

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF
APPLE INDUSTRIAL DEVELOPMENT CORP.
February 12, 2014

A special meeting of the Board of Directors of Apple Industrial Development Corp. ("Apple") was held, pursuant to notice by an Assistant Secretary, on Wednesday, February 12, 2014, at the offices of New York City Economic Development Corporation ("NYCEDC") at 110 William Street, New York, New York.

The following Directors of Apple were present:

Victor Ganzi (by means of conference telephone)
Dmitri Konon
James McSpirtt (by means of conference telephone)

Also present were members of NYCEDC staff.

The meeting was called to order at approximately 1:00 p.m. Mark Silversmith, Assistant Secretary of Apple, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Approval of the Minutes of the September 30, 2013 Board of Directors Meeting

There being no questions or comments with respect to the minutes of the September 30, 2013 Board of Directors meeting, as submitted, a motion was made to approve such minutes as submitted. Such motion was seconded and unanimously approved.

2. Audit Services Contract

A proposed contract between Apple and Ernst & Young LLP ("E&Y") for E&Y to perform various audit and tax related services, on substantially the terms set forth in Exhibit A hereto, was presented. Mr. Silversmith stated that Apple's Audit Committee had approved the retention of E&Y. E&Y would perform services for four years of audits and tax forms.

A motion was made to authorize the matter set forth for authorization in the Proposed Resolution section of Exhibit A hereto. The motion was seconded and unanimously approved.

3. 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.

Mark Silverman
Assistant Secretary

Dated: February 14, 2014
New York, New York

Exhibit A

**AUDIT SERVICES CONTRACT
Board of Directors Meeting**

Project: Audit of the financial statements of Apple Industrial Development Corp. ("Apple") and the Apple schedules of investments, for the fiscal years ending June 30, 2014 to 2017; preparation of management letters detailing the auditor's findings and recommendations with regard to management's control environment, for each of such fiscal years, if needed; audit of the Apple retirement savings plans for the calendar years ending December 31, 2013 to 2016; preparation of IRS Tax Forms 990 for the fiscal years ending June 30, 2013 to 2016; and performance of other audit and tax related services, if needed (collectively, "Project Services")

Consultant: Ernst & Young LLP ("E&Y")

Agreement to be Approved: Contract (the "Audit Contract") with E&Y for Project Services

Amount to be Approved: Up to \$497,884 in total for the Audit Contract, which includes a contingency to enable E&Y to perform additional Project Services that may be required

Proposed Resolution: To authorize the President and any empowered officer to enter into the Audit Contract substantially as described herein

Background: On October 18, 2013, an RFP was issued for an independent auditor to perform the Project Services. The RFP was delivered to seven accounting firms selected from the City Comptroller's pre-qualified certified public accountant list and was advertised in the City Record. The submitted proposals were evaluated using the following criteria: the firm's experience in performing similar audit services, the audit methodology, composition and relative experience of the audit team, the firm's proposed fees, and the overall quality of the proposal.

After conducting interviews with the firms that submitted proposals, a ranking committee evaluated the proposals and ranked the firms accordingly. E&Y received the highest ranking and was determined to be the strongest firm for the Audit Contract. Apple's Audit Committee unanimously agreed that E&Y should be awarded the Audit Contract for the above indicated fee.