

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
September 30, 2014

A meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Tuesday, September 30, 2014, at 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Henry Berger
Elaine Braithwaite
James Patchett
Kim Vaccari
Betty Woo

Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the meeting, Spencer Hobson, Executive Vice President and Treasurer of NYCLDC, Bulent Celik, Assistant Treasurer of NYCLDC, Meredith Jones, an Executive Vice President, General Counsel and Secretary of New York City Economic Development Corporation, and Randy Nelson from Ernst & Young LLP.

1. Approval of the Minutes of the May 6, 2014 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the May 6, 2014 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Financial Report Pursuant to Section 2800 of the Public Authorities Law

Section 2800 of the Public Authorities Law requires NYCLDC to submit to various City officials and the New York State Authorities Budget Office ("ABO") audited financials with regard to the previous fiscal year. ABO has also designated a form in which a financial report containing information from the financials is to be submitted. The Board of Directors of NYCLDC is to approve the audited financials and the financial report that are submitted. The financial report and audited financials for FY2014 are included in Exhibit A attached hereto.

The Audit Committee of NYCLDC had recommended to the Board that it adopt and approve the audited financials and financial report for FY2014. A motion was made to adopt the resolution set forth in Exhibit A hereto. Such motion was seconded and unanimously approved.

3. Annual Investment Report

NYCLDC's Board adopted investment policies, procedures and guidelines (the "Investment Guidelines") and the adopted Investment Guidelines require the Board of Directors of NYCLDC to approve an Annual Investment Report containing specified information and to submit the report to the City's Mayor and Comptroller and the New York State Department of Audit and Control. The Annual Investment Report for NYCLDC for FY2014 is included in Exhibit B attached hereto.

A motion was made to adopt the resolution set forth in Exhibit B hereto. Such motion was seconded and unanimously approved.

4. Performance Measurement Report

The Public Authorities Law requires NYCLDC to annually review its mission statement and measurements by which the performance of NYCLDC and the achievement of its goals may be evaluated and, on May 6, 2014, NYCLDC's Board approved a mission statement and performance measures.

ABO requires that NYCLDC annually report on performance results with regard to the approved measures. NYCLDC's report with regard to the performance measures for FY2014 was presented to the Board and is included in Exhibit C attached hereto.


5. Code of Ethics and Protection for Whistleblowers

Mr. Silversmith presented a revised NYCLDC Code of Ethics for Directors and Officers and an amended policy for Protection for Whistleblowers, as set forth in Exhibit D hereto, and summarized the proposed changes.

A motion was made to adopt the matters set forth for adoption in the Proposed Resolution section of Exhibit D hereto. Such motion was seconded and unanimously approved.

6. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was adjourned.


Secretary

Dated: October 9, 2014
New York, New York

Exhibit A

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**FINANCIAL REPORT PURSUANT TO SECTION 2800 OF THE
PUBLIC AUTHORITIES LAW
Board of Directors Meeting
September 30, 2014**

WHEREAS, the Public Authorities Accountability Act of 2005, as amended (the "PAAA"), includes New York City Land Development Corporation ("NYCLDC") in its definition of a local authority; and

WHEREAS, Section 2800 of the Public Authorities Law (a part of the PAAA) requires a local authority to submit to various City officials and the New York State Authorities Budget Office ("ABO") audited financials with regard to the previous fiscal year; and

WHEREAS, ABO has also designated a form in which a financial report containing information from the financials is to be submitted; and

WHEREAS, the Board of Directors of the local authority is to approve the audited financials and the financial report that are submitted; and

WHEREAS, attached hereto are the audited financials and the financial report that NYCLDC proposes to submit with regard to the fiscal year ended June 30, 2014.

NOW, THEREFORE, RESOLVED that the Board approves the attached financial report and audited financial statements with regard to NYCLDC's fiscal year ended June 30, 2014 and their submission pursuant to Section 2800 of the Public Authorities Law.

SUMMARY FINANCIAL INFORMATION

Section 2800 of Public Authorities Law requires public authorities to submit its assets and liabilities at the end of its fiscal year.

NAME OF AUTHORITY: New York City Land Development Corporation

2014

SUMMARY STATEMENT OF NET POSITION

Assets

Current Assets

Cash and cash equivalents	5,013
Investments	-
Receivables, net	19,581
Other assets	-
Total Current Assets	24,594

Noncurrent Assets

Restricted cash and investments	-
Long-term receivables, net	-
Other assets	-

Capital Assets

Land and other nondepreciable property	-
Infrastructure	-
Buildings and equipment	-
Accumulated depreciation	-

Net capital assets -

Total Noncurrent Assets -

Total Assets 24,594

Liabilities

Current Liabilities

Accounts Payable	-
Pension contribution payable	-
Other post-employment benefits	-
Accrued liabilities	19,595
Deferred revenues	-
Bonds and notes payable	-
Other long-term obligations due within one year	-

Total Current Liabilities 19,595

Noncurrent Liabilities

Pension contribution payable	-
Other post-employment benefits	-
Bonds and notes payable	-
Other long-term obligations	-

Total Noncurrent Liabilities -

Total Liabilities 19,595

Net Asset (Deficit)

Net Position

Invested in capital assets, net of related debt	-
Restricted	-
Unrestricted	4,999

Total Net Position 4,999

SUMMARY FINANCIAL INFORMATION

Section 2800 of Public Authorities Law requires public authorities to submit its assets and liabilities at the end of its fiscal year.

