

THE TRUST FOR CULTURAL RESOURCES  
OF THE CITY OF NEW YORK

MINUTES OF MEETING  
OF THE BOARD OF TRUSTEES

July 18, 2019

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A meeting of the Board of Trustees of The Trust for Cultural Resources of The City of New York (the "Trust") was held on July 18, 2019 at the offices of Orrick, Herrington & Sutcliffe, LLP, 51 West 52<sup>nd</sup> Street, New York, New York.

The following Trustees and the designees for *ex officio* Trustees, constituting a quorum, were present:

Susan Henshaw Jones, Chair  
Leah C. Johnson  
Erika Mallin  
Lynne B. Sagalyn  
Merryl Tisch  
Dawanna Williams  
Ali Davis, Ms. Been's designee  
Krishna Omolade, Mr. Patchett's designee  
Pranita Raghavan, Mr. Finkelpearl's designee

Ms. Jones, Ms. Johnson, Ms. Mallin, Ms. Tisch, and Mr. Omolade participated by conference telephone, which permitted them to hear and be heard by those present at the meeting.

In addition, the following persons were present:

Patricia Long	Carnegie Hall
Mary Benjamin	Carnegie Hall
Vera Zlatarski	Carnegie Hall
Linda Fan	The Yuba Group
Eric Rolston	The Yuba Group
Pete Vujasin	BofA Securities, Inc.
Alison Radecki	Orrick Herrington & Sutcliffe, LLP
Helen Pennock	Orrick Herrington & Sutcliffe, LLP
Amy Chan	New York City Economic Development Corporation
Carol Ann Butler	New York City Economic Development Corporation
Anne Adams Rabbino	Secretary
B. Seth Bryant	Assistant Secretary

The meeting was called to order at 11:05 a.m. by Ms. Sagalyn, who presided at the request of Ms. Jones.

Ms. Sagalyn congratulated Ms. Johnson on her new position as the Chief Communications and Marketing Officer of Lincoln Center for the Performing Arts, Inc. Ms. Johnson reported that she had previously worked with Henry Timms, the new President of LCPA, in a consulting role, and she is very happy to join the staff in a newly created position. Ms. Sagalyn welcomed Ms. Raghavan to her first meeting of the Board since she was appointed by Commissioner Tom Finkelppearl to serve as his designee. She also welcomed Ali Davis, who was very recently appointed to serve as the designee for Deputy Mayor Vicki Been. Ms. Rabbino reported that Ms. Davis joined the staff of Deputy Mayor Been in June as Senior Advisor of Arts & Culture. Ms. Davis previously served as Chief of Staff at REBNY, where she worked on a range of issues, including landmarks, zoning, housing and retail in addition to spearheading a working group focused on improving diversity within the real estate industry. Her current portfolio includes the Department of Cultural Affairs, Libraries, and Parks. Mr. Bryant noted that Krishna Omolade was recently promoted from Acting Executive Director to Executive Director of NYCIDA and Build NYC, and Ms. Sagalyn congratulated him as well.

The Board, acting both as the Finance Committee and as the Board, considered the proposed transaction for the benefit of The Carnegie Hall Corporation (“Carnegie Hall”). Patricia Long, who serves as Carnegie Hall’s chief financial officer, asked Pete Vujasin from BofA Securities, Inc., which is the lead underwriter of the proposed Refunding Revenue Bonds, Series 2019 (Carnegie Hall) to make a presentation. Mr. Vujasin provided a market overview of tax-exempt interest rates, which demonstrated, among other things, that current interest rates are highly favorable to Carnegie Hall. Mr. Vujasin reported that the current ratings of A1 from Moody’s Investors Service, Inc. with a stable outlook and A+ from S&P Global Ratings with a stable outlook with respect to the Series 2009 Bonds. New ratings, which are expected to be the same as the current ratings, will be published by both rating agencies prior to the issuance of the Series 2019 Bonds. Pricing is expected to take place on August 6, with the closing scheduled for September 5.

