

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds (as such term is defined below) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2019 Bonds. See "TAX MATTERS" herein.

\$87,540,000

CARNEGIE HALL

**THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK**

Refunding Revenue Bonds, Series 2019 (Carnegie Hall)

Dated: Date of Delivery

Due: as shown on the inside cover page

The Trust For Cultural Resources of The City of New York Refunding Revenue Bonds, Series 2019 (Carnegie Hall) (the "Series 2019 Bonds") will be issued and secured under the Revenue Bond Resolution (Carnegie Hall), adopted by The Trust for Cultural Resources of The City of New York (the "Trust"), as of July 18, 2019, as supplemented, including as supplemented by a Series 2019 Resolution Authorizing not in Excess of \$110,000,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall), adopted by the Trust on July 18, 2019 (collectively, the "Resolution"). Pursuant to a Loan Agreement, dated as of September 1, 2019 (the "Loan Agreement"), by and between the Trust and The Carnegie Hall Corporation (the "Institution"), the proceeds of the Series 2019 Bonds will be loaned to the Institution and applied as described herein under "PLAN OF REFUNDING."

The Series 2019 Bonds are not a debt of the State of New York (the "State") or The City of New York (the "City") or any other municipality of the State, and neither the State, the City, nor any other municipality of the State, shall be liable on the Series 2019 Bonds. The Trust has no taxing powers.

The Series 2019 Bonds are issuable only as fully registered bonds without coupons. The Series 2019 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository ("Securities Depository") of the Series 2019 Bonds. Purchases of beneficial interests in the Series 2019 Bonds will be made in book-entry form in denominations of \$5,000 and any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2019 Bonds purchased. The principal of and interest on the Series 2019 Bonds are payable by The Bank of New York Mellon, New York, New York (the "Trustee") to the Securities Depository, which is to remit such principal and interest to its Participants (as defined herein), which are to remit such principal and interest to the Beneficial Owners (as defined herein) of the Series 2019 Bonds, as described herein. Interest on the Series 2019 Bonds is payable at the rates specified on the inside cover hereof on each June 1 and December 1, commencing December 1, 2019.

The Series 2019 Bonds are limited obligations of the Trust payable exclusively from the Trust Estate (as defined herein) and payments made to the Trust by the Institution pursuant to the Loan Agreement, which payments are pledged to the Trustee under the Resolution to secure the Series 2019 Bonds, as more fully described herein. The Institution is obligated under the Loan Agreement to make payments sufficient to pay the principal of, and interest on, the Series 2019 Bonds. The Institution's obligation to make payments under the Loan Agreement is a general, unsecured obligation of the Institution, as more fully described herein. Neither the Series 2019 Bonds nor any of the Institution's obligations under the Loan Agreement are secured by a pledge of, or mortgage on, any specific revenues, assets or property of the Institution.

The Series 2019 Bonds will be dated their date of issuance and will mature as shown on the inside cover page hereof.

The Series 2019 Bonds are subject to redemption prior to maturity and purchase in lieu of optional redemption, as more fully described herein.

The Series 2019 Bonds are offered for delivery when, as and if issued by the Trust and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York, for the Institution by its Special Financing Counsel, Nixon Peabody LLP, New York, New York and for the Trust by its counsel, Bryant Rabbino LLP, New York, New York. The Yuba Group LLC, New York, New York, has served as Financial Advisor with respect to the issuance of the Series 2019 Bonds. It is expected that the Series 2019 Bonds will be available for delivery in New York, New York through the book-entry procedures of DTC on or about September 5, 2019.

BofA Merrill Lynch

Morgan Stanley

Dated: August 7, 2019

\$87,540,000
THE TRUST FOR CULTURAL RESOURCES OF THE CITY OF NEW YORK
Refunding Revenue Bonds, Series 2019 (Carnegie Hall)

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> ¹
2020	\$1,200,000	5.000%	0.950%	649717UL7
2021	1,435,000	5.000	0.960	649717UM5
2022	1,680,000	5.000	0.980	649717UN3
2023	1,940,000	5.000	1.000	649717UP8
2024	2,220,000	5.000	1.040	649717UQ6
2025	2,520,000	5.000	1.130	649717UR4
2026	2,840,000	5.000	1.230	649717US2
2027	3,185,000	5.000	1.340	649717UT0
2028	3,550,000	5.000	1.420	649717UU7
2029	3,940,000	5.000	1.510	649717UV5
2030	4,355,000	5.000	1.580 ^c	649717UW3
2031	5,500,000	5.000	1.650 ^c	649717UX1
2032	4,800,000	5.000	1.720 ^c	649717UY9
2033	5,265,000	5.000	1.760 ^c	649717UZ6
2034	5,755,000	5.000	1.810 ^c	649717VA0
2035	6,280,000	5.000	1.860 ^c	649717VB8
2036	6,840,000	5.000	1.900 ^c	649717VC6
2037	7,435,000	5.000	1.940 ^c	649717VD4
2038	8,065,000	5.000	1.980 ^c	649717VE2
2039	8,735,000	5.000	2.020 ^c	649717VF9

¹ CUSIP data herein are provided by CUSIP Global Services (“CGS”), operated on behalf of the American Bankers Association (the “ABA”) by S&P Global Market Intelligence, a division of S&P Global Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers are included solely for the convenience of Bondholders of the Series 2019 Bonds. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financing products. The CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of a maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by Bondholders that is applicable to all or a portion of the Series 2019 Bonds. The Institution and the Trust are not responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the Series 2019 Bonds or as indicated above.

^c Yield calculated to the December 1, 2029 call date.

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No dealer, broker, salesperson or other person has been authorized by the Trust, the Institution or the Underwriters to give any information or to make any representations with respect to the Series 2019 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained herein has been obtained by the Trust from the Institution. The Depository Trust Company and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and such information is not to be construed to be the representation of the Trust or the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements." If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "will" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Trust and the Institution. These forward-looking statements speak only as of the date of this Official Statement. The Trust and the Institution disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Trust's or the Institution's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IN CONNECTION WITH THIS OFFERING.

THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS AND CERTAIN DEALER BANKS AND BANKS AND OTHERS

ACTING AS AGENTS AT PRICES LOWER THAN THE OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF, AND ANY OF SAID OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

\$87,540,000
The Trust for Cultural Resources of The City of New York
Refunding Revenue Bonds, Series 2019 (Carnegie Hall)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement is to provide certain information concerning The Trust for Cultural Resources of The City of New York Refunding Revenue Bonds, Series 2019 (Carnegie Hall) (the “Series 2019 Bonds”), in the principal amount shown above, to be issued by The Trust for Cultural Resources of The City of New York (the “Trust”) for the purpose of refunding the Trust’s Revenue Bonds, Series 2009A (Carnegie Hall) (the “Refunded Bonds”). Capitalized terms used in this Official Statement and not otherwise defined herein have the respective meanings set forth in “APPENDIX C — DEFINITIONS OF CERTAIN TERMS.”

Authority for Issuance

The Series 2019 Bonds were authorized to be issued pursuant to the New York State Cultural Resources Act, Articles 20 and 21 of the New York Arts and Cultural Affairs Law (collectively, the “Act”). The Series 2019 Bonds are issued by the Trust under and pursuant to the Revenue Bond Resolution (Carnegie Hall), adopted on July 18, 2019 (the “General Resolution”), as supplemented, including as supplemented by the Series 2019 Resolution Authorizing not in Excess of \$110,000,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall), adopted by the Trust on July 18, 2019. The General Resolution and such Series Resolution are collectively referred to herein as the “Resolution.”

Purpose of Financing

The proceeds of the Series 2019 Bonds will be used by the Trust to make a loan to The Carnegie Hall Corporation (the “Institution”) pursuant to a Loan Agreement, dated as of September 1, 2019, by and between the Trust and the Institution, as the same may be amended and supplemented (the “Loan Agreement”) to (i) refund the Refunded Bonds and (ii) pay certain costs of issuance of the Series 2019 Bonds. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Institution is obligated under the Loan Agreement to make certain payments (the “Loan Payments”) to the Trust at such times and in such amounts as will be sufficient to enable the Trust to pay the principal of, redemption premium (if any) and interest on the Bonds and, if applicable to a series of Additional Bonds, to make certain additional payments at such times and in such amounts as will be sufficient to pay the purchase price of any Additional Bonds required to be purchased under the Resolution (but only to the extent, as hereinafter described, certain other monies are not available therefor), and certain administrative costs in connection with such Bonds. All right, title and interest of the Trust in and to the Loan Payments has been assigned

and pledged under the General Resolution to The Bank of New York Mellon, New York, New York (the “Trustee”) for the benefit of the owners of all Bonds issued under the General Resolution. The agreement of the Institution to make the Loan Payments and Additional Payments (as defined in APPENDIX C hereto) under the Loan Agreement constitutes a general, unsecured obligation of the Institution. See “SECURITY FOR THE SERIES 2019 BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS.”

The Trust

The Act provides for the creation of trusts for cultural resources which will promote the expansion, improvement and rehabilitation of facilities used for cultural, recreational and educational activities. The Trust was established in 1976 pursuant to the Act to assist participating cultural institutions in The City of New York (the “City”) with the development of their unused and underutilized real property. The Trust is a corporate governmental agency and a public benefit corporation constituting a political subdivision of the State of New York (the “State”). The Trust is managed by a board of trustees consisting of nine members, six of whom are appointed by the Mayor of the City and three of whom serve *ex officio*. The Trust is empowered to make loans to participating cultural institutions to develop their cultural facilities located in the City and is empowered to develop combined-use facilities for certain participating cultural institutions in the City. See “THE TRUST FOR CULTURAL RESOURCES OF THE CITY OF NEW YORK.”

