

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

**June 3, 2009**

A meeting of the Audit Committee of the Hudson Yards Development Corporation (the "Corporation") was held on June 3, 2009, at 4:00 p.m. in the 6<sup>th</sup> floor Conference Room at the New York City Office of Management and Budget at 75 Park Place, New York, New York.

5 Directors and Alternate Directors were present, constituting a quorum.

Directors:

Mark Page, Director, New York City Office of Management and Budget

Alternate Directors:

Caswell Holloway, Office of the Deputy Mayor for Operations for the City of New York

Kyle Kimball, New York City Economic Development Corporation

Carol Kostik, Office of the Comptroller for the City of New York

Raymond Majewski, New York City Council

Minutes of September 26, 2007 Audit Committee Meeting

Upon motion duly made and seconded, the minutes for the September 26, 2007 meeting of the Audit Committee were approved.

Adoption of Audit Committee Charter

Audit Committee Chairman Mark Page stated that the Audit Committee had been established by an Omnibus Resolution adopted by the HYDC Board of Directors on October 12, 2006 relating to the Public Authorities Accountability Act. Mr. Page explained that because the Omnibus Resolution contained a limited description of the Audit Committee's role and responsibilities, it is recommended that an Audit Committee Charter be adopted to more fully describe such roles and responsibilities, and that upon approval of the Audit Committee, the Charter will be presented to the HYDC Board of Directors for adoption.

Upon motion duly made and seconded, the following resolution was approved:

**RESOLVED**, that the Audit Committee of the Board of Directors of the Hudson Yards Development Corporation ("HYDC") recommends that the HYDC Board of Directors adopt the Audit Committee Charter attached hereto as Exhibit 1.

Audit Plan for FY 2009

Glenn Friedrich of Deloitte & Touche ("D&T") distributed and discussed a presentation concerning D&T's proposed audit plan for FY 2009 and certain new GASB rules. Mr. Friedrich explained which changes would affect HYDC.

HYDC Internal Controls Policy

Dena Linn Chen, HYDC's Controller and Vice President for Operations, presented HYDC's proposed Internal Controls Policy. Ms. Chen noted that the newly adopted Audit Committee Charter calls for HYDC's Internal Controls Policy to be recommended by the Audit Committee for approval by the HYDC Board of Directors.

Carol Kostik commented that the Internal Controls Policy should be revised to include provisions concerning the sale of Eastern Rail Yard Transferable Development Rights before those sales begin to occur. Ms. Chen agreed that HYDC would do so at the appropriate time.

Upon motion duly made and seconded, the following resolution was approved:

***RESOLVED***, that the Audit Committee of the Board of Directors of the Hudson Yards Development Corporation recommends that the HYDC Board of Directors adopt the Internal Controls Policy attached hereto as Exhibit 1, inclusive of the addendum on payroll processing and changes.

HYDC Financial Integrity Compliance Statement and Completed 2008 Checklist for Comptroller Directive #1

Ms. Chen indicated that these materials are presented to the Audit Committee for informational purposes.

Adjournment

Upon motion duly made and seconded, and there being no further business, the meeting was adjourned.