Mr. Vujasin also provided a draft of the Investor Presentation that will be used in connection with marketing the Series 2019 Bonds, which summarizes certain historical, operating and financial information that will be included in the Preliminary Official Statement.

Ms. Zlatarski, the general counsel of Carnegie Hall, provided historical information about Carnegie Hall and its corporate structure. The building itself was acquired by The City of New York in 1960 and is leased to The Carnegie Hall Corporation, a New York not-for-profit corporation, under a lease that extends until 2086. Carnegie Hall is managed by a staff of 425 people.

Ms. Long, the chief financial officer of Carnegie Hall, gave a brief overview of operations, which annually include approximately 170 performances produced by The Carnegie Hall Corporation and more than 500 independently-produced events in its three halls: Stern Auditorium/Perelman Stage, with 2,804 seats; Zankel Hall, with 599 seats; and Weill Recital Hall, with 268 seats. Carnegie Hall has been expanding the programming it presents in other New York City venues as part of its outreach to the community, but its primary focus is on expanding various education initiatives through the Weill Music Institute (“WMI”), which now

serves over 500,000 people annually. WMI's programs include three youth ensembles, all of which tour: an orchestra of classical musicians from 17 to 20 years old; an orchestra of classical musicians from 14 to 17 years old; and a jazz ensemble.

Ms. Benjamin, the controller of Carnegie Hall, summarized the financial results shown in the most-recent available audited financial statements. For its 2018 fiscal year, operating revenues were \$107.5 million and operating expenses were \$103.0 million. She also reported that, as of June 30, 2019, Carnegie Hall had raised \$116 million of its \$125 million 125<sup>th</sup> Anniversary Campaign, which was launched in 2015 to provide funding for the expansion of existing artistic and education programs and for new initiatives. In its 2019 fiscal year, Carnegie Hall's investments achieved a 3% return. Investments are managed by eighteen investment managers and are reviewed quarterly by the Investment Committee of the Board of Trustees.

The Yuba Group was retained by Carnegie Hall as its financial advisor in the fall of 2017. Linda Fan from The Yuba Group reported on the extensive analysis undertaken with Carnegie Hall to consider a wide range of options before deciding to issue through the Trust at the time of the first call date of the Series 2009A Bonds, which is December 1, 2019. Eric Rolston, also from The Yuba Group, noted that a possible borrowing on a taxable basis that was analyzed in the spring of 2018 would have achieved net savings on a present value basis of approximately \$4 million while projected present value savings calculated at that time on a tax-exempt transaction would have been \$14 million. Current projected present value savings, based on market conditions earlier in July, are approximately \$24 million. Because current tax law prohibits refundings more than 90 days in advance of redemption, the Series 2019 Bonds may not be sold more than 90 days in advance of December 1, 2019.

Ms. Radecki described the documents to be authorized by the Approving Resolution, which were distributed to the members of the Board in advance of the meeting. The Series 2019 Bonds will be issued under a new General Resolution that incorporates standard changes since the prior General Resolution adopted by the Trust in 2009 and reflects the consolidation of The Carnegie Hall Society, Inc. with The Carnegie Hall Corporation in 2017. The General Resolution authorizes future series of bonds on a parity with the Series 2019 Bonds. The Trust is also asked to authorize the Series 2019 Resolution, which establishes the parameters of the Series 2019 Bonds. The principal amount of the Series 2019 Bonds may not exceed \$110 million, and the term may not exceed 30 years from original issuance, which will occur in 2032 with respect to the portion of the Series 2009A Bonds that refunded the Series 2002 Bonds. The interest rate may not exceed 7% and the prepayment premium may not exceed 102% of the par amount. The Trust and Carnegie Hall will also enter into a new Loan Agreement, which provides that the Trust will lend the proceeds of the Series 2019 Bonds to Carnegie Hall and sets forth various covenants and obligations. The Board is also asked to authorize the Purchase Contract pursuant to which the Trust will agree to sell, and BofA Securities, Inc., as underwriter, will agree to buy, the Series 2019 Bonds. Carnegie Hall is also a party to the Purchase Contract and makes various standard representations and undertakes various standard obligations. The Series 2019 Bonds will be offered pursuant to the Preliminary Official Statement, which includes in Appendix A financial, operating and governance information about Carnegie Hall. The Series 2019 Indemnification Agreement, which is required by the Trust in every transaction and contains the obligation of the borrower to pay all costs and expenses incurred by the Trust in

connection with or as a result of the issuance of the bonds, is in the standard form.