The Institution

The Institution was created by Chapter 524 of New York State Laws of 1960 to lease from the City, manage and operate the Carnegie Hall building (the “Carnegie Hall Building”), including the performance venues and studios and the adjacent property. The predecessor owner of the Carnegie Hall Building was established in 1891 and since then the Carnegie Hall Building has served as a major performing arts center. The mission of the Institution is to be one of the world’s leading performing arts venues in presenting great music and to bring music to a wider audience through educational programs, media technology and community outreach and to build for the future by commissioning and presenting new works and by making the Carnegie Hall Building stage accessible to young artists. See “APPENDIX A — THE CARNEGIE HALL CORPORATION” and “APPENDIX B — THE CARNEGIE HALL CORPORATION AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017.”

Security for the Series 2019 Bonds

The Series 2019 Bonds and any other series of Additional Bonds to be issued under the General Resolution will constitute limited obligations of the Trust, secured solely by and payable solely from the “Trust Estate” which includes: (i) the Loan Payments required to be made by the Institution pursuant to the Loan Agreement (the “Revenues”); (ii) all moneys and investments in funds established under the Resolution (including proceeds of all Bonds, but excluding the Rebate Fund and any bond purchase fund established in connection with any subseries of Additional Bonds and interest earned and gains realized thereon); provided, however, that all Series 2019 Bond accounts created with respect to the Series 2019 Bonds and all additional

accounts and subaccounts thereunder created with respect to any other Series of Bonds if so designated in the General Resolution shall be pledged solely for the benefit, security and protection of the owners of the Series 2019 Bonds and the owners of such applicable Series of Bonds, respectively; (iii) all income and gains, and the proceeds of such income and gains, received by the Trust under the General Resolution; and (iv) all of the Trust's right, title and interest in and to the Loan Agreement, excluding only the rights to all Additional Payments and the Trust's rights to obtain notices and make consents and amendments thereunder relating thereto but including, without limitation, the immediate and continuing right to receive and collect Revenues. The Institution's obligation to make payments under the Loan Agreement is a general, unsecured obligation of the Institution. ***Neither the Series 2019 Bonds nor the Institution's obligations under the Loan Agreement are secured by a pledge of or mortgage on any specific revenues, assets or property of the Institution.*** The Loan Agreement does not limit the Institution's ability to incur additional debt or place liens on, or otherwise dispose of, its revenues, assets or property. See "SECURITY FOR THE SERIES 2019 BONDS" herein for a more complete description of the security for the Series 2019 Bonds.

For information concerning the financial affairs and condition of the Institution and a description of other outstanding indebtedness of the Institution, see "APPENDIX A — THE CARNEGIE HALL CORPORATION — Management Discussion of Financial Performance" and "APPENDIX B — THE CARNEGIE HALL CORPORATION AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017." See "APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT."

The Series 2019 Bonds are not a debt of the State or the City or any other municipality of the State, and neither the State, the City nor any other municipality of the State, shall be liable on the Series 2019 Bonds. The Trust has no taxing powers. The Series 2019 Bonds are special revenue obligations of the Trust, payable solely from the sources provided under the Resolution.

Additional Bonds

The General Resolution permits the issuance of Additional Bonds under the Resolution on a parity with the Series 2019 Bonds upon the satisfaction of certain conditions as provided in the General Resolution. Additional Bonds may be issued for the purpose of, among other things: (i) financing the acquisition and construction of projects for use by the Institution; or (ii) refunding or refinancing all or any portion of any Series of Bonds, of other bonds issued by the Trust for the benefit of the Institution or of other debt of the Institution. In addition, pursuant to the Loan Agreement, the Institution is not restricted from incurring other indebtedness.

Redemption of the Series 2019 Bonds

The Series 2019 Bonds are subject to redemption prior to maturity and purchase in lieu of optional redemption. See "DESCRIPTION OF THE SERIES 2019 BONDS — Redemption" and "— Purchase in Lieu of Optional Redemption."

THE TRUST FOR CULTURAL RESOURCES OF THE CITY OF NEW YORK

The Trust is a corporate governmental agency and a public benefit corporation constituting a political subdivision of the State. The general enabling legislation for the Trust is the Act, which provides for the establishment of trusts for cultural resources in cities throughout the State in order to assist participating cultural institutions in the appropriate development of their unused and underutilized real property.

The Act provides that the Trust and its corporate existence shall continue until terminated by law. However, the Trust may not be terminated so long as it has bonds, notes or other obligations outstanding unless adequate provision has been made for their payment.

Organization and Membership

The Trust is managed by a Board of Trustees (the “Board”) consisting of six members appointed by the Mayor of the City, and three *ex officio* members, the Deputy Mayor – Economic Development and Finance of the City, the Chairperson of the New York City Industrial Development Agency and the Commissioner of the City’s Department of Cultural Affairs (collectively, the “Trustees”). The *ex officio* Trustees may each appoint a person to represent them and vote in their place at meetings of the Board. The Mayor also appoints the Chair of the Board from among the appointed Trustees. The appointed Trustees serve without pay for staggered terms of six years and continue to hold office until their successors are appointed. There are currently nine Trustees and no vacancies on the Board. The Mayor may remove any appointed Trustee for cause.

The present Trustees are as follows:

SUSAN HENSHAW JONES, Chair; term expires February 15, 2023. Susan Henshaw Jones retired on December 31, 2015 as the Ronay Menschel Director and CEO of the Museum of the City of New York. Her thirteen-year stint included the launch and completion of a \$99 million capital project; the organization of a multitude of temporary exhibitions and public programs; the initiation of a long-term exhibition called New York at its Core that opened in the fall of 2016; and numerous collections initiatives. Prior to leading the City Museum, Ms. Jones was the CEO of the National Building Museum in Washington, D.C., and the President of the New York Landmarks Conservancy on two occasions. She began her career in New York City in the administration of Mayor John V. Lindsay. Ms. Jones also worked as a lender at Citibank, N.A. after earning an MBA from Columbia Business School. She graduated from Vassar College.

LEAH C. JOHNSON; term expires February 15, 2025. Ms. Johnson is a communications strategist and business leader. In July, 2019, she joined Lincoln Center for the Performing Arts, Inc. as the Chief Communications and Marketing Officer. Previously, she was the CEO of LCJ Solutions LLC and provided advice to clients seeking to build market strength and reputation. Prior to creating the firm, Ms. Johnson served as Senior Vice President of Corporate Affairs at Citigroup Inc., where she was the chief communications advisor to four CEOs and successfully led teams spanning 200 countries. Before joining Citigroup, Ms. Johnson was Vice President of Corporate Communications at Standard & Poor’s. She spent many years

working in the public sector and was Press Secretary for Mayor David N. Dinkins Reelection Campaign and Deputy Director for Communications for the Clinton-Gore '92 New York State Coordinated Campaign. She also served as a Special Assistant for Media Relations in the Office of the Deputy Mayor and Director of Communications for the New York City Comptroller. Ms. Johnson began her career in communications at the NYC Health and Hospitals Corporation and served as Director of Public Affairs at Kings County Hospital Center. She is Vice Chair of Planned Parenthood New York City's Board of Trustees and chairs the Issues and Advocacy Committee. Ms. Johnson is a trustee of the Museum of the City of New York and recently joined the Board of New York Public Radio. She recently served as a member of Trinity Wall Street's Vestry. She is also a mentor with W.O.M.E.N. in America and recently served on The Dalton School's Board of Trustees Executive Committee and chaired the Community Life and Diversity Committee. Ms. Johnson is a graduate of Harvard College and lives in New York City with her husband and their daughter.

ERIKA MALLIN; term expires February 15, 2024. Erika Mallin was appointed Executive Director of The Aspen Institute Arts Program in July, 2018. Based in New York City, she leads the Institute's programs to support and invigorate the role of arts and culture in public life through programs, strategic initiatives, and public and private convening. Most recently, she was previously Signature Theatre's Executive Director for 10 years. Under her leadership, Signature became one of the country's preeminent non-profit theatre companies. Mallin successfully led Signature's expansion to the Frank Gehry-designed 75,000 square foot \$70 million Pershing Square Signature Center. The Center is the city's largest new theatre center built in nearly 50 years, and in 2014, Signature was the first New York City theatre company to win the Regional Theater Tony Award. Dedicated to making arts accessible to new and diverse audiences, Mallin piloted the City's first-ever subsidized ticket program at Atlantic Theatre Company. At Signature she expanded the program, doubled the funding and analyzed the impact on attracting underserved audiences. To date, the program has served over one million people and has become a national model. Prior to her work in the arts, Mallin was a Special Assistant to the Mayor of the City of New York. During her tenure, she created the Neighborhood Entrepreneurs Program, which received the "Innovations in Government" Award by Harvard's Kennedy School of Government. Mallin sits on the Board of NYC & Co. She has guest lectured at Columbia, Yale, NYU, Pace, CUNY, Women in Real Estate, Urban Land Institute, and the American Institute of Architecture. She also advises and consults for national and international arts institutions. Mallin began her career as a journalist and received her M.A. from Columbia University's Graduate School of Journalism and B.A. from the University of Michigan.

LYNNE B. SAGALYN; term expires February 15, 2025. Ms. Sagalyn is the Earle W. Kazis and Benjamin Shore Professor Emerita of Real Estate at Columbia University's School of Business, where she taught for more than twenty years and built its MBA Real Estate Program. As founding director of the Paul Milstein Center for Real Estate there, she spearheaded a program of deep engagement with the real estate industry. At other times she was on the faculty of the Department of Urban Studies and Planning at M.I.T. and the University of Pennsylvania's Wharton School and School of Design. Widely known for her research on urban redevelopment, Professor Sagalyn is author of *Power at Ground Zero: Politics, Money, and the Remaking of Lower Manhattan* (Oxford University Press 2016), *Times Square Roulette: Remaking the City Icon* (MIT Press 2001), and co-author of *Downtown, Inc.: How America Rebuilds Cities* (MIT

Press 1989), as well as numerous publications on real estate finance and strategy and urban development politics. She serves as a director of UDR (NYSE: UDR), where she is Vice Chair; Blackstone Mortgage Trust (NYSE: BXMT), where she chairs the Audit Committee; on the Advisory Board of PRIME Property Fund of Morgan Stanley; and on the Advisory Board of Olshan Properties. In the not-for-profit realm, she serves on the Board of Directors of the Regional Plan Association, the Skyscraper Museum, and on the Audit and Compliance committee of Planned Parenthood New York City. She previously served on the Chancellor's Commission on the Capital Plan of the former NYC Board of Education, and has been a litigation expert and a consultant to both private firms and public agencies. Professor Sagalyn received her Ph.D. from the M.I.T., M.C.R.P. from Rutgers University, and B.S. with distinction from Cornell University.