NAME OF AUTHORITY:

New York City Land Development Corporation

2014

SUMMARY STATEMENT OF NET POSITION

SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Operating Revenues

Charges for services	19,582
Rental & financing income	
Other operating revenues	7

Total Operating revenues 19,589

Operating Expenses

Salaries and wages	
Other employee benefits	
Professional services contracts	
Supplies and materials	
Depreciation & amortization	
Other operating expenses	19,589

Total Operating Expenses 19,589

Operating Income (Loss)

Nonoperating Revenues

Investment earnings	
State subsidies/grants	
Federal subsidies/grants	
Municipal subsidies/grants	
Public authority subsidies	
Other nonoperating revenues	

Total Nonoperating Revenue

Nonoperating Expenses

Interest and other financing charges	
Subsidies to other public authorities	
Grants and donations	
Other nonoperating expenses	

Total Nonoperating Expenses

Income (Loss) Before Contributions

Capital Contributions

Change in net position	
Net position, (deficit) beginning of year	4,999
Other net position changes	

Net position, (deficit) at end of year 4,999

FINANCIAL STATEMENTS

**New York City Land Development Corporation
(a component unit of The City of New York)
Year Ended June 30, 2014
With Report of Independent Auditors**

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Financial Statements

Year Ended June 30, 2014

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PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

The Board of Directors
New York City Land Development Corporation

Report on the Financial Statements

We have audited the accompanying statements of net position of New York City Land Development Corporation ("NYCLDC"), a component unit of The City of New York, as of June 30, 2014 and June 30, 2013, and the related statements of revenues, expenses and changes in net position and cash flows for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the NYCLDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYCLDC as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows for the year ended June 30, 2014, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2014, on our consideration of the NYCLDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NYCLDC's internal control over financial reporting and compliance.

September 30, 2014

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Management's Discussion and Analysis

June 30, 2014

This section of New York City Land Development Corporation's ("NYCLDC" or the "Corporation") annual financial report presents our discussion and analysis of NYCLDC's financial performance during the fiscal periods ended June 30, 2014 and 2013. Please read it in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

This annual financial report consists of two parts: *management's discussion and analysis* (this section) and *basic financial statements*. NYCLDC is a local development corporation organized pursuant to section 1411 of the Not-for-Profit Corporation Law of the State of New York. NYCLDC is also a discretely presented component unit of The City of New York ("The City"). NYCLDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Corporation.

These statements are presented in a manner similar to a private business, such as a property management company.

Financial Analysis of the Corporation

Net position

The following table summarizes NYCLDC's financial position at June 30, 2014 and 2013:

	2014	2013
Total assets	\$ 24,594	\$ 22,505
Total liabilities	19,595	17,506
Unrestricted net position	\$ 4,999	\$ 4,999

At June 30, 2014 and 2013, total assets were \$24,594 and \$22,505, respectively. The overall change in assets was due to a grant agreement between the Corporation and New York City Economic Development Corporation ("NYCEDC"). The grant agreement provides NYCLDC

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Management's Discussion and Analysis (continued)

Net position (continued)

with the necessary funding for its annual general and administrative expenses. As of June 30, 2014, the assets of the Corporation consisted of cash and a receivable balance from NYCEDC for the grant.

Total liabilities at June 30, 2014 and 2013, were \$19,595 and \$17,506, respectively, which consists primarily of audit fees.

Net position at June 30, 2014 and 2013, remains unchanged at \$4,999.

Operating Activities

NYCLDC is engaged in economic development by means of assisting the City with leasing and selling certain properties. The Corporation encourages economic growth throughout the five boroughs of The City by acquiring City-owned property and disposing of it to strengthen The City's competitive position and facilitate investments that build capacity, generate economic opportunity and improve the quality of life.

The following table summarizes NYCLDC's change in net position for the fiscal year ended June 30, 2014:

	2014
Operating revenues	\$ 19,589
Operating expenses	19,589
Operating income	-
Non-operating revenues	3
Non-operating expenses	(3)
Total non-operating income	-
Change in net position	-
Total net position, beginning of year	4,999
Total net position, end of year	\$ 4,999

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Management's Discussion and Analysis (continued)

Operating Activities (continued)

Operating revenues for the fiscal year ended June 30, 2014 were \$19,589, due to a grant from NYCEDC. The grant allows NYCLDC to meet its current general and administrative expenses. The Corporation also closed on seven (7) real estate sales transactions and leased five (5) City-owned properties in which it purchased or leased property from the City in compliance with section 384(b)(4) of the City Charter. Under the City Charter, land is purchased for a nominal fee. The purchased properties were then sold for the same nominal fee to NYCEDC, which then re-sold the properties to private parties. The aggregate nominal fee exchanged for both purchasing and selling the land amounted to \$7. City-owned properties leased by the Corporation were then subleased to private parties at the direction of NYCEDC. NYCLDC does not pay or receive any fees related leased properties.

