

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of a Meeting of the Board of Directors

Held at Two United Nations Plaza, 27th Floor

New York, New York

On September 17, 2015 at 2:30 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Penny Abeywardena

Robert Abrams

Vicki Been (represented by David Quart)

Jan Burman

Jonathan Farkas (by telephone)

Bruce Gelb

Thomas Gulotta

Amabel B. James

Samuel Natapoff

Joel Silverman

Andy Shenoy

Carl Weisbrod (represented by Erik Botsford)

The following persons were also present: Robert Cole, Amanda Bennett, Kenneth Coopersmith, Loida Diaz de Jesus, Justin Handman, Frances Huppert, Jorge Ortiz and Cindy Xie (UNDC); Sander Lehrer (Reavis Parent Lehrer); Ross Silver (Fried Frank); Warren

Ruppel (Marks Paneth); and John Buonanno (Total Webcasting). Three members of the public attended the meeting.

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting.

The Chairman called the meeting to order at 2:30 p.m.

Minutes of Meeting of March 26, 2015

The Chairman asked the Board to consider the minutes of the Board meeting held on March 26, 2015, as previously provided to Board members. On motion made and seconded, the minutes of the March 26, 2015 Board meeting were approved in the form previously provided.

Audit Committee Report

Mr. Cole reviewed the Audit Committee Report of September 11, 2015, provided to the Board in advance of the meeting. He advised that the Audit Committee met on September 11, 2015 with representatives of auditors Marks Paneth to review the Corporation's draft 2014 IRS Form 990 – *Return of Organization Exempt from Income Tax*, which was prepared by Marks Paneth with the Corporation's assistance and provided to the Board in advance of the meeting. Based on its review, the Audit Committee recommends that the Board approve the filing with the Internal Revenue Service of the 2015 Form 990 Return. Mr. Cole advised that Mr. Ruppel of Marks Paneth was available to address any questions relating to the Return or other matters related to the services performed by Marks Paneth.

Mr. Cole reported that Mr. Ruppel had reviewed his firm's Pre-Audit Presentation for 2015 with the Audit Committee at the September 11, 2015 meeting and that the fee Marks Paneth will charge for the 2015 audit would be \$46,250, a 2.8% increase over the

2014 amount. He advised that the 2015 audit represented the fourth and final year of Marks Paneth's existing engagement and, accordingly, the Corporation would in early 2016 issue a request for proposals from audit firms for work commencing with the 2016 audit.

On motion made and seconded, the Board unanimously approved the filing of the Corporation's IRS Form 990 for the 2014 fiscal year, in the form reviewed with the Audit Committee and provided to the Board prior to the meeting.

Management Report

Mr. Cole referred to the Management Report of September 11, 2015, which was provided to the Board in advance of the meeting.

Results of Operations – Six Months Ended June 30, 2015

Mr. Cole discussed the Corporation's results of operations for the six months ended June 30, 2015, as presented in the Management Report. He reported that Net Revenues in excess of Debt Services and Base Rent to New York City for the six-month period were \$5,936,200, a decrease of \$314,400 or 5%, as compared to the six months ended June 30, 2014. He said this decrease was primarily attributable to a decrease of \$250,300 in revenues from office space operations due to the timing of payments to the Corporation on account of the pass-through of operating expense escalation under the Corporation's lease with UNICEF at Three UN Plaza.

2016 Budget and 2017-2019 Projected Budgets

Mr. Cole reviewed the Corporation's Budget and Financial Plans for 2016- 2019 (in the format prescribed by the State) and the 2016 Budget of Revenues and Expenses (Attachments B and C, respectively, to the Management Report). Mr. Cole reported that forecasted Net Revenues (in excess of Debt Service and Base Rent to New York City) for