MERRYL H. TISCH; term expires February 15, 2024. Mrs. Tisch plays a vital role in a broad range of civic and philanthropic activities. In 1996, she was elected to the New York State Board of Regents, and in 2009 she was elected Chancellor of the Board of Regents. She was appointed by Mayor Rudolph Giuliani to New York City's Commission on the Status of Women and is a member of the Governor's Commission Honoring the Achievements of Women. Since 1997, Mrs. Tisch has been Chair of the Metropolitan New York Coordinating Council on Poverty, which has an annual budget of \$100 million and has gained national recognition for work in the areas of youth and family services, housing, poverty programs and neighborhood preservation. She previously served as Chairman of the Mount Sinai Children's Center Foundation. She serves on the executive committees of The Washington Institute for Near East Policy, the Citizens Budget Commission, the Leadership Enterprise for a Diverse America, the United States Holocaust Memorial Museum, and UJA-Federation, where she is Chairman of the Government Relations Committee. In addition, Mrs. Tisch is a member of the Graduate School of Education's Board of Overseers at the University of Pennsylvania. She previously served as a Trustee of Barnard College and The Dalton School. Mrs. Tisch holds a B.A. from Barnard College, an M.A. in Education from New York University and an Ed.D. from Teachers College, Columbia University.

DAWANNA WILLIAMS; term expires February 15, 2025. Ms. Williams is the managing principal and founder of Dabar Development Partners, a real estate development and investment firm. Prior to founding Dabar in 2003, Ms. Williams worked as a commercial real estate lawyer, spending most of her career at Sidley Austin LLP. She has over 20 years of experience in the real estate industry and as an active supporter of the arts. Ms. Williams serves as Chairperson of the Board of Directors of the New York Real Estate Chamber. Ms. Williams has previously served as a member of the Museum of Modern Art Friends of Education Committee, the Board of Directors of the Museum of Contemporary African Diasporan Art and the Acquisition Committee of the Studio Museum in Harlem. She holds an A.B. from Smith College, an M.P.A. from Harvard University Kennedy School of Government and a J.D. from the University of Maryland School of Law.

VICKI BEEN; *ex officio* member. Ms. Been is the Deputy Mayor for Housing and Economic Development of The City of New York. She leads the de Blasio Administration's efforts to grow and diversify New York City's economy, invest in emerging industries across the five boroughs, build a new generation of affordable housing, and help New Yorkers secure good-paying jobs. Deputy Mayor Been oversees and coordinates the operations of over 20 agencies,

offices and affiliated entities, including: the Economic Development Corporation, the Department of Housing Preservation and Development, the Housing Development Corporation, the New York City Housing Authority, the Department of City Planning, the Public Design Commission, the Board of Standards and Appeals, the Department of Cultural Affairs, the Landmarks Preservation Commission, Libraries, the Department of Parks and Recreation, the Office of Media & Entertainment, the Office of Housing Recovery Operations, NYC & Company, Brooklyn Navy Yard Development Corporation, Brooklyn Bridge Park Development Corporation, the Trust for Governors Island, the Hudson River Park Trust and the Rent Guidelines Board. Ms. Been has extensive experience fighting to make New York a more affordable and equitable city. As HPD Commissioner from 2014 to 2017, Ms. Been helped craft Housing New York, Mayor de Blasio's plan to tackle the affordability crisis and create and preserve 200,000 affordable homes by 2024. After HPD made rapid progress, the plan was updated in 2017, setting a new goal of 300,000 affordable homes by 2026. During her tenure, Ms. Been oversaw the financing of a record 62,500 affordable homes – enough for 170,000 New Yorkers. She restructured the City's programs to reach a wider range of incomes and secure more affordable housing for every public dollar spent. She also reformed the regulatory process to reduce the risk and cost of building and preserving affordable housing while ensuring its safety, quality, and financial stability. Ms. Been was instrumental in advancing the Mandatory Inclusionary Housing law that requires developers to dedicate a certain percentage of rental units at below market rate rents in areas that are rezoned for higher density. There are nearly 5,600 additional MIH homes in the affordable housing pipeline. Ms. Been formerly served as the Director of NYU's Furman Center for Real Estate and Urban Policy, the Boxer Family Professor of Law at NYU School of Law, and an Affiliated Professor of Public Policy of the NYU's Robert F. Wagner Graduate School of Public Service. The Furman Center is the leading authority on land use and housing issues in New York City and one of the premier research centers on urban policy in the United States. She has worked on assessing New York City's land use patterns, the effects of Hurricane Sandy on housing and neighborhoods, the interplay of community benefit agreements and land use practices, and on a variety of affordable housing issues, including inclusionary zoning and supportive housing. Ms. Been graduated from Colorado State University and received her J.D. from New York University School of Law. She has served as a Visiting Professor of Law at Harvard Law School, and an Associate Professor of Law at Rutgers, The State University of New Jersey. She clerked for Judge Edward Weinfeld of the Southern District of New York and Justice Harry Blackmun of the Supreme Court of the United States. Ms. Ali Davis is Ms. Been's designee on the Board of Trustees of the Trust.

TOM FINKELPEARL; *ex officio* member. Mr. Finkelpearl is the Commissioner of the New York City Department of Cultural Affairs. In this role he oversees City funding for nonprofit arts organizations across the five boroughs and directs the cultural policy for the City of New York. Prior to his appointment by Mayor Bill de Blasio, Commissioner Finkelpearl served as Executive Director of the Queens Museum for twelve years starting in 2002, overseeing an expansion that doubled the museum's size and positioning the organization as a vibrant center for social engagement in nearby communities. He also held positions at P.S.1 Contemporary Art Center, working on the organization's merger with the Museum of Modern Art, and served as Director of the Department of Cultural Affairs Percent for Art program. Based on his public art experience and additional research, he published a book, *Dialogues in Public Art* (MIT Press), in 2000. His second book, *What We Made: Conversations on Art and*

Social Cooperation (Duke University Press, 2013) examines the activist, participatory, coauthored aesthetic experiences being created in contemporary art. He received a BA from Princeton University (1979) and an MFA from Hunter College (1983). Ms. Pranita Raghavan is Commissioner Finkelppearl’s designee on the Board of Trustees of the Trust.

JAMES PATCHETT; *ex officio* member. Mr. Patchett was appointed the President of the New York City Economic Development Corporation (“NYCEDC”) and Chairperson of the New York City Industrial Development Agency in February, 2017. A proponent of affordable housing and a principal driver of Mayor de Blasio’s effort to create 100,000 jobs within ten years, he previously served as Chief of Staff to Deputy Mayor for Housing and Economic Development Alicia Glen. Before his transition to NYCEDC, Mr. Patchett was pivotal in securing many of the Mayor’s signature affordable housing achievements and was one of the de Blasio administration’s chief negotiators on major land use matters, including: the long-term preservation of six thousand affordable housing units at Stuyvesant Town/Peter Cooper Village and Harlem’s Riverton Houses – two of New York City’s most storied and important mixed-income communities; the successful passage in 2016 of Mandatory Inclusionary Housing, which requires for the first time through zoning, that a share of new housing be permanently affordable; and the \$100 million sale by the Hudson River Park Trust of two million square feet of air rights at Pier 40, which helped secure the financial future of Hudson River Park and facilitated the construction of five hundred new affordable homes. As Chief of Staff to the Deputy Mayor, Mr. Patchett worked on some of the City’s key economic development initiatives, which included: constructing one of Brooklyn’s largest tech hubs with a \$100 million investment in Building 77 at Brooklyn Navy Yard, which will create over 3,000 new jobs; overhauling Citi Bike when the system was on the verge of failure by securing new ownership, infusion of new capital, and a promise to double the number of bikes on the road; and modernizing the City’s food distribution system through a \$150 million investment in the Hunts Point Food Distribution Center – home to over eight thousand jobs. Prior to joining the office of the Deputy Mayor, Mr. Patchett served as Vice President of the Urban Investment Group at Goldman Sachs where he helped finance a variety of real estate and economic development projects across the country. He previously worked as a consultant, assisting public and private organizations with economic development projects. He currently serves on the board of the Prospect Park Alliance, a nonprofit dedicated to sustaining Brooklyn’s most famous park. Mr. Patchett holds a BA in Economics from Amherst College and an MBA from Stanford University. He lives in Brooklyn with his wife and two children. Mr. Krishna Omolade serves as Mr. Patchett’s designee on the Board of Trustees of the Trust.

Powers of the Trust

The Trust is empowered to make loans to participating cultural institutions to develop their cultural facilities located in the City and is also empowered to develop combined-use facilities for certain participating cultural institutions in the City. The Trust is authorized to issue bonds, notes and other obligations in order to finance the development of the institutional portion of combined use facilities and cultural facilities for participating cultural institutions.