Operating expenses mainly included \$19,555 of fees related to audit services.

Correspondingly, no operating income was recognized at year ended June 30, 2014.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Public Information Officer, New York City Land Development Corporation, 110 William Street, New York, NY 10038.

New York City Land Development Corporation
(a component unit of The City of New York)

Statements of Net Position

	June 30	
	2014	2013
Current assets		
Cash	\$ 5,013	\$ —
Due from NYCEDC	19,581	22,505
Total current assets	24,594	22,505
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	19,582	17,500
Due to the City	13	6
Total current liabilities	19,595	17,506
Unrestricted net position	\$ 4,999	\$ 4,999

See accompanying notes.

New York City Land Development Corporation
(a component unit of The City of New York)

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2014

Operating revenues:	
Grant	\$ 19,582
Real estate sales	7
Total operating revenues	<u>19,589</u>
Operating expenses:	
Cost of property sold	7
Auditing fees	19,555
Miscellaneous expenses	27
Total operating expenses	<u>19,589</u>
Operating income	—
Non-operating revenues:	
Interest income	3
Non-operating expense	(3)
Total non-operating revenues	<u>—</u>
Change in net position	—
Unrestricted net position, beginning of year	4,999
Unrestricted net position, end of year	<u>\$ 4,999</u>

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Statement of Cash Flows

Year Ended June 30, 2014

Cash flows from operating activities	
Grant receipts	\$ 22,513
Audit fees	(17,500)
Net cash provided by operating activities	<u>5,013</u>
Cash flow from investing activities	
Interest income	3
Interest expense	(3)
Net cash provided by investing activities	<u>-</u>
Net change in cash and cash equivalents	5,013
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	<u>\$ 5,013</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts payable and accrued expenses	2,082
Due to the City	7
Due from NYCEDC	2,924
Net cash provided by operating activities	<u>\$ 5,013</u>

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Notes to Financial Statements

June 30, 2014

1. Background and Organization

The accompanying financial statements include the assets, liabilities, net position and the financial activities of the New York City Land Development Corporation ("NYCLDC" or the "Corporation").

On May 8, 2012, the City of New York ("The City") formed New York City Land Development Corporation ("NYCLDC"). NYCLDC is a Local Development Corporation organized pursuant to section 1411 of the Not-for-Profit Law of the State of New York (the "State"). NYCLDC is engaged in economic development activities by means of assisting The City with leasing and selling certain properties. As a local development corporation, NYCLDC is able to acquire or lease City-owned property outside of the auction process as provided by section 384(b)(4) of the City Charter. The mission of NYCLDC is to encourage economic growth throughout the five boroughs of The City by acquiring City-owned property and disposing of it to strengthen The City's competitive position and facilitate investments that build capacity, generate economic opportunity and improve the quality of life.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

NYCLDC follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. In its accounting and financial reporting, the Corporation follows the pronouncements of the Governmental Accounting Standards Board ("GASB").

Recently Adapted Accounting Pronouncements

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012*. The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements—Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

The implementation of this standard did not have an impact on the Corporation's financial statements.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The implementation of this standard did not have an impact on the Corporation's financial statements.

Upcoming Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The implementation of this standard will not have an impact on the Corporation's financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The implementation of this standard will not have an impact on the Corporation's financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The implementation of this standard will not have an impact the Corporation's financial statements.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation
(a component unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

NYCLDC distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses are those that directly relate to the organization fulfilling its mission statement and related administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is NYCLDC's policy to use restricted resources first, and then unrestricted resources as needed.

Tax Status

The income of NYCLDC is exempt from federal income taxes under section 115 of the U.S. Internal Revenue Code (the "Code").

Other Related-Party Transactions – New York City Economic Development Corporation

New York City Economic Development Corporation ("NYCEDC") provides NYCLDC with grant funding for its general and administrative expenses. The Corporation does not have any employees. Administrative services are provided to the Corporation by NYCEDC pursuant to a services agreement and no management fees are earned for these services.

3. Contract with The City of New York

NYCLDC has a contract with the City covering the sale and lease of City-owned land to NYCLDC. The contract provides that when the City sells or leases City-owned land to NYCLDC, NYCLDC must dispose of such land to NYCEDC or at the direction of NYCEDC.

During the year ended June 30, 2014, the Corporation closed on seven (7) real estate sales transactions and leased five (5) City-owned properties which were obtained from The City in compliance with section 384(b)(4) of the City Charter, for a nominal fee. The purchased properties were then sold for the same nominal fee to NYCEDC, which then re-sold the

New York City Land Development Corporation
(a component unit of The City of New York)

Notes to Financial Statements (continued)

3. Contract with The City of New York (continued)

to private parties. The aggregate nominal fee exchanged for both purchasing and selling the land amounted to \$7. City-owned properties leased by the Corporation were then subleased to private parties at the direction of NYCEDC. NYCLDC does not pay or receive any fees for leased property.

4. Grants

NYCLDC received operating grants from NYCEDC during the year ended June 30, 2014. Grant revenues in the amount of \$19,582 were provided to offset the Corporation's annual operating expenses and were recorded as operating revenue.

