MINUTES OF TIIE MEETING OF THE GOVERNANCE COMMITTEE OF'HUDSON YARDS INFRASTRUCTURE CORPORATION

September 22, 2010

A meeting of the Governance Committee (the "Committee") of Hudson Yards Infrastructure Corporation (the "Corporation") was held on September 22, 2010 at approximately 11:55 a.m. at 75 Park Place, Room 6M4, New York, New York.

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

Mark Kim - 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

Andrew Winters - alternate for Robert K. Steel Deputy Mayor for Economic Development 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 order by Mark Kim, Acting Chairperson of the Committee.

<u>Election of Chair Pro Temp</u>

The first item on the agenda was the election of Mark Kim as chair pro temp for the Committee. A motion was made to elect Mr. Kim to said position. The motion was seconded and, there being no objections, approved.

Approval of Minutes of Meeting of April 27. 2010

The second item on the agenda was the approval of the minutes of the meeting of the Committee held on April 27, 2010. A motion was made to adopt the resolution set forth below approving such minutes. The motion was seconded and, there being no objections, duly adopted.

> WHEREAS, the Governance Committee has reviewed the minutes of the previous meeting of the Governance Committee held on April 27,2010; it is therefore RESOLVED, that the minutes of the Governance Committee meeting of April 27, 2010, are hereby approved.

Recommendation to Board of Directors to Adopt Amended Policy on the Procurement of Goods and Services

The third item on the agenda was the proposed recommendation to the Board of Directors that it adopt an Amended Policy on the Procurement of Goods and Services. Mr. Kim explained that Section2824(e) of the Public Authorities Law requires the Corporation to adopt a policy on the procurement of goods and services. He further explained that the amendment under consideration would clarify that contracts for $7,500 in any one fiscal year are exempt from the requirements of competitive bidding and approval of the Board of Directors. A motion was made to approve the resolution set forth below with respect to such amended Policy. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the Hudson Yards Infrastructure Corporation (the "Corporation") is required to establish a policy on the procurement of goods and services; and

WHEREAS, the Corporation adopted Policy on the Procurement of Goods and Services (the "Policy") on October 12, 2006; and

WHEREAS, the Policy specifies that procurements of goods and services, the value of which is less than $7,500 do not require competition or approval of the Board of Directors; and

WHEREAS, the Corporation's Officers have recommended that the small purchase exception to the Corporation's requirement for competitive procurements be clarified to state explicitly that such exception applies to contracts the value of which is less than $7,500 in any one fiscal year; and

WHEREAS, pursuant to subsection III(a)(viii) of the Governance Committee Charter, the Governance Committee has reviewed the Policy, as amended and attached hereto, and found it to be reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby recommends that the Board of Directors adopt the Policy, as amended and attached hereto.

Self-Evaluation and Discussion of Presentation to Board of Directors

The fourth item on the agenda was a self-evaluation by the Committee and a discussion of a presentation to be made by the Committee to the Board of Directors. Mr. Kim explained that Section III(g) of the Committee Charter requires the Committee to perform an annual self evaluation.

He referred to the report relating to the Committee's activities that was in the packet provided to the Committee members and indicated that the Committee believes that its functioning is satisfactory. A motion was made to approve the resolution set forth below which finds the functioning of the Committee to be satisfactory and authorizes the Chair of the

Committee to present the Committee's findings to the Board of Directors. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(g) of the Governance Committee Charter requires the Governance Committee to conduct an annual self-evaluation of its functions; and

WHEREAS, the Governance Committee finds its functioning and performance to be satisfactory, effective, and in compliance with the Governance Committee Charter; it is therefore

RESOLVED, that the Governance Committee finds its functioning to be satisfactory and the Chair of the Governance Committee shall present the Committee's findings to the Board of Directors of the Hudson Yards Infrastructure Corporation.

Review of Compensation and Benefits

The fifth and final item on the agenda was the review of compensation and benefits paid by the Corporation. Mr. Kim explained the Section III(i) of the Committee Charter requires an annual review of compensation and benefits. He further explained that the Corporation does not have any employees and reimburses other entities for their services. He referred to a handout contained in the packet provided to the Committee that sets forth the Corporation's reimbursement to such entities, which are the New York City Municipal 'Water Finance Authority and the City's Office of Management and Budget.

Adjournment

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

ASSISTANT SECRETARY