The Series 2019 Bonds will be issued pursuant to the Resolution, which constitutes a contract with the holders of the Series 2019 Bonds. The Trust has issued other bonds for cultural

institutions other than the Institution. Such other bonds, notes and obligations issued by the Trust are required to be issued under separate and distinct resolutions and are secured by or payable from instruments, properties or revenues separate from those securing the Series 2019 Bonds. The Act provides that the Trustees, officers and employees of the Trust shall not be personally liable for any debt, obligation or liability incurred by or imposed on the Trust at any time. See “— Other Financings of the Trust” and “SECURITY FOR THE SERIES 2019 BONDS — Other Obligations.”

Operations of the Trust

The Trust has no full time staff or employees, but it has retained consultants, accountants and counsel to assist it in the conduct of its business. The Trust has contracted with the New York City Economic Development Corporation to provide various administrative services to the Trust.

The Institution will enter into an Indemnification Agreement with the Trust, dated as of September 1, 2019 (the “Indemnification Agreement”), pursuant to which the Institution will agree to reimburse the Trust, its Trustees, officers and employees for all of its or their respective expenses relating to the issuance of the Series 2019 Bonds and will agree to indemnify the Trust, its Trustees, officers and employees for certain of their respective liabilities relating to the Series 2019 Bonds.

Other Financings of the Trust

In addition to issuing bonds for the Institution, the Trust has previously issued bonds to finance facilities for the Alvin Ailey Dance Foundation, American Museum of Folk Art, The Asia Society, China Institute in America, Educational Broadcasting Corporation, The Solomon R. Guggenheim Museum, International Center for Photography, The Jewish Museum, The Juilliard School, Lincoln Center for the Performing Arts, Inc., Manhattan School of Music, The Metropolitan Museum of Art, The Museum of Modern Art, The Museum of Television and Radio, The New York Botanical Garden, The Pierpont Morgan Library, School of American Ballet, Inc., The Whitney Museum of American Art, Wildlife Conservation Society and WNYC Radio. All bonds issued by the Trust to finance facilities for the American Museum of Folk Art, The Asia Society, Educational Broadcasting Corporation (which is now known as WNET), The Solomon R. Guggenheim Museum, International Center for Photography, The Jewish Museum, the Museum of Television and Radio (which is now known as the Paley Center for Media) and WNYC Radio have been repaid in full. Each of these bond issues is or was secured separately and apart from the Series 2019 Bonds.

PLAN OF REFUNDING

On the date of delivery of the Series 2019 Bonds, a portion of the proceeds thereof, together with other available funds, will be used, pursuant to a Letter of Instructions dated as of such date of delivery (the “Letter of Instruction”) by and among the Trust, the Institution and The Bank of New York Mellon, New York, New York, as trustee for the Refunded Bonds, to purchase certain investment securities, the principal of and interest on which, when due, together

with uninvested cash, will provide moneys sufficient to pay the principal of and interest on the outstanding Refunded Bonds to their December 1, 2019 redemption date.

ESTIMATED SOURCES AND USES OF FUNDS

The following are the expected sources and uses of funds with respect to the issuance of the Series 2019 Bonds:

Sources of Funds

Principal Amount of Series 2019 Bonds	\$87,540,000
Premium	24,244,464
Accrued Interest Contribution	<u>1,417,243</u>
Total Sources	<u>\$113,201,707</u>

Use of Funds

Refunding Deposit	\$112,164,640
Costs of Issuance ¹	<u>1,037,067</u>
Total Uses	<u>\$113,201,707</u>

¹ Includes Underwriters' compensation and other costs of issuance.

DESCRIPTION OF THE SERIES 2019 BONDS

The following is a summary of certain provisions of the Series 2019 Bonds. Reference is made to the Series 2019 Bonds for the complete text thereof and to the Resolution for a more detailed description of such provisions. The discussion herein is qualified by such reference.

General

The Series 2019 Bonds will be dated the date of their initial issuance, will mature on the dates and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page of this Official Statement. The Series 2019 Bonds are subject to redemption prior to maturity as described herein and shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from their date until maturity, payable on December 1, 2019, and each June 1 and December 1 thereafter. The principal of and interest on the Series 2019 Bonds shall be payable as set forth below under the caption "BOOK-ENTRY ONLY SYSTEM" or as otherwise provided in the Resolution. The Bank of New York Mellon, New York, New York, will serve as Trustee for the Bonds, including the Series 2019 Bonds, under the General Resolution.

The Series 2019 Bonds will be issued in fully registered form in Minimum Authorized Denominations (\$5,000 and any integral multiple thereof), registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York, or such other name as may be requested by an authorized representative of DTC, DTC acts

as securities depository (the “Securities Depository”) for the Series 2019 Bonds. Individual purchases may be made only in book-entry form, and purchasers will not receive certificates representing their interests in the Series 2019 Bonds purchased. Except as provided in the General Resolution, so long as Cede & Co, or such other nominee of DTC is the registered owner of the Series 2019 Bonds, references herein to “Owners,” “Bondholders” or “Registered Owners” mean Cede & Co, and not the Beneficial Owners of the Series 2019 Bonds. In this Official Statement, the term “Beneficial Owner” means the person for whom its DTC Direct Participant or Indirect Participant, as applicable, (collectively, “Participants”) acquires an interest in the Series 2019 Bonds, See “BOOK-ENTRY ONLY SYSTEM.”

Redemption

Optional Redemption of Series 2019 Bonds. The Series 2019 Bonds are subject to optional redemption by the Trust, at the direction of the Institution, in whole or in part, at any time and in any order from the maturities designated by the Institution, on or after December 1, 2029, at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

Right of New York State to Require Redemption of the Series 2019 Bonds. The Act provides that the State of New York may, upon furnishing sufficient funds therefor, require the Trust to redeem, as a whole, any issue of the Trust’s bonds, including the Series 2019 Bonds, on any interest payment date for such bonds that is not less than 20 years after the date of issue of such bonds. The Act states that any such redemption of Trust bonds shall be at a price equal to “one hundred five per centum of their face value and accrued interest or at such lower redemption price as may be provided in the bonds in case of the redemption thereof as a whole on the redemption date”. The Resolution provides that the Trustee is required to give notice, in the name of the Trust, of the redemption of Series 2019 Bonds, however, if the Series 2019 Bonds are authorized and issued as Book Entry Bonds, notice of redemption is to be provided in accordance with the operational arrangements of the Securities Depository.

Selection of Series 2019 Bonds to be Redeemed

If less than all of the Series 2019 Bonds of a maturity are to be redeemed, the particular Series 2019 Bonds to be redeemed shall be selected by lot or as the Trustee shall deem fair and appropriate in its discretion in accordance with the provisions of the General Resolution for the selection of Series 2019 Bonds to be redeemed in part.

Purchase in Lieu of Optional Redemption

Whenever the Series 2019 Bonds are subject to optional redemption, such Series 2019 Bonds may instead be purchased at the election of the Institution at a purchase price equal to the redemption price. The Institution shall give written notice thereof and of the Series 2019 Bonds and the maturities of Series 2019 Bonds to be so purchased to the Trust and the Trustee. The Trustee shall select the particular Series 2019 Bonds of such maturities to be so purchased by lot in accordance with the provisions of the General Resolution for the selection of Series 2019 Bonds to be redeemed in part. Promptly thereafter, the Trustee shall give notice of the purchase of such Series 2019 Bonds at the times and in the manner provided in the General Resolution for

the notice of redemption. All such purchases may be subject to conditions to the obligation of the Institution to purchase such Series 2019 Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required above, then, if sufficient money to pay the purchase price of such Series 2019 Bonds is held by the Trustee, the purchase price of the Series 2019 Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase. The General Resolution provides that a purchased Series 2019 Bond shall not be considered to cease to be Outstanding solely by virtue of its purchase, that each such purchased Series 2019 Bond that is not a Book-Entry Bond shall be registered in the name or at the direction of the Institution, and that the Institution may not exercise certain rights that are provided to other holders of such Series 2019 Bonds thereunder.

Notice and Effect of Redemption

Notice of redemption is to be provided in accordance with the operational arrangements of the Securities Depository, but in any event, notice of redemption is to be provided to Registered Owners not less than 20 and not more than 60 days prior to any proposed optional redemption date.

The General Resolution provides that, in the case of any optional redemption of the Series 2019 Bonds, such notice shall state that such redemption is conditional upon the deposit of moneys with the Trustee on or before the date fixed for redemption in the necessary amount to redeem such Series 2019 Bonds. If notice of redemption has been duly given and if money for the payment of the redemption price of the Series 2019 Bonds or portions thereof to be redeemed is held by the Trustee, then on the optional redemption date, the Series 2019 Bonds or portions thereof so called for redemption shall become payable at the redemption price specified in such notice and that from and after the optional redemption date, interest thereon or on portions thereof so called for redemption shall cease to accrue, such Series 2019 Bonds or portions thereof shall cease to be Outstanding under the Resolution and to be entitled to any benefit, protection or security thereunder, and the Registered Owners of such Series 2019 Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price upon delivery of such Series 2019 Bonds to the Trustee.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (DTC), New York, New York, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond will be issued for each maturity of the Series 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2019 Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of

the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2019 Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry-only system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or

regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trust as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Trust or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Trust, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trust or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Trust or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2019 Bonds are required to be printed and delivered.

The Trust may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2019 Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE TRUST BELIEVES

TO BE RELIABLE, BUT THE TRUST TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SECURITY FOR THE SERIES 2019 BONDS

General

The Series 2019 Bonds and any other Additional Bonds hereafter issued under the General Resolution will constitute limited obligations of the Trust, secured solely by and payable solely from the “Trust Estate” which includes: (i) the Loan Payments required to be made by the Institution pursuant to the Loan Agreement (the “Revenues”); (ii) all moneys and investments in funds and accounts established under the Resolution (including proceeds of all Bonds, but excluding the Rebate Fund and any Bond Purchase Fund and interest earned and gains realized thereon); provided, however, that all additional accounts and subaccounts thereunder created with respect to any Series of Bonds, if so designated in the Resolution, shall be pledged solely for the benefit, security and protection of the owners of the applicable Series of Bonds and, in connection with a Series of Bonds that may in the future be secured by a Credit Enhancement or a Liquidity Facility, the related Credit Enhancement Provider, or Liquidity Facility Issuer, and interest earned and gains realized on such funds; (iii) all income and gains, and the proceeds of such income and gains on such funds, received by the Trust under the General Resolution; and (iv) all of the Trust’s right, title and interest in and to the Loan Agreement, excluding only the rights to all Additional Payments (as described herein) and the Trust’s rights to obtain notices and make consents and amendments thereunder relating thereto but including, without limitation, the immediate and continuing right to receive and collect Revenues.