5. Cash

The bank balance was \$5,013 as of June 30, 2014. The full balance was covered by federal depository insurance.

Government Auditing Standards Section

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

1406-1266700

Report of Independent Auditors on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards*

The Management and the Board of Directors
New York City Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York City Land Development Corporation ("NYCLDC"), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2014, and the related statements of revenues and expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NYCLDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NYCLDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the NYCLDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYCLDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 30, 2014

Exhibit B

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**ANNUAL INVESTMENT REPORT
Board of Directors Meeting
September 30, 2014**

WHEREAS, the Board of Directors (the "Board") of New York City Land Development Corporation ("NYCLDC") adopted investment policies, procedures and guidelines (the "investment guidelines") and the adopted investment guidelines require the Board to approve an Annual Investment Report containing specified information and to submit the report to the City's Mayor and Comptroller and the New York State Department of Audit and Control; and

WHEREAS, attached hereto is the Annual Investment Report for NYCLDC for the fiscal year ended June 30, 2014;

NOW, THEREFORE, RESOLVED that the Board approves the Annual Investment Report attached hereto.

**NEW YORK CITY LAND DEVELOPMENT CORPORATION
ANNUAL INVESTMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

Investment Guidelines and Amendments

Attached hereto as Attachment A is the current investment policies, procedures and guidelines (the "Investment Guidelines") of New York City Land Development Corporation ("NYCLDC"). In the fiscal year ended June 30, 2014 the Board did not approve any changes to the Investment Guidelines previously adopted.

Summary of Investment Guidelines

The Investment Guidelines provide that the portfolio is to be managed to accomplish the following objectives:

- A. Preservation of Principal – The single most important objective of NYCLDC's investment program is the preservation of principal of funds within the portfolio.
- B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of NYCLDC.
- C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments, taking into account the other investment objectives.

The Investment Guidelines provide that the portfolio is to be structured to diversify investments to reduce risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The types of investments permitted are based on those permitted for the investment of City funds.

Independent Audit Report

Since NYCLDC did not have any investments for the fiscal year ended June 30, 2014, NYCLDC did not have an annual audit for investments.

Investment Income Record

NYCLDC had no investment income for the year ended June 30, 2014.

Fees, Commissions and Other Charges

NYCLDC did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year.

Attachment A

NEW YORK CITY LAND DEVELOPMENT CORPORATION INVESTMENT GUIDELINES

I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of New York City Land Development Corporation ("LDC").

II. Scope of the Investment Policy

This policy applies to the funds of LDC, which for purposes of these guidelines consist of all moneys and other financial resources available for investment by LDC on its own behalf or on behalf of any other entity or individual.

III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

- A. Preservation of Principal – The single most important objective of LDC's investment program is the preservation of principal of funds within the portfolio.
- B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of LDC.
- C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

IV. Implementation of Guidelines

The Treasurer shall be responsible for the prudent investment of funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with these guidelines.

V. Authorized Investments

- A. The Treasurer or an Assistant Treasurer of LDC is authorized to invest funds of LDC as summarized and restricted below:
 - 1. U.S. Treasury Obligations. United States Treasury bills and notes, and any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.

2. Federal Agency Obligations. Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.
 3. Repurchase Agreements. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or commercial paper (of a type defined below) in a range of 100% to 102% of the matured value of the repurchase agreements and have a term to maturity of no greater than ninety (90) days. They must be physically delivered for retention to LDC or its agent (which shall not be an agent of the party with whom LDC enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case LDC shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.
 4. Commercial Paper. Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investor's Service, Inc. or Fitch.
 5. Bankers' Acceptances and Time Deposits of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
 6. Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation ("FDIC") insured, except when otherwise collateralized.
 7. Other investments approved by the Comptroller of New York City for the investment of City funds.
- B. In addition to the above investments, LDC may deposit funds in the following ("Deposit Accounts"), with respect to funds needed for operational expenses and funds awaiting investment or disbursement:
1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.
 2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Economic Development or his successor in function.

VI. Written Contracts

LDC shall enter into written contracts pursuant to which investments are made which conform with the requirements of these guidelines and Section 2925.3(c) of the Public Authorities Law unless the Board or Executive Committee determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific

investment or transaction, in which case the Board or Executive Committee shall adopt procedures covering such investment or transaction.

VII. Diversification

The portfolio shall be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

A.	U.S. Treasury	100% maximum
B.	Federal Agency	100% maximum
C.	Repurchase Agreements	5% maximum
D.	Commercial Paper	25% maximum
E.	Bankers Acceptances and Time Deposits	25% maximum
F.	Certificates of Deposit	20% maximum
G.	Other Investments Approved by Comptroller for City Funds	A percentage deemed prudent by Treasurer

VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of LDC is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this investment policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash equivalents will be invested in permitted investments maturing in ninety (90) days or less or deposited in Deposit Accounts. Assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase.

IX. Monitoring and Adjusting the Portfolio

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the investment objectives listed above. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

X. Internal Controls

The Treasurer or an Assistant Treasurer under the direction of the Treasurer shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents, Dealers

1. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
2. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").

