

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of the Annual Meeting of the Board of Directors

Via Conference Call*

On March 26, 2020 at 2:30 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Penny Abeywardena

Robert Abrams

Jan Burman

Louise Carroll (*ex officio*, HPD)

Christine Falvo

Jessica Healy

Amabel James

Marisa Lago (*ex officio*, City Planning, represented by Barry Dinerstein)

David Mack

Samuel Natapoff

Joseph Rutigliano

Andy Shenoy

Joel Silverman

* In March 2020 Governor Cuomo suspended and modified various State laws in response to the Covid-19 pandemic, as provided in Executive Order 202.1 . This included Article 7 of the Public Officers Law on Open Meetings. With this action, the Corporation was able to hold its March 26 Board meeting by conference call. As required by the Executive Order, the public had the opportunity to join the meeting (other than executive session) and the meeting was recorded and transcribed.

The following persons were also present: Robert Cole, Jorge Ortiz, Kenneth Coopersmith, Justin Handman, Cynthia Parke and Loida Diaz de Jesus (UNDC); Sarah Friedman (Mayor's Office for International Affairs); Sander Lehrer (McLaughlin & Stern); Ross Silver (Fried Frank); Hope Goldstein and Daniel McElwee (Marks Paneth); Martin Hammond (PFM Asset Management) and Charles Laven (Forsyth Street Advisors).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:35 p.m.

Minutes of Meeting of September 19, 2019

The Chairman asked the Board to consider the minutes of the meeting of September 19, 2019, as previously provided to Board members. On motion made and seconded, the minutes of the September 19, 2019 Board meeting were approved.

Election of Officers

The Chairman stated that the officers of the Corporation are appointed by the Board at the annual meeting to hold office for one year and until their successors are elected and qualified. The Chairman recommended the reappointment of each officer named below to their current position, to hold office for one year and until their successor is elected and qualified.

Robert Cole	Executive Vice President and General Counsel, Secretary
Kenneth Coopersmith	Vice President
Loida Diaz de Jesus	Vice President
Jorge Ortiz	Vice President, Treasurer

On motion made and seconded, the Board reappointed Messrs. Cole, Coopersmith, Ortiz and Ms. Diaz de Jesus to their current positions, each to hold office for one year and until their successor is elected and qualified.

2019 Measurement Report

Mr. Cole reviewed the Corporation's 2019 Measurement Report, a New York State requirement under the Public Authorities Law. The Measurement Report, which measures the Corporation's performance for the year against the goals included in the Corporation's Mission Statement, was previously reviewed by the Governance and Compensation Committee and provided to the Board.

On motion made and seconded, the Board approved the Corporation's 2019 Measurement Report.

Audit Committee Report

Mr. Klein reported that auditors Marks Paneth reviewed the 2019 audit and draft audited financial statements for the years ended December 31, 2019 and 2018 ("2019 Financial Statements") with the Audit Committee on March 17.

Ms. Goldstein reported that Marks Paneth would issue an unqualified opinion on the 2019 Financial Statements and that there were no disagreements with management at any time during the audit.

Ms. Goldstein recommended that the 2019 Financial Statements include discussion, in the Management's Discussion & Analysis section and in a note on Contingencies, relating to the Confidential Settlement Agreement with the Hotel and Public Health Challenges and COVID-19, which was provided to the Audit Committee and the Board by email separately from the Board materials. The Board agreed and Mr. Cole advised that the final 2019 Financial Statements would incorporate this additional information. Mr. Cole advised that Board approval of the 2019 Financial Statements would be requested later during the meeting.

Management Report

Mr. Cole referred to the Management Report dated March 18, 2020. He reported that net revenues for 2019 were \$15.9 million, an increase of 1.6% over 2018 results. Mr. Cole reported that the increase in net revenues reflected an increase in rents effective April 2018 under the UN leases at One and Two UN Plaza and an increase in the pass-through to tenants in 2019 of operating expenses; an increase in fee income for managing UNICEF projects at Three UN Plaza; an increase in interest income on investments; and a substantial reduction in debt service, reflecting the issuance of the Corporation's 2019 Refunding Bonds in April of 2019. Mr. Cole reported that these items were offset by increases in administrative office expenses and by an increase in expenses for office space operations, primarily due to an increase in legal, engineering and professional fees in 2019 related to disputes with the Hotel operator regarding the chilled water piping system at One UN Plaza.

Mr. Cole reported that, from 2019 net revenues of \$15.9 million, the Corporation deposited \$4 million into the renewal and replacement fund to be available to pay costs for capital improvement projects, consistent with the Board approved 2019 capital budget.

Mr. Cole advised the Board that the 2019 Financial Statements as provided to the Board assumed the establishment of a reserve of \$11.9 million for 2019 from amounts that would otherwise constitute 2019 Consolidated Surplus under the Corporation's leases with the City of New York. Mr. Cole reported that, after subsequent discussions with City representatives, and in light of the adverse impact of the Covid-19 pandemic on the City budget, management now recommended that no reserve should be established by the Board, which would result in payment to the City of \$10,749,900 in additional City Rent, equal to 90% of the \$11,944,340 amount that would otherwise constitute Consolidated Surplus for 2019.

Mr. Cole reported that the 2019 Financial Statements had been revised accordingly and provided to the Board.

Finance Committee Report

Mr. Cole reported that the Finance Committee met by conference call on March 17, 2020 to review the Corporation's investment performance for 2019 with investment advisor PFM Asset Management. Mr. Hammond of PFM provided an overview of the Corporation's investment performance for 2019, reporting that the Corporation continued to be invested exclusively in laddered Treasury securities, consistent with the Corporation's Investment Policy and structured to match the timing of the Corporation's cash requirements.

Board Consideration of Annual Reports

Mr. Cole referred to the Annual Investment Report, Annual Report on Prompt Payment and Annual Procurement Contract Report, each as required by New York State for 2019 and as provided to the Board. The Chairman asked for a motion to approve each of those Reports, and on motion made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Annual Investment Report for 2019, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.

RESOLVED, that the Annual Report on Prompt Payment for 2019, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.

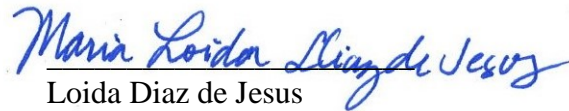
RESOLVED, that the Corporation's officers are authorized to submit, via the PARIS on-line reporting system, the Annual Procurement Contract Report for 2019, which includes the information presented to the Board of Directors at its meeting on March 26, 2020.

At the Chairman's request, the meeting entered executive session to discuss the Corporation's leases and related matters. The executive session ended after that discussion concluded, with no action being taken by the Board in executive session.

Mr. Cole requested Board approval of the 2019 Financial Statements, together with the modifications to the 2019 Financial Statements that were discussed at the meeting. On motion made and seconded, the Board approved the 2019 Financial Statements with such modifications as discussed.

Other Business

There being no other business, the meeting was adjourned at 3:40 p.m.


Loida Diaz de Jesus
Acting Secretary