HUDSON YARDS INFRASTRUCTURE CORPORATION'S POLICY ON THE ACQUISITION AND DISPOSITION OF REAL PROPERTY

Adopted October 12, 2006
Amended January 16, 2009

I. Introduction

In accordance with the requirements of Title 5-A of Article 9 and Section 2824(1)(e) of the Public Authorities Law, added to such law by the Public Authorities Accountability Act of 2005 ("PAAA"), the following comprehensive guidelines ("Guidelines") set forth the Hudson Yards Infrastructure Corporation's (the "Corporation's") (i) operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of real property, (ii) guidelines relating to the acquisition of real property, and (iii) related policies and procedures.

The Corporation does not currently own or lease any real property, except as set forth in Section IV hereof, and does not currently intend to purchase or lease any real property in the future.

II. Dispositions

The Corporation shall dispose of real property in accordance with Title 5-A and other applicable laws in a manner so as to permit such full and free competition as is appropriate under the circumstances and shall award contracts to parties offering the most advantageous terms, financial and otherwise. The Contracting Officer shall supervise and direct all dispositions of the Corporation's real property. The real property may be disposed of for not less than fair market value for cash, credit, or other property, with or without warranty, upon such terms and conditions as the Contracting Officer deems proper, except as otherwise permitted herein. No disposition of real property shall be made unless an appraisal has been made by an independent appraiser.

Under the Contracting Officer's direction, the Corporation may use two methods of disposition: Request for Proposals ("RFP") and negotiated disposition.

<u>Request for Proposals</u>

In an effort to create full and free competition consistent with the value and nature of the property, RFPs will be advertised in one or more appropriate local newspapers.

The contract will be awarded to the candidate presenting the most advantageous terms, price and other factors considered. The Corporation may reject the proposals when the minimum terms and conditions have not been met, competition is insufficient or it is in interest of the Corporation. The award will

be made by notice within a reasonable time of the original advertisement, all circumstances considered.

Negotiated Disposition

RFP is not always the most appropriate and effective means of disposal of real property. In certain instances, Title 5-A permits a negotiated disposition subject to obtaining such competition as is feasible under the circumstances. In some circumstances, the disposition will involve a sole source. Title 5-A, Section 2897 (6)(c)(ii)-(vi) sets forth that real property may be disposed of through a negotiated disposition when:

(ii) the fair market value of the property does not exceed fifteen thousand dollars;
(iii) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
(iv) the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
(v) the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision …, the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the public Corporation; or
(vi) such action is otherwise authorized by law.

If a disposition meets one of the criteria listed above, the Contracting Officer may direct that the disposition of the real property be conducted as a negotiated disposition. In such circumstance, a public disclosure of the proposals would not be necessary unless otherwise required but an explanatory statement and 90 days notice (or such other period as the statute may be amended to require) would be required as detailed below.

Upon meeting Title 5-A's requirements for a negotiated disposition, the decision to proceed with a negotiated disposition in a situation where an RFP will not be used is based on an analysis of the facts and nature of the disposition.

If a negotiated disposition is undertaken, not less than 90 days (or such other period as the statute may later require) prior to the disposal of the property, an explanatory statement must be submitted to the State Comptroller, State Director

of the Budget, State Commissioner of General Services and State Legislature, a copy of the same to be maintained in the Corporation's files.

III. Acquisitions

Real property may be leased by the Corporation to fulfill its purpose pursuant to the Corporation's Certificate of Incorporation.

IV. Approvals

All purchases, sales and leases of real property by the Corporation must be approved by the Corporation's Contracting Officer and its Board of Directors; provided, however, that reimbursements of the New York City Office of Management and Budget for use of a portion of its space shall not constitute acquiring of real property pursuant to this policy. Approvals may be obtained for specific purchases, sales or leases or the Board of Directors may grant approval to purchases, sales or leases more broadly identified by the Board.

V. Monitoring and Reporting Contracts for Disposal

The Contracting Officer shall cause a record to be maintained of all real property disposed of and shall cause to be prepared and transmitted all reports relating to the disposition of real property required by Title 5-A.