The Approving Resolution also authorizes other documents and agreements required in connection with the issuance of the Series 2019 Bonds, including a Tax Agreement and Certificate, which will set forth Carnegie Hall's obligations to maintain the tax-exempt status of the bonds; a letter of instructions to the trustee for the Series 2009 Bonds, which will provide for using the proceeds of the sale to the Series 2019 Bonds to redeem the Series 2009A Bonds on December 1, 2019; and other documents that, on the advice of counsel, are necessary or appropriate in connection with the issuance of the bonds.

Ms. Rabbino stated that the proceeds of the Series 2019 Bonds will be used to refund the Trust's prior bonds, which is a "Type II" project for purposes of environmental review. Accordingly, no further environmental review is required.

The following resolution was then moved and seconded and unanimously adopted by the Finance Committee and the Board:

**RESOLVED**, that the Resolution of The Trust for Cultural Resources of The City of New York Approving Certain Matters In Connection With The Issuance Of Its Refunding Revenue Bonds, Series 2019 (Carnegie Hall), be and hereby is approved. (A copy of the foregoing Resolution is attached hereto.)

Ms. Rabbino presented the Trust's Budget and Financial Plan for the fiscal year ending December 31, 2020 in the format required pursuant to the Public Authorities Law, which is required to be posted in the Public Authorities Reporting Information System ("PARIS"). The New York City Economic Development Corporation ("EDC") prepares this material annually based upon the prior year's audited financial statements, with increases of 1% annually for items for which there is no existing contract. This year the required format requires projections through the fiscal years ending December 31, 2023. EDC also prepares reports for the Board to show greater detail about the amounts in the Budget and Financial Plan, which were distributed together in advance of the meeting. Ms. Rabbino noted that in 2023 the TEPs Bonds issued for the benefit of The Museum of Modern Art will be repaid in full and the project originally funded with the TEPs Bonds will be fully depreciated, which will have an impact on the Trust's financial statements and on the Budget and Financial Plan for 2023 and subsequent years. Accordingly, an explanatory note will be included with the Budget and Financial Plan posted in PARIS to state that "[t]he application of the excess of revenues over expenditures or of the excess of expenditures over revenues, as the case may be, in the Budget and Financial Plan for each year is subject to statutory and contractual obligations related to (1) payments of principal and interest due on the Trust's Refunding Revenue Bonds, Series 2012A (The Museum of Modern Art), and (2) to the extent that funds are available from Tax Equivalency Payments collected by the Trust, payments due to The Museum of Modern Art, as more fully described in the Notes to the Trust's Financial Statements."

Ms. Rabbino also referred to the Minutes of the meetings on March 26, 2019 of the Audit

Committee and the Board of Trustees that were distributed to the Board in advance of the meeting. There were no suggested revisions or questions.

The following resolutions were then moved, seconded and unanimously adopted:

**WHEREAS**, The Trust for Cultural Resources of The City of New York, a New York public benefit corporation (the “Trust”) is required pursuant to the Public Authorities Accountability Act and related statutes to post in the Public Authorities Reporting Information System (“PARIS”) a Budget and Financial Plan (the “PARIS Budget”), showing (a) Actual Receipts and Expenditures for 2018, (b) Current Estimated Receipts and Expenditures for 2019, (c) Receipts and Expenditures Adopted by the Board of Trustees for 2020, and (d) Proposed Receipts and Expenditures for 2021-2023;

**WHEREAS**, the New York City Economic Development Corporation (“EDC”) has prepared the PARIS Budget in the prescribed format;

**NOW, THEREFORE**, it is hereby

**RESOLVED**, that the PARIS Budget be, and hereby is, approved, and the posting of the PARIS Budget be, and hereby is, authorized; and be it further

**RESOLVED**, that the minutes of the meeting of the Board of Trustees of the Trust held on March 27, 2018, be and hereby are approved; and be it further

**RESOLVED**, that the minutes of the meeting of the Audit Committee of the Trust held on March 27, 2018, be and hereby are approved.

