

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

April 27, 2011

A meeting of the Board of Directors (the “Board”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on April 27, 2011 at approximately 2:15 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:

John C. Liu, Comptroller of the City, represented by Carol Kostik;

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

Robert K. Steel, Deputy Mayor for Economic Development of the City, represented by Andrew Winters; and

Stephen Goldsmith, 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 March 2, 2011. 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 March 2, 2011; it is therefore

**RESOLVED**, that the minutes of the Board of Directors meeting of March 2, 2011, are hereby approved.

#### Expansion of Finance, Governance and Audit Committees

The second item on the agenda was the expansion of the Finance, Governance and Audit Committees of the Corporation. Mr. Page explained that the resolution before the Board would reconstitute those committees to be comprised of all the Board members. He further explained that currently the Committees are comprised of four out of the five Board members, that this structure was in response to various State actions, but that recently there has been more flexibility in considering what comprises independence as it relates to Committee members, and therefore it is appropriate that the Committees now address the Corporation’s business with the benefit of the entire Board. A motion was made and seconded to approve the resolution, which is set forth below. Mr. Majewski then stated that he was uncomfortable with the proposed change in the composition of the Committees. He stated that the current structure provides for a

somewhat greater role for Committee members who are not Mayoral appointees. He stated that this position does not reflect on the current administration but pointed out that the structure would be followed by subsequent administrations. Ms. Kostik indicated that she agreed with Mr. Majewski. She stated that although the change would be largely symbolic because the Board actually conducts the business of the Corporation, there is value to non-mayoral appointees having some independence. Mr. Page then stated that the change does not reflect on the perception or work of the Committees but that it is in the interest of the Corporation to ultimately bring the structure back to the original composition. A vote was then taken with three Directors voting in favor and Mr. Majewski and Ms. Kostik voting in opposition. The motion accordingly carried.

**WHEREAS**, pursuant to the Public Authorities Law (the “PAL”), the Board of Directors (the “Board”) of the Hudson Yard Infrastructure Corporation (the “Corporation”) previously established an Audit Committee, a Governance Committee and a Finance Committee; and

**WHEREAS**, it is in the interests of the Corporation to expand the membership of the Audit Committee, the Governance Committee and the Finance Committee to include the Director of Management and Budget of the City of New York (the “City”); it is hereby

**RESOLVED** that the memberships of each of the Audit Committee, Governance Committee and Finance Committee of the Board shall be comprised of the following Directors:

- (1) Director of Management and Budget of the City;
- (2) Comptroller of the City;
- (3) Speaker of the City Council;
- (4) Deputy Mayor for Economic Development of the City; and
- (5) Deputy Mayor for Operations of the City; and

**FURTHER RESOLVED** that each Committee’s Charter shall be amended to reflect the above change in membership.

### Approval of Budget

The third item on the agenda was approval of the Corporation's budget report. Mr. Page explained that pursuant to the Public Authorities Law (the "PAL") the Corporation must submit a budget report to certain officials. He further explained that a different provision of the PAL requires the Corporation to submit a financial plan to the same officials and that the submission of the budget report and financial plan, copies of which were in the packet provided to the Board, will fulfill the respective requirements. A brief discussion ensued. A motion was made to approve the resolution set forth below with respect to the budget report and financial plan. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Hudson Yards Infrastructure Corporation (the "Corporation"), pursuant to Section 2801(2) of the Public Authorities Law (the "PAL"), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at least sixty days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

**WHEREAS**, the Corporation is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

**WHEREAS**, the Board of Directors of the Corporation has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

**RESOLVED**, that the Board of Directors of the Corporation approves the budget information and financial plan as attached hereto.

#### Approval of Independent Auditor Contract

The fourth item on the agenda was approval of a contract appointing the firm of Marks Paneth & Shron LLP as the independent auditors of the Corporation, such approval having been recommended by the Audit Committee. Mr. Page briefly described the selection process and

certain provisions of the contract. A motion was made to approve the resolution set forth below with respect to the contract. The motion was seconded and, there being no objections, approved.

**WHEREAS**, following a request for proposals for independent auditors, the selection committee of the Hudson Yards Infrastructure Corporation (the “Corporation”) has selected the firm of Marks Paneth & Shron LLP; and

**WHEREAS**, the Audit Committee of the Corporation has recommend the appointment and retention of Marks Paneth & Shron LLP as the Corporation’s independent auditors; it is hereby

**RESOLVED**, that the Board of Directors authorize the Officers of the Corporation to enter into an agreement with Marks Paneth & Shron LLP to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2011, 2012 and 2013 with a one one-year extension upon recommendation of the Audit Committee to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2014, 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 rates below; and

**FURTHER RESOLVED**, that the Corporation’s Officers are authorized to take any necessary actions to effectuate the retention of the independent auditors, including but not limited to signing an annual engagement letter.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Audit	\$27,500	\$28,500	\$29,500	\$30,500

Special Projects (per hour)

<b>Position</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Partner	\$315	\$325	\$335	\$340
Manager	\$165	\$170	\$175	\$180
Senior	\$120	\$125	\$130	\$135
Associate	\$100	\$105	\$110	\$115
Specialists	\$210	\$220	\$235	\$240

Approval of Agreement with Comptroller’s Office for Investment Management

The fifth item on the agenda was approval of an agreement with the Office of the Comptroller of the City (the “Comptroller’s Office”) for investment management services with respect to funds of the Corporation, subject to the terms of the Indenture of the Corporation. Mr.