B. Investment Advisors: any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers: firms retained by LDC to serve as senior managing underwriters for negotiated sales must be registered with the SEC.

D. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000,000.

XII. Reporting

A. Quarterly

The Treasurer or an Assistant Treasurer under the direction of the Treasurer shall prepare and deliver to the Board of Directors once for each quarter of LDC's fiscal

year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. **Audit** – LDC's independent accountants shall conduct an annual audit of LDC's investments for each fiscal year of LDC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
2. **Investment Report** – Annually, the Treasurer or an Assistant Treasurer under the direction of the Treasurer shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
 - a. The Investment Guidelines and amendments thereto since the last report;
 - b. An explanation of the Guidelines and any amendments made since the last report;
 - c. The independent audit report required by Subsection (1) above;
 - d. The investment income record of LDC for the fiscal year; and
 - e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to LDC since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XIII. Applicability

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investments of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

XIV. Conflict of Law

In the event that any portion of this policy is in conflict with any State, City or federal law, that law will prevail.

XV. No Conflict With Other LDC Policies

These Investment Guidelines do not modify the powers given by LDC's Board of Directors which authorized and resolved that (i) officers of LDC be authorized to obtain and maintain any bank, investment and other financial accounts as may be necessary or useful to LDC in furtherance of LDC's operations (the "Accounts"); (ii) the officers of LDC be authorized to

perform all those tasks necessary or useful to ensure that LDC, acting through those authorized officers listed in the Bylaws of LDC, has access to and control over the Accounts; (iii) the Directors adopt and incorporate by reference the standard forms of banking resolutions and incumbency certificates ordinarily used by such financial institutions selected by the officers of LDC and (iv) any officer of LDC be authorized to certify to the due adoption of such banking resolutions and incumbency certificates. Empowered officers may enter into agreements with banks and financial institutions for bank accounts and to purchase investments of the type indicated in these Investment Guidelines and other investments specifically approved by LDC's Board of Directors.

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by LDC, such as any restrictions set forth in any third party contracts with the City, or resulting from the source of funds (e.g. federal funds). Those other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern. If possible, all sets of restrictions should be complied with. Furthermore, by adopting these Investment Guidelines, the Board is not amending or superseding any approval given or hereafter given for investments related to particular projects.

Exhibit C

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PERFORMANCE MEASUREMENT REPORT
Board of Directors Meeting
September 30, 2014**

The Public Authorities Law requires New York City Land Development Corporation ("NYCLDC") to annually review its mission statement and measurements by which the performance of NYCLDC and the achievement of its goals may be evaluated and, on May 6, 2014, NYCLDC's Board approved a mission statement and performance measure.

The Authorities Budget Office requires that NYCLDC annually report on performance results with regard to the approved measure. Attached hereto as Attachment A is NYCLDC's report with regard to the performance measure for Fiscal Year 2014.

Attachment A

Authority Performance Measurement Report for Fiscal Year 2014

Name of Public Authority:

New York City Land Development Corporation

Performance Goal:

<i>Performance Measure</i>	<i>FY14 July 1, 2013 – June 30, 2014</i>
New private investment related to sale/long-term lease of City-owned property	\$4,750,324,457 (This number includes lease rent npv for the lease term of a lease, purchase prices and projected soft and hard development costs.)

Exhibit D

NEW YORK CITY LAND DEVELOPMENT CORPORATION

CODE OF ETHICS AND PROTECTION FOR WHISTLEBLOWERS

Board of Directors Meeting

September 30, 2014

The Code of Ethics.

The New York State Not-For-Profit Corporation Law (the "N-PCL") has been amended, effective July 1, 2014. In order to insure that New York City Land Development Corporation ("NYCLDC") complies with the amended N-PCL, certain changes need to be made to the Code of Ethics for Directors and Officers (the "Code") of NYCLDC.

First, the amended N-PCL expands the categories of relatives whose interests can be attributed to a Director. Second, the amended N-PCL requires NYCLDC to take specific steps with respect to "related party transactions", which are any transactions in which a "related party" has a financial interest and in which NYCLDC (or any NYCLDC affiliate) is a participant. For these purposes a related party includes a Director, a relative of a Director and:

- any entity in which a Director and relatives of the Director in the aggregate hold a 35% or greater ownership or beneficial interest, directly or indirectly, and/or
- any partnership or professional corporation in which a Director and relatives of the Director in the aggregate hold an ownership or beneficial interest in excess of 5%, directly or indirectly.

In light of these changes in the N-PCL, the revised Code expands the categories of relatives whose interests can be attributed to a Director. It also changes the substance of disclosure of interests by Directors so that NYCLDC will be aware of a related party's involvement in a transaction and will be able to take the additional steps required by the N-PCL in such situations. Finally, in line with the amended provisions of the N-PCL, the revised Code provides that a Director may not participate in the Board's deliberations or vote on a transaction in which the Director is interested.

The revised Code is set forth in Attachment A hereto. A copy of the revised Code that is marked to show changes from the existing Code is also attached. However, as many of the markings relate to text that was merely moved and not changed, it is unclear how useful the marked copy will be to you.