Under the terms of the Loan Agreement, the Institution has agreed to pay to the Trust, in addition to all other payments of any nature due under the Loan Agreement, the Loan Payments which shall be sufficient to pay the principal of, redemption premium (if any) and interest on the Bonds Outstanding under the Resolution, whether at maturity, upon redemption, acceleration or otherwise, and to pay the purchase price of any Bonds required to be purchased pursuant to the Resolution at the times required thereby (but only to the extent certain other funds are not available therefor). The Institution has agreed in the Loan Agreement that the obligation to make the Loan Payments shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, counter-claim or deduction and without any rights of suspension, deferment, diminution or reduction the Institution might otherwise have. The Institution has agreed in the Loan Agreement that until such time as no Bonds are deemed Outstanding under the Resolution, the Institution: (i) will not suspend or discontinue any Loan Payments except to the extent that the same have been prepaid; and (ii) will not terminate the provisions of the Loan Agreement with respect to the Bonds for any cause including, without limiting the generality of the foregoing, any failure on the part of the Trust to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Loan Agreement. Under the terms of the General Resolution, the Loan Payments have been pledged and assigned to the Trustee as security for the payment of the Bonds.

Moneys on deposit in the Debt Service Fund, including all income earned on such moneys from the temporary investment thereof, shall be used solely for the payment of the principal of, redemption premium (if any) and interest on the Bonds as the same shall become

due and payable or as otherwise permitted by the Resolution; provided, however, that if Credit Enhancement is provided with respect to any Series of Additional Bonds, moneys received from or with respect to such Credit Enhancement may be applied only to the payment of amounts due on the Series of Additional Bonds with respect to which such Credit Enhancement was issued. No Credit Enhancement will be provided with respect to the Series 2019 Bonds.

The Series 2019 Bonds are not a debt of the State, the City or any other municipality of the State, and neither the State, the City, nor any other municipality of the State, shall be liable on the Series 2019 Bonds. The Trust has no taxing powers. The Series 2019 Bonds are special revenue obligations of the Trust, payable solely from the sources provided under the Resolution.

Moneys or investments in the Rebate Fund created under the Resolution are not available for the payment of any Bonds.

Loan Agreement

The Loan Agreement is a general, unsecured obligation of the Institution and obligates the Institution to make payments which shall be sufficient to pay the principal of, redemption premium (if any) and interest on the Bonds outstanding under the Resolution, whether at maturity, upon redemption, acceleration or otherwise. Under the terms of the Resolution, the Loan Payments have been pledged and assigned to the Trustee as security for the payment of the Bonds. ***Neither the Series 2019 Bonds nor the Institution's obligations under the Loan Agreement are secured by a pledge of or mortgage on any specific revenues, assets or property of the Institution.*** The Loan Agreement does not limit the Institution's authority to incur additional debt or place liens on, or otherwise dispose of, its revenues, assets or property. For information concerning the financial affairs and condition of the Institution and a description of other outstanding indebtedness of the Institution and the security therefor, see "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS" and "APPENDIX A — THE CARNEGIE HALL CORPORATION — Management Discussion of Financial Performance." See also "APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT."

Additional Bonds

Subsequent to the issuance of the Series 2019 Bonds, the Trust may at any time and from time to time issue, deliver and secure under the General Resolution one or more Series of Additional Bonds for the purposes described in the General Resolution, including: (i) financing the cost of any projects of the Institution; or (ii) refunding or refinancing all or any portion of any Series of Bonds, of other bonds issued by the Trust for the benefit of the Institution or of other debt of the Institution. Prior to the issuance of any such Series of Additional Bonds certain conditions must be satisfied. See "APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION — Authorization and Issuance of Bonds."

Any such Series of Additional Bonds may provide for a maturity date or maturity dates, interest payment dates and record dates of such additional Series of Bonds different from those of the Series 2019 Bonds, an interest rate or rates per annum (including a maximum rate, if

applicable) or the manner of determining such rates that are different from the rate or rates or method of determination applicable to the Series 2019 Bonds, and terms and conditions (including redemption premiums, if any) for the redemption (by sinking fund or otherwise) of any such Series of Additional Bonds different from those of the Series 2019 Bonds. In addition, any such Series of Additional Bonds may be secured by interests in funds established under the Resolution, or in other assets, not available as security for the Series 2019 Bonds.

Except as described above with respect to any Credit Enhancement or Liquidity Facility provided with respect to any particular Series of Bonds or pledges or accounts established with respect to any particular Series of Bonds, any such additional Series of Bonds shall rank on a parity as to liens on the Trust Estate with the Series 2019 Bonds in the manner provided in the General Resolution.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table shows the Institution's estimated debt service requirements with respect to the Series 2019 Bonds.

Bond Year <u>December 1⁽¹⁾</u>	<u>Series 2019 Bonds</u>		<u>Total Debt Service</u>
	<u>Principal Installments</u>	<u>Interest</u>	
2019	-	\$1,045,617	\$1,045,617
2020	\$1,200,000	4,377,000	5,577,000
2021	1,435,000	4,317,000	5,752,000
2022	1,680,000	4,245,250	5,925,250
2023	1,940,000	4,161,250	6,101,250
2024	2,220,000	4,064,250	6,284,250
2025	2,520,000	3,953,250	6,473,250
2026	2,840,000	3,827,250	6,667,250
2027	3,185,000	3,685,250	6,870,250
2028	3,550,000	3,526,000	7,076,000
2029	3,940,000	3,348,500	7,288,500
2030	4,355,000	3,151,500	7,506,500
2031	5,500,000	2,933,750	8,433,750
2032	4,800,000	2,658,750	7,458,750
2033	5,265,000	2,418,750	7,683,750
2034	5,755,000	2,155,500	7,910,500
2035	6,280,000	1,867,750	8,147,750
2036	6,840,000	1,553,750	8,393,750
2037	7,435,000	1,211,750	8,646,750
2038	8,065,000	840,000	8,905,000
2039	<u>8,735,000</u>	<u>436,750</u>	<u>9,171,750</u>
Total	<u>\$87,540,000</u>	<u>\$59,778,867</u>	<u>\$147,318,867</u>

⁽¹⁾ Includes June 1 and December 1 debt service requirements (e.g., Bond Year 2020 includes June 1, 2020 debt service requirements).

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

Prospective purchasers of the Series 2019 Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in the Series 2019 Bonds. Purchase of the Series 2019 Bonds involves investment risk. Accordingly, prospective purchasers should consider carefully the following investment considerations and risk factors, in addition to the other information concerning the Institution contained in this Official Statement, before purchasing the Series 2019 Bonds offered hereby.

Written or oral statements made by the Trust, the Institution, the Underwriters or their respective representatives, including statements describing their respective objectives, estimate, expectations or predictions of the future may be “forward-looking statements,” which can be identified by use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “estimates,” “anticipates” or the negative thereof or other variations thereon. The Trust, the Institution, and the Underwriters caution that, by their nature, forward-looking statements involve risk and uncertainty and that the actual results achieved by the Institution could differ materially from those expressed or implied in such forward-looking statements or could affect the extent to which a particular projection is realized. Some of the factors which may affect the actual results of the Institution are described below.

Limited Obligations of the Trust

The Series 2019 Bonds are limited obligations of the Trust payable exclusively from the Trust Estate and payments made to the Trust by the Institution pursuant to the Loan Agreement, which payments are pledged under the Resolution. In addition, the Series 2019 Bonds are not a debt of the State or the City or any other municipality of the State and none of the State, the City, nor any other municipality of the State, shall be liable on the Series 2019 Bonds. No owner of any Series 2019 Bond shall have the right to compel the taxing power of the State, the City or any other municipality of the State to pay the principal of or interest on the Series 2019 Bonds. The Trust has no taxing powers. See “SECURITY FOR THE SERIES 2019 BONDS.”

Unsecured Obligations

The payment obligations of the Institution under the Loan Agreement constitute general unsecured debt obligations and no specific revenues, property or assets of the Institution are pledged to pay debt service on the Series 2019 Bonds. In the event of a default and the exercise by the Trustee of remedies available to it, the Trustee would be an unsecured creditor with no rights to any specific revenues, property or assets of the Institution. See “SECURITY FOR THE SERIES 2019 BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS - Institution Revenues and Expenses.”

Institution Revenues and Expenses

No representation or assurance can be given that the Institution will generate sufficient revenues to meet the Institution’s payment obligations under the Loan Agreement and to continue its operations as described herein without limitation. In common with many comparable organizations, the Institution’s operating budget has for many years included a

substantial percentage of operating revenues that have been derived from the investment of endowment and other funds and from unrestricted current gifts. Revenues from the investment of endowment and from unrestricted current gifts may be adversely affected by future general financial market and economic conditions and the Institution may not be able to compensate fully for any resulting reduction in operating revenues from other currently identifiable sources or by a continued reduction in expenses. See “APPENDIX A — THE CARNEGIE HALL CORPORATION — Operating Expenses, Revenues, Contributions and Grants”, “— Management Discussion of Financial Performance”, and — “Investments” and “APPENDIX B — THE CARNEGIE HALL AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017.”

