal Controls

The seventh and final item on the agenda was the annual review of the Internal Controls of the Corporation. Mr. Geller explained that Section III(h) of the Committee's Charter requires such review and this review is the first such annual review. He indicated that no changes have been proposed.

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.

A handwritten signature in cursive script, appearing to read "Jeffrey M. Werner", is written on a light-colored rectangular piece of paper that is slightly tilted and placed over the printed name.

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ASSISTANT SECRETARY