Page explained that the Comptroller's Office currently manages the investments of City funds and that pursuant to the proposed agreement certain officers of the Comptroller's Office would become Authorized Officers under the Indenture for the purpose of investing Corporation funds. A brief discussion ensued. A motion was made to approve the resolution set forth below with respect to such agreement. The motion was seconded and, there being no objections, approved.

**WHEREAS**, Hudson Yards Infrastructure Corporation (the "**Corporation**") pursuant to a Trust Indenture, dated as of December 1, 2006 (the "**Indenture**"), by and between the Corporation and U.S. Bank, National Association, issued \$2,000,000,000 of its Senior Revenue Bonds, 2007 Series A (the "**2007 Series A Bonds**", and, together with in any additional bonds hereafter issued pursuant to the Indenture, the "**Bonds**") for the purpose, among others, of providing money for the payment of costs of the "Project", as such term is defined in the Indenture; and

**WHEREAS**, to that end, of the proceeds of the 2007 Series A Bonds, (i) \$1,425,325,000.00 was deposited in the Subway Extension Subaccount of the Project Account of the Construction Fund established pursuant to the Indenture, (ii) \$430,194,447.20 was deposited in the Public Amenities Subaccount of the Project Account of the Construction Fund established pursuant to the Indenture, and; (iii) \$200,000,000.00 was deposited in the TDRs Purchase Subaccount of the Project Account of the Construction Fund established pursuant to the Indenture (said Subway Extension Subaccount, Public Amenities Subaccount and TDRs Purchase Subaccount are hereinafter collectively referred to as the "**Project Subaccounts**", and all capitalized terms used and not otherwise defined in this resolution, shall have the respective meanings given to them in the Indenture.); and

**WHEREAS**, the Officers of the Corporation have recommended to the Board of Directors that money in the Project Subaccounts, including income and earnings thereon, be invested at the direction of the Comptroller's Office of the City of New York (the "**City**") which is responsible for investing the funds of the City; and

**WHEREAS**, pursuant to Article VI of the Indenture, money in the Project Subaccounts may be invested by the Trustee at the direction of an Authorized Officer of the Corporation in Eligible Investments; and

**WHEREAS**, the term "Authorize Officer", as defined in the Indenture, includes, when used with reference to any act or document, in addition to certain specified officers of the Corporation, "any other person authorized by a resolution or the by-laws of the Corporation to perform such act or execute such document; and

**WHEREAS**, the Corporation desires to have the City Comptroller's Office direct investment of money in the Project Subaccounts and designate the persons named below holding

the titles specified, or their successors to such titles, as “Authorized Officers” for purposes of directing the Trustee to invest such money;

**NOW, THEREFORE, IT IS RESOLVED** by the Corporation as follows:

**RESOLVED**, that the President or a Vice President of the Corporation is authorized to execute an agreement between the Corporation and the City Comptroller’s Office whereby the City Comptroller’s Office is authorized to direct investments of the Project Subaccounts as described herein; and

**FURTHER RESOLVED**, that each person named below, who now holds the office within the City Comptroller’s Office set forth opposite such person’s name, so long as such person holds such office, and each successor to such office, while holding such office, is hereby designated as an “Authorized Officer” within the meaning of such term as given in the Indenture, for the sole purpose of directing the Trustee to invest money from time to time on deposit in any one or more of the Project Subaccounts in accordance with Section 6.01(a) of the Indenture, and each such person is authorized to execute, on behalf and in the name of the Corporation, the written direction to the Trustee required by Section 6.01(a) of the Indenture.

Steven Veloric	Director of Trading
Louis Lent	Senior Trader
Barbara Nersten	Senior Trader
Lakhbir Kaur	Assistant Trader

**FURTHER RESOLVED**, that, for purposes of determining the persons who from time to time hold any of the offices within the Comptroller’s Office referred to above, the Trustee and the Corporation and their respective officers, directors, employees and agents shall be entitled to rely upon a certificate of incumbency executed by the City Comptroller, the Assistant Comptroller for Debt Management or another officer of the Comptroller’s Office certifying that such persons hold such offices.