The Board then discussed the expiration of the existing contract with RSM after completion of the 2019 audit and the plan to work with EDC to request proposals from audit firms in 2020 as well as potential transactions that the Trust may be asked to authorize in 2019 and subsequently.

There being no further business to come before the meeting, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Anne Adams Rabbino  
Secretary

**RESOLUTION OF THE TRUST FOR  
CULTURAL RESOURCES OF THE CITY OF  
NEW YORK APPROVING CERTAIN  
MATTERS IN CONNECTION WITH THE  
ISSUANCE OF ITS REFUNDING REVENUE  
BONDS, SERIES 2019 (CARNEGIE HALL)**

WHEREAS, The Carnegie Hall Corporation (the “Institution”) has requested that The Trust for Cultural Resources of The City of New York (the “Trust”) issue its Refunding Revenue Bonds, Series 2019 (Carnegie Hall) (the “Series 2019 Bonds”) in order to (a) refund all of the Trust’s Revenue Bonds, Series 2009A (Carnegie Hall) (the “2009 Bonds”), the proceeds of which were applied to finance all or a portion of (i) the costs of renovating and upgrading approximately 165,000 square feet of space in the two Studio Towers at Carnegie Hall (North Tower floors 5-16 and South Tower floors 1-12), including (A) creating a new Education Wing in the top floors of both towers with new music rooms, updated communications technologies, new educational support spaces and upgraded archives; (B) consolidating administrative offices; (C) creating a roof terrace on the main roof; and (D) expanding and reconfiguring the backstage with expanded backstage space, restored access to stage left, additional orchestra rooms and consolidated dressing rooms; (ii) the refunding of all or a portion of the Trust’s Revenue Bonds, Series 2002 (Carnegie Hall) (the “2002 Bonds”), which bonds were issued to finance: (A) the costs of constructing, furnishing and equipping a 599-seat third performance venue at Carnegie Hall known as the Judy and Arthur Zankel Hall, which is used as a concert hall and educational facility, along with related improvements; (B) the administrative, legal, accounting, financing and other expenses incidental to the issuance of the 2002 Bonds and related purposes; and (C) the refunding of all or a portion of the Trust’s Revenue Bonds, Series 1990 (Carnegie Hall) (the “1990 Bonds”), which bonds were issued to finance (1) the costs of renovating, restoring and reconstructing Carnegie Hall; (2) the costs of constructing improvements to and furnishings for a portion of the building located at 152 West 57th Street, New York, New York, which portion is operated by The Carnegie Hall Corporation and accessible only through Carnegie Hall; and (3) related purposes, including paying capitalized interest and costs of issuance with respect to the 1990 Bonds; and (iii) the administrative, legal, accounting, financing (including capitalized interest) and other expenses incidental to the issuance of the 2009 Bonds and related purposes; and (b) pay a portion of the administrative, legal, accounting, financing and other expenses incidental to the issuance of the Series 2019 Bonds and related purposes (collectively, the “Project”); and

WHEREAS, the Series 2019 Bonds will be the first series of bonds issued under the Trust’s Revenue Bond Resolution (Carnegie Hall) adopted on July 18, 2019 (the “Revenue Bond Resolution”); and