Protection for Whistleblowers.

Provision for the protection of whistleblowers is included in the Public Authorities Accountability Act, as amended (the "PAAA"). The amended N-PCL also indicates that certain provisions should generally be included in a whistleblower policy for a not-for-profit corporation, although they are not required for NYCLDC because NYCLDC is subject to the PAAA.

The proposed amended whistleblower policy attached as Attachment B includes the provisions required by the PAAA as well as certain appropriate provisions from the N-PCL that are not inconsistent with the required provisions. A copy of the revised policy that is marked to show changes from the existing policy is also attached.

PROPOSED RESOLUTION

It is proposed that the Board of Directors adopt an amended NYCLDC Code of Ethics for Directors and Officers and an amended policy for the Protection of Whistleblowers, substantially as set forth in Attachments A and B, respectively, hereto.

NEW YORK CITY LAND DEVELOPMENT CORPORATION

CODE OF ETHICS FOR DIRECTORS AND OFFICERS

I. INTRODUCTION AND PURPOSE

The Board of Directors ("Board") of New York City Land Development Corporation (the "Corporation") has adopted this code of ethics ("Code") with respect to its directors and officers (collectively, the "Directors"). This Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between duties and loyalties to the Corporation and other personal and financial interests, and (b) full, fair and understandable disclosure. This Code provides examples of situations involving conflicts of interest and establishes disclosure procedures. It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Director will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the Corporation.

II. GUIDELINES

A. Existence of an Interest. A Director is deemed to be "interested" in cases in which the Director's personal and/or financial interest conflicts or may conflict with the interest of the Corporation. For example, a Director is deemed to be interested where the Director or his or her relative is an officer, director, trustee, member, owner or employee of an entity:

- from which the Corporation purchases or proposes to purchase services or supplies.
- with which the Corporation contracts or proposes to contract.
- with which the Corporation negotiates or effects a transaction.
- that substantially benefits from a transaction that the Corporation negotiates or effects.
- that has a financial interest in any transaction, agreement or other arrangement in which the Corporation or any affiliate of the Corporation is a participant.

"Relative" means a Director's (a) spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren and great-grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren; and (b) domestic partner as defined in N.Y. Public Health Law § 2994-a.

"Owner" means a person who, together with the person's relatives, holds:

- a direct or indirect ownership or beneficial interest in an entity that exceeds 5% of the entity's equity,

- an equity investment in the entity of \$48,000[†] or more in cash or other form of commitments,
 - 5% of the entity's indebtedness,
 - \$48,000[†] or more of the entity's indebtedness, or
 - managerial control or responsibility regarding any such entity,
- provided that, in the case of:

- an entity (other than a partnership or professional corporation) in which the Director and his or her relatives in the aggregate do not have at least a 35% ownership or beneficial interest, and
- any partnership or professional corporation in which the Director and his or her relatives in the aggregate do not have a direct or indirect ownership or beneficial interest in excess of 5%,

a Director will not be considered to own interests held in any blind trust that holds or acquires an ownership interest or in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person and/or a relative or an entity in which the person and/or a relative is an owner.

A person has a beneficial ownership interest if the person directly or indirectly has or shares voting power and/or investment power or the right to acquire beneficial ownership within 60 days.

A Director shall not be deemed to be interested by virtue of his or her status as an official or employee of the City of New York.

B. Conduct When an Interest Exists. When a Director is interested in a matter before the Board or a committee (each a "body"):

- the Director must disclose all material facts concerning the interest to the body, including the nature and extent of the interest;
- a Director shall not participate in the Corporation's deliberations or vote on such a matter and must not attempt to influence the consideration, determination or approval of, or deliberations on, the matter on the part of the Corporation.

Nothing in this section shall prohibit the body from requesting that an interested Director present information concerning a matter at a meeting of the body prior to the commencement of deliberations or voting relating thereto.

A Director shall not engage in any transaction as representative of the Corporation with a business entity in which the Director has an interest.

C. Confidential and Inside Information. Confidential information acquired by a Director in the course of his or her duties as a Director must be held in confidence and may not be used as a basis for personal gain by the Director, his or her relatives or others. Information relating to transactions pending with the Corporation is not to be

[†] This amount shall be automatically increased each time the dollar amount in the definition of "ownership interest" set forth in Rule 1-11 of the City's Conflicts of Interest Board is increased so as to equal the increased dollar amount set forth in the Rule.

given to any person unless it has been published or otherwise made generally available to the public by the Corporation.

A Director must refrain from transmitting any information about the Corporation or its deliberations or decisions or any other information the Director obtained from the Corporation that might be prejudicial to the interests of the Corporation to any person other than in connection with the discharge of the Director's responsibilities, except to the extent the information is publicly available.

A Director must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

D. Gratuities/Conduct. A Director must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her relative to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Director in the performance of his or her corporate duties. In addition, a Director should never use his or her official position to secure unwarranted privileges or exemptions; nor should a Director, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Director should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust.

E. Prohibitions. A Director shall not make personal investments in enterprises that he or she has reason to believe may be directly involved in unavoidable decisions to be made by him or her as a Director of the Corporation, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Director is prohibited from accepting employment that unavoidably impairs his or her independence of judgment in the exercise of his or her service as a Director.

