

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE HUDSON YARDS INFRASTRUCTURE CORPORATION**

January 16, 2009

A meeting of the Board of Directors (the “Board”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on January 16, 2009 at approximately 3:25 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following director was present in person:

Mark Page, Director of Management and Budget of The City of New York (the “City”); and

the following directors were represented by their alternates:

William C. Thompson, Jr., Comptroller of the City, represented by Carol Kostik;

Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski;

Robert C. Lieber, Deputy Mayor for Economic Development of the City, represented by Jed Howbert; and

Edward Skyler, Deputy Mayor for Operations of the City, represented by Brian Geller;

constituting a quorum of the Board. 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.

The meeting was called to order by Mr. Page.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Directors which occurred on September 23, 2008. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved:

WHEREAS, the Board of Directors of the Hudson Yards Infrastructure Corporation (the “Corporation”) has reviewed the minutes of the previous meeting of the Board of Directors held on September 23, 2008; it is therefore

RESOLVED, that the minutes of the Board of Directors meeting of September 23, 2008, are hereby approved.

Appointment of Philip Wasserman as Deputy Treasurer and Robert Balducci as Assistant Comptroller

The second item on the agenda was the appointment of Philip Wasserman as Deputy Treasurer and Robert Balducci as Assistant Comptroller of the Corporation. Mr. Page informed the Directors that Mr. Wasserman’s position was formerly held by Sanna Wong and that Mr. Balducci’s position was formerly held by Michele Mark Levine. A motion was made to approve the resolution set forth below with respect to such appointments. The motion was seconded and, there being no objections, duly adopted.

WHEREAS, the Board of the Hudson Yards Infrastructure Corporation (the “Corporation”) is duly authorized pursuant to Section 713 of the New York Not-For-Profit Corporation Law and the Corporation’s By-laws to appoint such officers and employees as it may require for the performance of its duties; and

WHEREAS, the Board believes that it is in the best interest of the Corporation to appoint a Deputy Treasurer; and

WHEREAS, the staff of the Corporation, having worked with Philip Wasserman, whose resume is attached hereto, in his previous capacity at the New York City Office of Management and Budget, believes he is highly qualified to serve as Deputy Treasurer of the Corporation; and

WHEREAS, the Board believes that it is in the best interest of the Corporation to appoint an Assistant Comptroller; and

WHEREAS, the staff of the Corporation, having worked with Robert L. Balducci, whose resume is attached hereto, in his capacity at the New York City Comptroller's Office, believes he is highly qualified to serve as Assistant Comptroller of the Corporation; and

RESOLVED, that Philip Wasserman is hereby appointed Deputy Treasurer of the Corporation and Robert L. Balducci is hereby appointed Assistant Comptroller of the Corporation, effective January 9, 2009.

Eastern Rail Yard Transferable Development Rights (ERY TDRs)

The third item on the agenda was the Eastern Rail Yard Transferable Development Rights (ERY TDRs). Mr. Page explained that the resolution before the Board with respect to the ERY TDRs covers both the approval of an ERY TDRs Disposition and Pricing Mechanism Policy (the "Policy") formulated by the Hudson Yards Development Corporation ("HYDC") and approval of sales of the ERY TDRs. He informed the Board that HYDC had worked with a consultant in formulating the Policy. Mr. Majewski then asked if management could provide an idea of its expectations with respect to the transfer of ERY TDRs over the next few years. A discussion ensued during which Ann Weisbrod, the President of HYDC, explained that given the current problems in the credit markets only refinancings are taking place but that the Policy provides financial institutions with the ability to value the ERY TDRs. She also indicated that significant transfer activity is not expected until the completion of the No. 7 subway line extension. Mr. Majewski then enquired about the nature of the information contained in the Explanatory Statements required under the Policy. Scott Ulrey, the Assistant Secretary of the Corporation, explained that under the Public Authorities Accountability Act of 2005 (the "PAAA") the Corporation is required to provide information to various State entities

and that he would provide Mr. Majewski with a copy of the statute. A motion was made to approve the resolution set forth below. The motion was seconded and, there being no objections, approved.