WHEREAS, there have been presented to the Trust the following documents, in substantially final form, in connection with the issuance of the Series 2019 Bonds: the Revenue Bond Resolution of the Trust; the Series 2019 Resolution Authorizing Not In Excess of \$110,000,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall) of the Trust (the “Series 2019 Resolution”); the Loan Agreement between the Institution and the Trust (the “Loan Agreement”); the Purchase Contract relating to the Series 2019 Bonds (the “Purchase Contract”) among BofA Securities, Inc., as representative of the underwriters named therein (the

“Representative”), the Trust and the Institution; the Indemnification Agreement relating to the Series 2019 Bonds between the Trust and the Institution (the “Indemnification Agreement”); and the Preliminary Official Statement relating to the Series 2019 Bonds (the “Preliminary Official Statement”); and

WHEREAS, all of the proceeds of the Series 2019 Bonds will be used to refinance existing debt, which is a Type II action under Section 617.5(23) of the implementing regulations under the State Environmental Quality Review Act and, consequently, the Trust has no further responsibilities under that Act or the implementing regulations;

NOW, THEREFORE, it is hereby resolved that:

(1) The Trust hereby approves and adopts the Revenue Bond Resolution.

(2) The Trust hereby approves and adopts the Series 2019 Resolution.

(3) The forms, terms and provisions of the Loan Agreement, the Purchase Contract, the Indemnification Agreement and the Preliminary Official Statement (and the final Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement) presented to the Trust, together with such changes, modifications and deletions as may be deemed necessary and appropriate, are hereby approved and authorized in all respects, and the Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized and directed to execute and deliver, or approve and accept, as applicable, on behalf of the Trust, the above mentioned documents, in the forms presented to this meeting together with such changes, modifications and deletions as any of them, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Trust. The Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized, with the advice of counsel, to approve and execute such changes to the Series 2019 Resolution as may be deemed necessary and appropriate to effectuate the purposes thereof and which will not materially alter the terms and conditions thereof. The use and distribution of the Preliminary Official Statement by the Representative are hereby authorized and approved and the use and distribution of a final Official Statement for the Series 2019 Bonds by the Representative are hereby authorized and approved.

(4) The holding by the Secretary of the Trust of a public hearing required to be held under Section 147 of the Internal Revenue Code of 1986, as amended, regarding the issuance of the Series 2019 Bonds and the refinancing of the Project is hereby authorized, ratified and approved.

(5) The Chair, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary or any of them individually are hereby authorized to open any and all bank accounts and money market fund accounts, on behalf of and in the name of the Trust, as any of them deem necessary or desirable in connection with the issuance of the Series 2019 Bonds, and each of them is authorized to be the sole signatory of the Trust for purposes of making deposits and withdrawals to and from any such bank account.

(6) The execution and filing by the Chair, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Trust of applications for U.S. Treasury Obligations – State and Local Government Series and cancellations of existing applications are hereby authorized, ratified and confirmed, if necessary.

(7) The Secretary or any Assistant Secretary is hereby authorized to certify, from time to time, (a) the names and titles of the officers of the Trust and (b) that this resolution has been duly adopted and will remain in full force and effect until any banks at which the Chair, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary has opened accounts pursuant to this resolution have been duly notified.

(8) The Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are further authorized and directed to take such actions and to execute and deliver any such directions, documents, certificates, undertakings, agreements or other instruments as any of them, with the advice of counsel, may deem necessary and appropriate in order to effect the transactions contemplated by the documents presented to this meeting, including, without limitation, a Letter of Instructions to the Trustee (the “Letter of Instructions”), the Series 2019 Certificate, and the execution and delivery of directions, instruments, documents, certificates, undertakings and agreements deemed necessary and appropriate to assure that interest on the Series 2019 Bonds is excluded from gross income of the owners thereof for federal income tax purposes, including, without limitation, a Tax Certificate and Agreement (the “Tax Certificate”) and any amendments entered into after the issuance of the Series 2019 Bonds to any documents entered into in connection with the Series 2019 Bonds including, without limitation, the Tax Certificate, the Revenue Bond Resolution, the Series 2019 Resolution, the Series 2019 Certificate, the Indemnification Agreement, the Letter of Instructions and the Loan Agreement.