Investment Risks

The Institution derives a portion of its annual revenues from the investment of its endowment and quasi-endowment funds in various publically traded and private investment securities. Investment securities are exposed to various risks such as interest rate, market, legal and the operating performance of the underlying businesses, which impact investment valuations. Due to risks associated with investing in general, it is possible that changes in the values of investment securities could occur that might negatively impact the aggregate value of such endowment and quasi-endowment funds and the Institution’s total assets. See “APPENDIX A — THE CARNEGIE HALL CORPORATION — Management Discussion of Financial Performance,” — Spending Policy” and — “Investments” and “APPENDIX B — THE CARNEGIE HALL CORPORATION AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017.”

Damage or Destruction of the Institution’s Facilities

The Carnegie Hall Building and other facilities utilized by the Institution (collectively, the “Institution’s Facilities”) could be subject to damage or destruction, in whole or in part. If an event occurs that materially damages, or causes a material loss of the availability of, the Institution’s Facilities, the resulting economic losses to the Institution, which might include a reduction of revenues from affected activities and programs of the Institution, might exceed its applicable insurance coverage. The amount of such insurance coverage might not be sufficient to replace or rebuild the Institution’s Facilities. In addition, the Series 2019 Bonds will not be subject to any extraordinary mandatory or optional catastrophe call or redemption in the event of any such damage or destruction. See “APPENDIX A — THE CARNEGIE HALL CORPORATION” and “APPENDIX B — THE CARNEGIE HALL AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017.”

Additional Bonds

Additional Bonds may be issued under the Resolution and, if issued, will be secured on a basis of parity with the Series 2019 Bonds. See “SECURITY FOR THE SERIES 2019 BONDS,” “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT.”

Additional Indebtedness

The Institution may issue, incur or assume additional indebtedness without limitation, subject to compliance with the requirements of the Resolution and the Loan Agreement. See “SECURITY FOR THE SERIES 2019 BONDS” and “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT.” Any such indebtedness may be secured by a lien upon the Institution’s revenues or assets or by a mortgage on or security interest in property of the Institution without granting to the Trust any security interest in such property to secure the Institution’s obligations under the Loan Agreement. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument will have the right to foreclose the lien on such property, and apply the money so collected to the payment of amounts due under such debt instrument. Until any such senior debt is repaid in full, any money so collected and applied will not be available for satisfying any of the Institution’s obligations under the Loan Agreement.

Matters Relating to Enforceability

The practical realization of any rights upon any default by the Institution will depend upon the exercise of various remedies specified in the Resolution and the Loan Agreement. Any attempt by the Trustee to enforce these remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Resolution and the Loan Agreement may not be readily enforceable. For example, a court may decide not to order the specific performance of the covenants contained in these documents if it determines that monetary damages will be an adequate remedy. In the event of a bankruptcy of the Institution, the federal bankruptcy laws may delay or prevent the enforcement by the Trustee and the Bondholders of their claim to the Trust Estate, which could delay or prevent payment of debt service on the Series 2019 Bonds.

All legal opinions with respect to the enforceability of legal documents will be expressly subject to a qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditor’s rights generally and by applicable principles of equity.

Tax Exemption for the Series 2019 Bonds

Interest on the Series 2019 Bonds could become includable in gross income for federal income tax purposes (including, in certain circumstances, from the issuance date of the Series 2019 Bonds) in the event of the failure of the Trust or the Institution to comply with certain covenants contained in the Resolution and the Loan Agreement, respectively. Upon the occurrence of such an event of taxability, there is no provision for mandatory redemption of the Series 2019 Bonds. In such event, the owners of the Series 2019 Bonds might incur a significant tax liability and might be unable to sell, or might suffer a loss in selling, their Series 2019 Bonds. Receipt of interest on the Series 2019 Bonds may have ancillary federal tax consequences to the recipient. The Trust and the Institution will covenant to maintain the tax-exempt status of the Series 2019 Bonds. See “TAX MATTERS” and “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT-Tax Covenant.

Changes in Law

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2019 Bonds and for federal or state income tax purposes, and thus on the value or marketability of the Series 2019 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2019 Bonds from gross income for federal or state income tax purposes, or otherwise. See “TAX MATTERS.”

Basis of Ratings

The ratings that are assigned to the Series 2019 Bonds upon their initial issuance are based upon the current ratings of the respective rating agencies. The Institution has not covenanted to maintain the applicability of such ratings to the Series 2019 Bonds. The financial condition and affairs of the Institution, and the evaluations of the respective rating agencies of such matters, may change in a manner which could cause one or more of the rating agencies to suspend, lower or withdraw the rating that it has previously assigned to the Series 2019 Bonds. Any such adverse rating action, or any statement by a rating agency that it is considering such an action with respect to the Series 2019 Bonds, may adversely affect the market value of the Series 2019 Bonds and the existence of a secondary market for the Series 2019 Bonds. See “RATINGS.”

Secondary Markets and Prices

The Underwriters will not be obligated to repurchase any of the Series 2019 Bonds, and no representation is made concerning the existence of any secondary market for the Series 2019 Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Series 2019 Bonds and no assurance is given that the initial offering prices for the Series 2019 Bonds will continue for any period of time.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). A copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX F — FORM OF OPINION OF BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the Series 2019 Bonds is less than the amount to be paid at maturity of such Series 2019 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2019 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2019 Bonds is the first price at which a substantial amount of such maturity of the Series 2019 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of Underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2019 Bonds accrues daily over the term to maturity of such Series 2019 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2019 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2019 Bonds. Beneficial Owners of the Series 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2019 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2019 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2019 Bonds is sold to the public.

Series 2019 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2019 Bonds. The Trust and the Institution have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2019 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2019 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2019 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2019 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2019 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied, among other things, on the opinion of Nixon Peabody LLP, special counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code and the intended operation of the facilities to be financed or refinanced by the Series 2019 Bonds as substantially related to the Institution's charitable purpose under Section 513(a) of the Code. Such opinion is subject to a number of qualifications and limitations. Furthermore, special counsel to the Institution cannot give and has not given any opinion or assurance about the future activities of the Institution, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed or refinanced by the Series 2019 Bonds in a manner that is substantially related to the Institution's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series 2019 Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2019 Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes, and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2019 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2019 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Trust or the Institution, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Trust and the Institution have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2019 Bonds ends with the issuance of the Series 2019 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Trust, the Institution or the Beneficial Owners regarding the tax-exempt status of the Series 2019 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Trust, the Institution and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Trust or the Institution legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2019 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2019 Bonds, and may cause the Trust, the Institution or the Beneficial Owners to incur significant expense.

LITIGATION

There is no litigation pending or, to the knowledge of the Trust or the Institution, threatened, against the Trust or the Institution, respectively, in any court to restrain or enjoin the issuance or delivery of the Series 2019 Bonds, or the collection of Loan Payments pledged or to be pledged to pay the principal of and interest on the Series 2019 Bonds, or in any way contesting or affecting the validity of the Series 2019 Bonds, the Resolution or the Loan Agreement or in any way questioning the tax-exemption of interest on the Series 2019 Bonds.

There is no material litigation pending or, to the knowledge of the Trust, threatened against the Trust or involving any of the property or assets under the control of the Trust.

There is no material litigation pending or to the knowledge of the Institution threatened against the Institution or involving any of the property or assets under its control.

CONTINUING DISCLOSURE INFORMATION

The Trust has determined that no financial or operating data concerning the Trust is material to any decision to purchase, hold or sell the Series 2019 Bonds and the Trust will not provide any such information. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission, the Institution has undertaken all responsibilities for any continuing disclosure to Bondholders as provided below, and the Trust shall have no liability with respect to such disclosures. The Institution has covenanted for the benefit of the holders of the Series 2019 Bonds that, consistent with the Rule, the Institution will provide or cause a dissemination agent to provide: certain annual financial and operating information for the Institution, including audited financial statements of the Institution for each fiscal year ending on and after June 30, 2019, and notices of certain events with respect to the Series 2019 Bonds, including principal and interest payment delinquencies; non-payment related defaults, if material; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue

(IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2019 Bonds, or other material events affecting the tax status of the Series 2019 Bonds; modifications to rights of security holders, if material; bond calls, if material, defeasances; bankruptcy, insolvency, receivership or similar event of the Institution; rating changes; tender offers; the consummation of a merger, consolidation, or acquisition involving the Institution or the sale of all or substantially all of the assets of the Institution, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; appointment of a successor or additional trustee or the change of name of the Trustee, if material; release, substitution, or sale of property securing repayment of the Series 2019 Bonds, if material; incurrence of a financial obligation of the Institution, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Institution, any of which affect security holders, if material, and default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Institution, any of which reflect financial difficulties. The annual financial and operating information referred to above and the notices of the events referred to above will be provided to the Municipal Securities Rulemaking Board (“MSRB”). The continuing obligation to provide annual financial information and notices referred to above will terminate with respect to the Series 2019 Bonds when the Series 2019 Bonds are no longer Outstanding. Any failure by the Institution to comply with foregoing will not constitute a default with respect to the Series 2019 Bonds. See “APPENDIX G — PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT.”

The Institution previously entered into a continuing disclosure agreement with respect to the Refunded Bonds, whereby the Institution undertook to annually provide certain financial and operating information, similar to the agreement to provide continuing disclosure to be entered into by the Institution in connection with the Series 2019 Bonds. The Institution has made timely filings of its annual audited financial statements. However, the Institution did not provide timely filings of other required annual financial and operating information for fiscal years ended 2014 through 2018, and such annual financial and operating information failed to include data in the required formats. The Institution has since filed its annual report (or excerpts thereof) for fiscal years ended 2014 through 2018 and implemented procedures to ensure that it will be able to make all required continuing disclosure filings with respect to the Series 2019 Bonds.