III. DISCLOSURE PROCEDURE

If at any time a Director is in doubt as to the proper application of this Code, the Director should immediately make all the facts known to the Secretary of the Corporation and be guided by the instructions he or she receives.

Each Director shall make the annual filings required of Directors under N.Y. Public Authorities Law § 2825(3).

The Corporation's records, including related minutes, should document any "interest" disclosed to a Board or committee considering a matter.

IV. VIOLATIONS

If a Director violates any of the provisions of this Code, such Director shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, the Director may be subject, at the Board's discretion, to removal for cause.

V. OFFICERS

Notwithstanding anything contained herein, if an officer is also an employee of the Corporation, the City of New York or New York City Economic Development Corporation, that officer shall be subject to the restrictions set forth in Chapter 68 of the City Charter, which shall serve as the code of ethics for those persons, and not subject to the remainder of this Code.

NEW YORK CITY LAND DEVELOPMENT CORPORATION

CODE OF ETHICS FOR DIRECTORS AND OFFICERS

I. INTRODUCTION AND PURPOSE

The Board of Directors ("Board") of New York City Land Development Corporation (the "Corporation") has adopted this code of ethics ("Code") with respect to its directors (~~the "Directors"~~) and officers (collectively, the "Directors"). This Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between duties and loyalties to the Corporation and other personal and professional relationships ~~financial interests~~, and (b) full, fair and understandable disclosure ~~in the periodic reports required to be filed hereby.~~ This Code (a) provides examples of situations involving conflicts of interest; ~~(b) and~~ establishes disclosure procedures; ~~and (c) outlines corrective action for violations.~~ It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Director will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the Corporation.

II. GUIDELINES

~~A. Prohibition. Existence of an Interest. A Director may not make personal investments in enterprises that he or she has reason to believe may be directly involved in decisions to be made by him or her, in his or her capacity as Director of the Corporation, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Director is prohibited from accepting employment that impairs his or her independence of judgment in the exercise of his or her official duties; provided that nothing in this Policy shall preclude any Director or officer from employment with The City of New York or with New York City Economic Growth Development Corporation or its successors.~~

~~B. Personal Interest. A Director shall be deemed to be "interested" in cases in which the Director's personal and/or financial interest conflicts or may conflict with the interest of the Corporation. The following are situations in which For example, a Director would be deemed to be "interested", which list is not intended to be exhaustive:~~

~~A. Where a where the Director or a member of his or her immediate family¹ relative is a~~

¹ ~~Immediate family means a spouse, domestic partner, unemancipated child, and if they live with the Director, parent or sibling.~~

member, officer, director, trustee, member, owner² or officer/employee of an entity;

- from which the Corporation purchases or proposes to purchase services or supplies.
- Where a Director or a member of his or her immediate family is a member, director, owner or officer of an organization with which the Corporation contracts or proposes to contract.
- Where a Director or a member of his or her immediate family is a member, director, owner or officer of an entity with which the Corporation negotiates or effects a transaction or an entity.
- that substantially benefits from a transaction that the Corporation negotiates or effects.
- that has a financial interest in any transaction, agreement or other arrangement in which the Corporation or any affiliate of the Corporation is a participant.

"Relative" means a Director's (a) spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren and great-grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren; and (b) domestic partner as defined in N.Y. Public Health Law § 2994-a.

"Owner" means a person who, together with the person's relatives, holds:

- a direct or indirect ownership or beneficial interest in an entity that exceeds 5% of the entity's equity,
- an equity investment in the entity of \$48,000[†] or more in cash or other form of commitments,
- 5% of the entity's indebtedness,
- \$48,000[†] or more of the entity's indebtedness, or
- managerial control or responsibility regarding any such entity,

provided that, in the case of:

- an entity (other than a partnership or professional corporation) in which the Director and his or her relatives in the aggregate do not have at least a 35% ownership or beneficial interest, and
- any partnership or professional corporation in which the Director and his or her relatives in the aggregate do not have a direct or indirect ownership or beneficial interest in excess of 5%.

² Owner means a person having an interest in an entity that exceeds 5% of the entity or an investment of \$35,000 in cash or other form of commitment, whichever is less, or 5% of \$35,000 of the entity's indebtedness, whichever is less, and any lesser interest in an entity when the person exercises managerial control or responsibility regarding any such entity, but shall not include interests held in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person, or in any blind trust that holds or acquires an ownership interest.

[†] This amount shall be automatically increased each time the dollar amount in the definition of "ownership interest" set forth in Rule 1-11 of the City's Conflicts of Interest Board is increased so as to equal the increased dollar amount set forth in the Rule.

a Director will not be considered to own interests held in any blind trust that holds or acquires an ownership interest or in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person and/or a relative or an entity in which the person and/or a relative is an owner.

A person has a beneficial ownership interest if the person directly or indirectly has or shares voting power and/or investment power or the right to acquire beneficial ownership within 60 days.