WHEREAS, the Hudson Yards Development Corporation (“HYDC”) is duly authorized to market and negotiate transfer amounts, price and payment terms for and effectuate the sale of all Eastern Rail Yard Transferrable Development Rights (“ERY TDRs”) pursuant to the Rail Yards Agreement dated as of September 28, 2006 among the Metropolitan Transportation Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road Company, and the City of New York; and

WHEREAS, HYDC has drafted a Disposition and Pricing Mechanism Policy (the “Policy”), attached hereto, to govern the disposition and pricing of the ERY TDRs; and

WHEREAS, the Officers of the Hudson Yards Infrastructure Corporation (the “Corporation”) have reviewed the Policy and find it to be in conformance with the Corporation’s Policy on the Disposition of Personal Property and recommend its adoption to the Board of Directors; and

WHEREAS, pursuant to Corporation’s Policy on the Disposition of Personal Property, the Corporation’s Contracting Officer has approved the sales of the ERY TDRs pursuant to the Policy and pursuant to the Corporation’s Policy on the Disposition of Personal Property; it is therefore

RESOLVED, that the ERY TDRs Disposition and Pricing Mechanism Policy, as attached, is hereby approved, provided that changes to the Policy, including any changes to the pricing mechanism based on the new studies called for by the Policy, shall be approved by the Directors of the Corporation before taking effect; and

FURTHER RESOLVED, all sales of the ERY TDRs pursuant to the Policy and pursuant to the Corporation’s Policy on the Disposition of Personal Property are hereby approved and the President or Treasurer is hereby authorized to execute all documentation required to effectuate the transfer of the ERY TDRs; and

FURTHER RESOLVED, that, prior to each sale, at the time when they are sent to the State pursuant to Section 2897 of the Public Authorities Law, the Officers of the Corporation are directed to distribute copies of each Explanatory Statement received from HYDC to the Directors.

Authorization of Engagement Letter for Independent Auditors

The fourth item on the agenda was authorization of an engagement letter with Deloitte & Touche LLP (“Deloitte”), the Corporation’s independent auditors. Mr. Page explained that while there is an existing contract between Deloitte and the Corporation, the accounting profession requires that an engagement letter be signed in connection with each year covered by a contract. He went on to explain that the Audit Committee had considered and approved the Corporation’s signing such a letter for fiscal year 2009. A motion was made to approve the resolution set forth below authorizing the Corporation to sign an engagement letter with Deloitte. The motion was seconded and, there being no objection, approved.

WHEREAS, the Corporation, as authorized by the Board of Directors, previously retained the firm of Deloitte & 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; and

WHEREAS, pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors, found their performance to be satisfactory, and recommended that the Board authorize the management of the Corporation to sign an engagement letter with Deloitte & Touche LLP as the independent auditors for the Corporation’s financial statements for the fiscal year ending June 30, 2009; it is hereby

RESOLVED, that the Board authorizes the management of the Corporation to sign an engagement letter with Deloitte & Touche LLP as the independent auditors for the Corporation’s financial statements for the fiscal year ending June 30, 2009, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

Approval of Amended Policy on Acquisition and Disposition of Real Property

The fifth item on the agenda was approval of an amended Policy on the Acquisition and Disposition of Real Property. Mr. Page explained that under the PAAA the Corporation was required to maintain a Policy on the Acquisition and Disposition of Real Property and to approve it on an annual basis. He explained that the Policy before the Board contained a technical amendment to clarify certain language as set forth in the resolution below.

A motion was made to approve such resolution. The motion was seconded and, there being no objections, approved.