CERTAIN RELATIONSHIPS

A member of the Institution’s Board is currently employed by Bank of America Corporation, an affiliate of BofA Securities, Inc. One member of the Institution’s Board is an advisory director of Morgan Stanley & Co. LLC and Chairman of Morgan Stanley Saudi Arabia. Another member of the Institution’s Board is a member of the Board of Directors of Morgan Stanley & Co. LLC. BofA Securities, Inc. and Morgan Stanley & Co. LLC will act as underwriters in connection with the issuance of the Series 2019 Bonds. See “UNDERWRITING”.

UNDERWRITING

The Series 2019 Bonds are being purchased by BofA Securities, Inc., on behalf of itself and as representative of Morgan Stanley & Co. LLC (collectively, the “Underwriters”). The Underwriters have agreed to purchase the Series 2019 Bonds from the Trust at a purchase price of \$111,531,672.93, representing the principal amount of the Series 2019 Bonds, plus premium in the amount of \$24,244,464.10, less an underwriters’ discount of \$252,791.17. The Underwriters will purchase the Series 2019 Bonds pursuant to a purchase contract for the Series 2019 Bonds entered into by and among the Underwriters, the Trust and the Institution. The obligation of the Underwriters to accept delivery of the Series 2019 Bonds is subject to various conditions contained in the purchase contract. The Underwriters will be obligated to purchase all of the Series 2019 Bonds if any Series 2019 Bonds are purchased.

BofA Securities, Inc., one of the Underwriters of the Series 2019 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019 Bonds.

Morgan Stanley & Co. LLC, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2019 Bonds.

The Institution has agreed to indemnify the Underwriters against certain liabilities arising out of, or relating to, misstatements in or omissions from this Official Statement or from materials supplied by the Institution in writing in connection with the offering of the Series 2019 Bonds.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Trust and the Institution for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Trust and/or the Institution (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Trust and/or the

Institution. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

S&P Global Ratings (“S&P”) has assigned a rating of “A+” (stable outlook) to the Series 2019 Bonds. Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “A1” (stable outlook) to the Series 2019 Bonds.

Such ratings reflect only the views of the respective rating organizations, and any explanation of the meaning or significance of the rating may only be obtained from the respective rating agency, as follows: from S&P, 55 Water Street, New York, New York 10041; and from Moody’s, 7 World Trade Center, New York, New York 10007. Generally, rating agencies base their ratings on their own investigation, studies and assumptions. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in their judgment circumstances so warrant. A change in one or more of the ratings initially assigned to the Series 2019 Bonds could result from events affecting either rating agency’s evaluation of the financial condition or affairs of the Institution. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of Series 2019 Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2019 Bonds are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. The approving opinion of Bond Counsel will be in substantially the form attached to this Official Statement as “APPENDIX F — PROPOSED FORM OF OPINION OF BOND COUNSEL.” Certain legal matters concerning the Trust will be passed on for the Trust by its counsel, Bryant Rabbino LLP, New York, New York. Certain legal matters will be passed upon for the Institution by its Special Financing Counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed on for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York.

LEGAL INVESTMENTS

The Act provides that the Series 2019 Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to

them. The Act further provides that the Series 2019 Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

FINANCIAL ADVISOR

The Yuba Group LLC, also known as Yuba Group Advisors, is serving as financial advisor to the Institution (the “Financial Advisor”) in connection with the issuance of the Series 2019 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Financial Advisor is a financial advisory and consulting organization, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments. Payment of the Financial Advisor’s fee for services rendered with respect to the sale of the Series 2019 Bonds is contingent upon the issuance and delivery of the Series 2019 Bonds.

INDEPENDENT AUDITORS

The financial statements of the Institution as of June 30, 2018 and 2017 and for the fiscal years then ended, included in this Official Statement in “APPENDIX B — THE CARNEGIE HALL CORPORATION AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017”, have been audited by KPMG LLP, independent auditors, as stated in their report appearing herein. KPMG LLP has not been engaged to perform and has not performed, since the date of its report included in APPENDIX B, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

MISCELLANEOUS

The references herein to the Act, the Resolution, the Loan Agreement and the Continuing Disclosure Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such statute and documents for full and complete statements thereof. The agreements of the Trust with the holders of the Series 2019 Bonds are fully set forth in the Resolution, and neither any advertisement of the Series 2019 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2019 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the principal corporate trust offices of the Trustee, which at the date hereof are located at The Bank of New York Mellon, 240 Greenwich Street, New York, New York 10286.

The Institution has reviewed the information contained herein with respect to it, its facilities, its operations and its financial condition and has approved all such information for use in this Official Statement.

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APPENDIX A

THE CARNEGIE HALL CORPORATION

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CARNEGIE HALL

Introduction

When Andrew Carnegie laid the cornerstone of his new Music Hall in 1890, he proclaimed his desire that “all causes may here find a place.” Throughout the decades, pioneering political and social figures and leading classical, jazz, R&B, hip-hop, and popular music icons have graced Carnegie Hall’s stages. Carnegie Hall has been the place to find distinguished talent in almost every genre of music, as well as a prominent public forum for a range of causes.

The Carnegie Hall Corporation (“**Carnegie Hall**” or the “**Institution**”) is the surviving entity resulting from the merger on June 30, 2017, of the Institution and The Carnegie Hall Society, Inc. (the “**Society**”). Starting in 1960, Carnegie Hall functioned through two legal entities, the Institution and the Society, both New York not-for-profit corporations exempt from U.S. federal income tax. The Institution was formed by an act of the New York State Legislature in 1960, approximately three weeks after the Society was incorporated as a not-for-profit corporation under New York’s Membership Corporation Law. Both of these entities were established as part of efforts aimed at saving the building known as Carnegie Hall (the “**Carnegie Hall Building**”) from demolition in the mid-1950s.

The Institution was formed for charitable and educational purposes, including owning or leasing, and managing and operating, the Carnegie Hall Building as an auditorium and facility for musical concerts, symphonies, recitals and instruction, cultural displays, lectures and exhibits, public assembly and other charitable and educational purposes and activities.

Several months after the Society was incorporated, its purposes, as contained in its certificate of incorporation, were amended by removing the purposes related to leasing and managing the Carnegie Hall Building and other real property, and adding a purpose related to administering funds for the “perpetuation, maintenance and use of the Carnegie Hall Building and other structures and institutions exclusively for educational, literary, scientific, religious and related purposes.”

In the ensuing years, the Institution was responsible for the operations of the Carnegie Hall Building and related activities (including as the counterparty to employment contracts, the lease with New York City of the Carnegie Hall Building, and other operations-related contracts) while the Society was responsible for holding and investing endowment funds and other assets for the benefit of the Institution. The June 2017 merger resulted in greater administrative and operational efficiencies and increased transparency to donors, program participants and the public. Carnegie Hall’s operations, staff and leadership were unaffected by the merger.

New York City owns the Carnegie Hall Building and adjoining property in midtown Manhattan, and, in 1960, New York City entered into the original lease with the Institution for these spaces. The lease was amended in 1987. Simultaneously with the amendment of the lease, the Institution subleased the adjoining property to a real estate developer for the construction of an office building, the Carnegie Hall Tower. Both the lease and the sublease expire in 2086.

The Institution today presents a wide range of performances each season on its three stages—the Stern Auditorium/Perelman Stage, Weill Recital Hall, and Zankel Hall.

The board of the Institution has adopted the following mission statement:

Carnegie Hall’s mission is to present extraordinary music and musicians on the three stages of this legendary hall, to bring the transformative power of music to the widest possible audience, to provide visionary education programs, and to foster the future of music through the cultivation of new works, artists, and audiences.

Board of Trustees

The Institution’s Board of Trustees (the “Board”) serves staggered three-year terms. The Board also has authority to create non-voting trustees, which currently include Artist Trustees, a Trustee Fellow, Advisory Directors, Honorary Trustees, and *Ex Officio* Trustees. The following is a current list of the officers and trustees of the Institution:

OFFICERS

Robert F. Smith, *Chairman*⁽¹⁾

Sanford I. Weill, *President*⁽¹⁾

Mercedes T. Bass, *Vice Chair*⁽¹⁾

Clarissa Alcock Bronfman, *Vice Chair*⁽¹⁾

Sarkis Jebejian, *Secretary*⁽¹⁾

Thomas G. Maheras, *Treasurer*^(1,3,4)

Clive Gillinson, *Executive and Artistic Director*

TRUSTEES

Mercedes T. Bass⁽¹⁾
Norton Belknap
Olivier Berggruen
Giancarla Berti
Kenneth J. Bialkin
Len Blavatnik
Ronald E. Blaylock
Aryeh B. Bourkoff
Clarissa Alcock Bronfman⁽¹⁾
Nicola Bulgari
Valentino D. Carlotti
Richard A. Debs^(1,4)
Gregory T. Durant^(2,3)
Judith W. Evnin
Anne M. Finucane⁽¹⁾
Marina Kellen French
Sabrina Fung
Clive Gillinson
Kelly Grier
Stephen R. Howe Jr.⁽²⁾

Sarkis Jebejian⁽¹⁾
Robert W. Jones⁽⁴⁾
Michael ByungJu Kim
Suzie Kovner
Michael E. Liebowitz
Terry J. Lundgren⁽¹⁾
Thomas G. Maheras^(1,3,4)
Andrew J. Martin-Weber
Harold McGraw III⁽²⁾
Lester S. Morse Jr.
Clarke Murphy⁽¹⁾
Dennis M. Nally^(1,2)
Joshua Nash^(1,4)
Charles B. Ortner
Gbenga Oyeboode
Emily K. Rafferty
Don M. Randel
Susan W. Rose
Joshua Ruch⁽³⁾
Sana H. Sabbagh
Jean E. Salata⁽⁴⁾

Suki Sandler
Beatrice Santo Domingo
Thomas P. Sculco, M.D.
Tracy Chutorian Semler
Stanley S. Shuman^(1,3)
David M. Siegel
A.J.C. Smith⁽³⁾
Robert F. Smith⁽¹⁾
Sarah Billinghamurst Solomon
Sir Martin Sorrell
Kurt G. Strovink⁽¹⁾
Richard Tsai
Igor Tulchinsky
Linda Wachner
Darren Walker
Roy Weathers⁽²⁾
Sanford I. Weill⁽¹⁾
David S. Winter⁽³⁾
James D. Wolfensohn
Judy Francis Zankel

⁽¹⁾ Executive Committee; ⁽²⁾ Audit Committee; ⁽³⁾ Finance and Operations Committee; and ⁽⁴⁾ Investment Committee.