A Director shall not be deemed to be "interested" by virtue of his or her status as an official or employee of the City of New York ~~or New York City Economic Development Corporation.~~

B. Conduct When an Interest Exists. When a Director is "interested" in a matter: ~~(a) before the Board or a committee (each a "body"):~~

- the Director must disclose all material facts concerning the interest to the body, including the nature and extent of his or her the interest to the Board or committee of;
- a Director shall not participate in the Board, whichever will be considering the Corporation's deliberations or vote on such a matter; and (b) the Director, acting as a Director, and must take no part in not attempt to influence the consideration, determination or approval of, or deliberations on, the matter on the part of the Corporation.³

~~C.~~

Nothing in this section shall prohibit the body from requesting that an interested Director present information concerning a matter at a meeting of the body prior to the commencement of deliberations or voting relating thereto.

A Director shall not engage in any transaction as representative of the Corporation with a business entity in which the Director has an interest.

A.C. Confidential and Inside Information. Confidential information acquired by a Director in the course of his or her duties as a Director must be held in confidence and may not be used as a basis for personal gain by the Director, his or her immediate ~~family~~relatives or others. Information relating to transactions pending with the Corporation is not to be given to any person unless it has been published or otherwise made generally available to the public by the Corporation.

A Director must refrain from transmitting any information about the Corporation or its deliberations or decisions or any other information the Director obtained from the Corporation that might be prejudicial to the interests of the Corporation to any person other than in connection with the discharge of the Director's responsibilities, except to the extent the information is publicly available.

³ ~~All persons acting as Members of the Corporation may take part in the consideration, and determination or approval, of any matter.~~

A Director must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

B.D. D. — Gratuities/Conduct. A Director must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her immediate family relative to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Director in the performance of his or her corporate duties. In addition, a Director should never use his or her official position to secure unwarranted privileges or exemptions; nor should a Director, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Director should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust.

E. Prohibitions. A Director shall not make personal investments in enterprises that he or she has reason to believe may be directly involved in unavoidable decisions to be made by him or her as a Director of the Corporation, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Director is prohibited from accepting employment that unavoidably impairs his or her independence of judgment in the exercise of his or her service as a Director.

III. DISCLOSURE PROCEDURE

A. — If at any time a Director is in doubt as to the proper application of this Code, the Director should immediately make all the facts known to the Secretary of the Corporation and be guided by the instructions he or she receives. ~~Except as otherwise directed by these instructions, the Director should refrain from exercising responsibility with regard to the Corporation in any matter that might reasonably be thought to be affected by his or her interest.~~

B. — Each Director shall make the annual filings required of Directors under N.Y. Pub. Auth. Public Authorities Law § 2825(3).

The Corporation's records, including related minutes, should document any "interest" disclosed to a Board or committee considering a matter.

IV. VIOLATIONS

If a Director violates any of the provisions of this Code, such Director shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, the Director may be subject, at the Board's discretion, to removal for cause.

V. ~~V.~~ OFFICERS

Notwithstanding anything contained herein, ~~officers~~ if an officer is also an employee of the Corporation, the City of New York or New York City Economic Development Corporation, that officer shall be subject to the restrictions set forth in Chapter 68 of the City Charter, which shall serve as the code of ethics for public servants those persons, and not subject to the remainder of this Code.

NEW YORK CITY LAND DEVELOPMENT CORPORATION

PROTECTION FOR WHISTLEBLOWERS

No officer, agent, director, member or employee of New York City Land Development Corporation ("LDC") may retaliate against any employee, officer, agent, member or director of LDC who makes a good faith report of wrongdoing, misconduct, malfeasance or other inappropriate behavior such as fraud, criminal activity or conflict of interest, by an officer, agent, director, member or employee of LDC by taking an adverse personnel action against the "whistleblower". Therefore the "whistleblower" cannot be fired, discharged, demoted, suspended, threatened, harassed or discriminated against as a result of his/her having reported behavior of a type described above to the New York City Department of Investigation ("DOI"), any agent, officer, director, member or employee of LDC or any governmental body or official.

HOW DO YOU REPORT CORRUPTION TO THE DEPARTMENT OF INVESTIGATION INSPECTOR GENERAL?

During normal business hours someone is always available at DOI to handle complaints. Following is the contact information that you will need:

Telephone: 212-825-5959
Fax: 212-825-2504
Email: www.nyc.gov/html/doi
Mail/in person: 80 Maiden Lane, New York, NY 10038

NEW YORK CITY LAND DEVELOPMENT CORPORATION

PROTECTION FOR WHISTLEBLOWERS

No officer, agent, director-~~er~~, member or employee of New York City Land Development Corporation ("LDC") may retaliate against any employee, officer, agent, member or director of LDC who makes a good faith report of wrongdoing, misconduct, malfeasance or other inappropriate behavior such as fraud, criminal activity or conflict of interest, by an officer, agent, director-~~er~~, member or employee of LDC by taking an adverse personnel action against the "whistleblower". Therefore the "whistleblower" cannot be fired, discharged, demoted, suspended, threatened, harassed or disciplineddiscriminated against as a result of his/her having reported behavior of a type described above to the New York City Department of Investigation ("DOI"), any agent, officer, director-~~er~~, member or employee of LDC or any governmental body or official.

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