

MINUTES OF THE AUDIT COMMITTEE MEETING

OF

APPLE INDUSTRIAL DEVELOPMENT CORP.

May 28, 2014

A meeting of the Audit Committee (the "Committee") of Apple Industrial Development Corp. ("Apple") was held, pursuant to notice by an Assistant Secretary, on Thursday, May 28, 2014, at New York City Economic Development Corporation ("NYCEDC"), 110 William Street, Conference Room 3A, New York, NY 10038.

The following members of the Committee were present at the above-indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- William Candelaria, Chairman
- Alan Friedberg
- James McSpirtt

Also present was Michael Schlein, Chairperson of the Board of Directors of NYCEDC; the following staff members of NYCEDC: Kim Vaccari and Spencer Hobson from Finance; and Stella Maniago and John Wu from Internal Audit ("IA").

In addition, Randy Nelson, Kimberly Hancy and Amy Wong from Ernst & Young

("E&Y") were also present.

The meeting was called to order at 10:05 a.m. by Mr. Candelaria.

1. Approval of the Minutes of December 12, 2013 Committee Meeting

Mr. Candelaria asked if there were any questions or comments relating to the minutes of the December 12, 2013 Committee meeting as submitted. There being none, a motion to approve such minutes was made, seconded and approved.

2. Ernst & Young Audit Plan

Mr. Nelson thanked Apple for renewing its contract. Ms. Wong reviewed the services and deliverables. Ms. Hancy reviewed the amendments on GASB Statement Nos. 66, 67, 68, 69, 70 and 71. Ms. Hancy summarized the rest of the booklet indicating that its contents are for informational purposes.

3. Internal Audit Activity Update

Ms. Maniago indicated there was nothing new to report.

4. Finance Update

a. Cash Management

No activity to report

b. Directive #1

No activity to report

c. Update on Apple

Ms. Vaccari announced that Apple plans to merge with NYCEDC. The present 18 Apple employees will roll over to NYCEDC; current Apple contracts will roll over to NYCEDC. Ongoing efforts to clean up organizational structure and process to merge are in place.

Currently waiting for June Board meeting to approve the merge, and working on the legal steps for approval.

5. Session with Auditors

Mr. Candelaria excused management to convene the Committee's required session with E&Y.

6. Session with Management

Mr. Candelaria excused E&Y to convene the Committee's required session with management.

7. Other

Mr. Candelaria asked if there were any other matters that needed to be brought before the Committee. There were no other matters presented.

8. Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:30 a.m.