WHEREAS, the Hudson Yards Infrastructure Corporation (the “Corporation”), on October 12, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the “Public Authorities Law”), adopted a Policy on the Acquisition and Disposition of Real Property; and

WHEREAS, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policies; and

WHEREAS, at the time the policy was adopted, the intent of the Board of Directors was to allow for Contracting Officer and Board of Directors approval of both specific transactions and more broadly defined categories or groups of transactions; and

WHEREAS, the Corporation’s management has recommended an amendment to the Approvals section to clarify the intended meaning of that section; and

WHEREAS, the Corporation has reviewed the attached policy, as amended, and has deemed it to be reasonable and appropriate; it is therefore

RESOLVED, that the Policy on the Acquisition and Disposition of Real Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

Annual Approval of Policy on the Disposition of Personal Property

The sixth item on the agenda was the annual approval of the Corporation’s Policy on the Disposition of Personal Property. Mr. Page stated for the record that ERY TDRs are personal property. He went on to explain that under State law a policy on the Disposition of Personal Property must be approved annually and that the Policy before the Board was unchanged. A motion was made to approve the resolution set forth below approving such Policy. The motion was seconded and, there being no objections, approved.

WHEREAS, the Hudson Yards Infrastructure Corporation (the “Corporation”), on October 12, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the “Public Authorities Law”), adopted a Policy on the Disposition of Personal Property; and

WHEREAS, pursuant to Section 2896 of the Public Authorities Law, the Corporation is required annually to review such policy; and

WHEREAS, the Corporation has reviewed the attached policy and has deemed it to be reasonable and appropriate; it is therefore

RESOLVED, that the Policy on the Disposition of Personal Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

Approval of Amended Investment Guidelines and Distribution of Annual Audit of Investments

The seventh item on the agenda was approval of amended Investment Guidelines of the Corporation. Mr. Page explained that the PAAA is somewhat ambiguous with respect to the application of its reporting requirements to local development corporations but that it was appropriate to amend the reporting requirements to assume such requirements do apply to the Corporation. A motion was made to adopt the resolution set forth below approving such amended Investment Guidelines. The motion was seconded and, there being no objections, adopted.

WHEREAS, the Hudson Yards Infrastructure Corporation (the “Corporation”), originally adopted Investment Guidelines on October 4, 2007 to establish policies for the investment of its funds; and

WHEREAS, the Corporation is required annually to review its Investment Guidelines; and

WHEREAS, the Corporation’s management has recommended that the Reports section of the Investment Guidelines should be amended to expand the Investment Report requirements and add a quarterly investment report to be sent to the Board of Directors; and

WHEREAS, the Board of Directors has reviewed the attached Investment Guidelines as amended and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.

Approval of Investment Report

The eighth item on the agenda was approval of the Corporation's annual Investment Report. Mr. Page explained that the Investment Report is required under state law. Ms. Levine indicated that there had been one inadvertent non-compliant investment which had been liquidated and invested in a compliant investment. She further indicated that software is being developed that will automatically check for compliance. A motion was made to approve the resolution set forth below approving the Investment Report. The motion was seconded and, there being no objections, approved.

WHEREAS, the Hudson Yards Infrastructure Corporation (the "Corporation"), pursuant to the Corporation's Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

WHEREAS, the Hudson Yards Infrastructure Corporation (the "Corporation"), pursuant to the Corporation's Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Presentation by Audit Committee Chair

The ninth item on the agenda was a presentation by the chairperson of the Corporation's Audit Committee. Mr. Geller, the Chairperson of the Audit Committee, referred

to the Annual Report of the Audit Committee which described the Committee's activities and actions taken in 2008 and presented such report to the Board.

Report of President

The tenth and final item on the agenda was the report of the Corporation's President. Alan Anders, the President of the Corporation, referred to a Schedule of Receipts and Disbursements that was before the Board and elaborated on the information set forth therein. A discussion then ensued with respect such schedule, as well as with respect to a tunnel boring machine to be used in connection with the Hudson Yards Project, the status of the platform owned by the Metropolitan Transit Authority and the proposed 11th Avenue subway stop on the extended No. 7 subway line.

Adjournment

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



ASSISTANT SECRETARY