**FURTHER RESOLVED**, that this resolution shall take effect upon its adoption.

#### Directors and Officers Insurance

The sixth item on the agenda was the procurement of Directors’ and Officers’ Liability Insurance. Mr. Page explained that the resolution under discussion would approve the procurement through a broker, Wells Fargo Insurance Services, USA, Inc., of such insurance from a group of insurance companies and briefly described the terms of the procurement. Mr. Majewski then informed the Board that he has a distant family relation who is employed by Wells Fargo. He explained that he had discussed this situation with the City’s Conflict of

Interests Board (the “COIB”) and that the COIB had advised him to disclose the relationship, after which it would be appropriate for him to vote on the matter. A motion was made to approve the resolution set forth below. The motion was seconded and, there being no objections, approved.

**WHEREAS**, despite their diligence and good faith, directors and officers of the Hudson Yards Infrastructure Corporation (the “Corporation”) may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation; and

**WHEREAS**, Article VI of the Bylaws of the Corporation provides that the Corporation shall indemnify each member, director and officer, to the fullest extent permitted by law; and

**WHEREAS**, Directors’ and Officers’ Liability Insurance is a prudent supplement to such indemnification; it is therefore

**RESOLVED**, that the Corporation hereby approves the procurement of Directors’ and Officers’ Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. from Allied World Assurance Company, Inc. (“AWAC”), Zurich American Insurance Company (“Zurich”), Liberty Mutual Insurance Company (“Liberty Mutual”) and Arch Insurance Group, Inc. (“Arch” and together with AWAC, Zurich, and Liberty Mutual, the “Insurers”), or such other substitute insurers as the President shall determine, providing coverage for the period from May 25, 2011 through May 24, 2012; provided that the annual premium payable by the Corporation to the Insurers will not exceed \$180,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President or such other officer of the Corporation shall deem necessary, desirable or appropriate and that the President shall be authorized to procure such insurance coverage.

### Annual Board Evaluation

The seventh item on the agenda was the annual self-evaluation of the Board. Mr. Page explained that pursuant to the PAL the Board is required to conduct an annual self-evaluation. He stated that in furtherance of this evaluation forms for the anonymous evaluation of the entire Board as well as the individual Directors will be sent to each Director. Mr. Page noted that while the law is unclear as to whether Directors or alternate Directors should complete

these forms, it is logical for the alternates to do so as they are the ones who attend the meetings and are therefore aware of the performance of the Board.

#### Report of President of the Corporation

The eighth item on the agenda was a presentation by Alan Anders, the President of the Corporation. Mr. Anders informed the Board that the Corporation's quarterly receipts and disbursements (a copy of which was included in the packet provided to the Board) should be slowly increasing as new projects in the Hudson Yards area commence. He explained that the Corporation is planning a second bond offering to occur in September or October 2011 and that the firms of Cushman & Wakefield and Economy.com (now known as Moody's Analytics, Inc.) will be providing services in connection with the issuance. Mr. Page added that the extension of the Number 7 subway line remains fairly close to the original estimate of cost and timing and discussed the Metropolitan Transportation Authority's solicitation of bids for certain excavation work. A brief discussion ensued.

#### Approval of Moody's Analytics, Inc. Contract

The ninth and final item on the agenda was approval of a contract with Moody's Analytics, Inc. to provide economic data and projections to the Corporation in connection with the issuance of its bonds. Mr. Page explained the contract at issue is the same as the Corporation's contract with Economy.com but since Economy.com changed its name to Moody's Analytics, Inc., it is necessary to enter into a new contract with the entity under its new name. A brief discussion ensued. A motion was made to approve the resolution set forth below with respect to such contract. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Hudson Yards Infrastructure Corporation (“HYIC”) entered into a contract with Economy.com, Inc., as of August 23, 2004, to provide economic data and projections to HYIC in relation to HYIC’s issuance of bonds;

**WHEREAS**, pursuant the contract, HYIC agreed to pay Economy.com, Inc. \$60,000 for its initial projections to be used in relation to HYIC’s initial bond issuance and, if Economy.com, Inc. agreed to provide subsequent projections, \$60,000 for such projections to be used in relation to a subsequent HYIC bond issuance (“Subsequent Projections”);

**WHEREAS**, Economy.com, Inc. has changed its name to Moody’s Analytics, Inc. (“Moody’s Analytics”);

**WHEREAS**, HYIC is now preparing for its second issuance of bonds and will once again require economic data and projections;

**WHEREAS**, Moody’s Analytics, as successor in interest to Economy.com, Inc., has agreed to provide the Subsequent Projections for the \$60,000 fee on the terms and conditions provided in the attached form of agreement;

**WHEREAS**, management of HYIC recommends that HYIC enter into an agreement with Moody’s Analytics on the terms provide in the attached form of agreement; it is hereby

**RESOLVED**, that the Board hereby authorizes and directs the President of HYIC to enter into the contract, and the accompanying subscription order form, with Moody’s Analytics, in the form attached hereto, with such changes as are acceptable to the President of HYIC.

### 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