ARTIST TRUSTEES*

Martina Arroyo	Isabel Leonard
Emanuel Ax	Yo-Yo Ma
Joyce DiDonato	Jessye Norman
Renée Fleming	Audra McDonald
Marilyn Horne	James Taylor
Lang Lang	

TRUSTEE FELLOW*

Robert F. Arning

ADVISORY DIRECTORS*

Jane Chu	Tracy Long
David Dwek	John Morning
Alan Fleischmann	Kathryn Steinberg
Mary E. Klein	Dafna Tapiero
Firoz Ladak	Simon D. Yates
Sherry Liu	

HONORARY TRUSTEES*

Laura H. Pomerantz	S. Donald Sussman
Burton P. Resnick	George T. Wein
The Hon. Felix G. Rohatyn	

EX OFFICIO TRUSTEES*

Bill de Blasio, *Mayor of The City of New York*
Corey Johnson, *Speaker, New York City Council*
Scott M. Stringer, *Comptroller of the City of New York*
Gale A. Brewer, *Manhattan Borough President*
Tom Finkelpearl, *Commissioner, NYC Department of Cultural Affairs*

* Artist Trustees, Trustee Fellows, Advisory Directors, Honorary Trustees and Ex Officio Trustees are non-voting.

Organization and Management

The operations of the Institution are currently managed by an Executive and Artistic Director and implemented by a staff of approximately 425 employees. For more information, see below under the caption “Personnel – Labor and Employment.” Senior executives of the Institution are as follows:

SIR CLIVE GILLINSON, *Executive and Artistic Director*. Sir Clive Gillinson became Executive and Artistic Director of Carnegie Hall in 2005. Previously, Sir Clive was the Managing Director of the London Symphony Orchestra. Sir Clive joined the London Symphony Orchestra cello section in 1970 and was elected to the Board of Directors of the self-governing orchestra in 1976, also serving as Finance Director. In 1984, he became Managing Director. Sir Clive has served as Chairman of the Association of British Orchestras; was one of the founding Trustees of the National Endowment for Science, Technology and the Arts; and was founding

Chairman of the Management Committee of the Clore Leadership Programme. He was awarded the CBE (Commander of the British Empire) in the 1999 New Year Honours List and received the 2004 Making Music Sir Charles Groves Prize for his outstanding contribution to British music. Sir Clive was appointed Knight Bachelor in the Queen's Birthday Honours List 2005, the first orchestra manager to be honored with a Knighthood.

ANNA WEBER, *General Manager, Artistic and Operations*. Ms. Weber joined Carnegie Hall in 2000 as Director of Program Planning and Operations, and was promoted to General Manager, Artistic and Operations in 2006. Previously, Ms. Weber was the Operations Manager at the New York Philharmonic. Prior to that, she was the Manager of Operations of the New York Youth Symphony Orchestra. Ms. Weber holds a B.A. degree from Cornell University and an Executive M.B.A. degree from Columbia University.

CHRISTOPHER AMOS, *Chief Digital Officer*. Mr. Amos leads Carnegie Hall's digital strategy and oversees digital media initiatives across the organization. Before his appointment as Chief Digital Officer, Mr. Amos was Director, Educational Media and Technology, for Carnegie Hall's Weill Music Institute, a position he held for seven years. Before joining the staff of Carnegie Hall in 2008, Mr. Amos was Director of Electronic Media for the Philadelphia Orchestra, where he also held the position of Assistant Director of Education and Community Partnerships. He is a graduate of the University of Pennsylvania, where he studied music history, theory, and criticism.

MARY BENJAMIN, *Controller*. Ms. Benjamin joined Carnegie Hall in August 2017. Previously, Ms. Benjamin was Chief Treasury Officer at the Metropolitan Museum of Art, and a senior vice president at Citigroup (within Smith Barney's Controller's department). Ms. Benjamin began her career at KPMG and is a Certified Public Accountant. Ms. Benjamin is a graduate of Florida State University.

SUSAN BRADY, *Chief Development Officer*. Ms. Brady joined Carnegie Hall in 2001. Previously, Ms. Brady was the Director of Foundation Relations for The New York Public Library. Prior to that position, Ms. Brady held senior development positions at Meet the Composer, The American Federation of Arts and the Circle Repertory Company. Ms. Brady received a B.A. degree from Tufts University.

SYNNEVE CARLINO, *Chief Communications Officer*. Ms. Carlino has served as Director of Public Affairs since January 2007. Ms. Carlino was previously Vice President for Public Relations of the Chicago Symphony Orchestra Association. Prior to that position, Ms. Carlino's previous experience includes management positions with the Pittsburgh Symphony Orchestra and ALEA III, a Boston-based contemporary music ensemble. Ms. Carlino holds a B.S. degree in public relations/mass communication from Boston University.

SARAH JOHNSON, *Chief Education Officer and Director, Weill Music Institute*. Ms. Johnson became the Director of The Weill Music Institute at Carnegie Hall in April 2007. Previously, Ms. Johnson served as Director of Education and Community Partnerships at The Philadelphia Orchestra, where she was awarded the 2007 MetLife Award for Excellence in Community Engagement by the American Symphony Orchestra League. Ms. Johnson has also served on the faculty of the American Symphony Orchestra League's Orchestra Leadership Academy. Ms. Johnson has worked as a teaching artist with the New York Philharmonic and Lincoln Center Institute. A graduate of The Juilliard School, Ms. Johnson received her

bachelor's and master's degrees in oboe performance. She is a founding member of Ariel Winds, a wind quintet dedicated to educational outreach.

AARON LEVINE, *Chief Information Officer*. Mr. Levine has been Carnegie Hall's Chief Information Officer since 2000. Previously, Mr. Levine held senior positions at the Ford Foundation and KPMG LLP. Mr. Levine is a graduate of the Wharton School, University of Pennsylvania.

PATRICIA LONG, *Chief Financial Officer*. Ms. Long joined Carnegie Hall in March 2015 as Chief Financial Officer. Previously, Ms. Long was Chief Financial Officer and Senior Vice President of the International Rescue Committee. Prior to that, Ms. Long was VP of Finance and Treasurer at Save the Children, and also held a series of senior executive positions at Columbia University. Ms. Long is a graduate of Manhattanville College.

RICHARD MALENKA, *Chief Administrative Officer*. Mr. Malenka joined Carnegie Hall in 1985 and has served in various positions, including Director of the Friends of Carnegie Hall, Director of Major Gifts, and Associate Director of Development. Mr. Malenka's current responsibilities include Capital Projects, Building Operations, and Human Resources. Mr. Malenka is a graduate of Oberlin College.

NIA MONROE, *Director of Human Resources*. Ms. Monroe joined Carnegie Hall in 2016 as the Director of Human Resources. Prior to her current role, she led the human resources team at Artstor. Previously, she managed human resources at various retailers including Christie's Auction House, Coach, and Gilt Groupe. She started her career in the public sector at Fairfax County Government and then worked as a human resources consultant for various organizations. Ms. Monroe has a B.S. in Psychology from Longwood University, and a masters degree in human resources management from Marymount University.

SARA VILLAGIO, *Chief Marketing Officer*. Ms. Villagio joined Carnegie Hall in 2017. Previously, Ms. Villagio served as Director of Marketing at Jazz at Lincoln Center. Prior to that, Ms. Villagio worked in marketing and media relations at Artemis Records. Ms. Villagio holds a Bachelor of Music Industry with Performance Honors (Flute) from Syracuse University, and is a graduate of the Arts & Business Council of New York's Arts Leadership Institute in Executive Education.

VERA ZLATARSKI, *General Counsel*. Ms. Zlatarski has served as General Counsel since 2016. Previously, she was General Counsel and Secretary of Artstor; General Counsel and Secretary of the Rainforest Alliance; and an associate of Cleary, Gottlieb, Steen & Hamilton LLP. Ms. Zlatarski holds a J.D. degree from Columbia Law School and a B.A. from Yale College, and is admitted to the New York State bar.

Concerts and Artistic Presentations

Each season, Carnegie Hall presents approximately 170 performances of its own and more than 500 independently produced events in its three halls—Stern Auditorium/Perelman Stage (2,804 seats), Zankel Hall (599 seats), and Weill Recital Hall (268 seats), as well as public events in Carnegie Hall's Resnick Education Wing. Carnegie Hall's productions include concert series presented throughout the year, curated by preeminent artists from around the world, such as *Perspectives*, in which leading musicians are invited to explore their own personal inspirations, and the annual Richard and Barbara Debs *Composer's Chair*, in which a leading composer is selected each year to showcase his or her musical canon and viewpoints during a

season-long residency. Carnegie Hall presentations throughout the year also include orchestral performances, chamber music, new music concerts, and classical recitals as well as family programming and performances by prominent jazz, world, and popular music artists. These concerts are marketed both as subscription series (organized into approximately 50 concert series each year) and as single events. They are complemented by dozens of free concerts presented by Carnegie Hall each season at community venues throughout New York City as part of the *Carnegie Hall Citywide* series.

An integral component of Carnegie Hall's programming mix is festivals. In 2007, Carnegie Hall launched its first citywide festival, offering audiences the opportunity to explore a compelling and important topic over a series of performances and events. In partnership with many cultural institutions in New York City, these festivals build on musical presentations at Carnegie Hall to create journeys of discovery across the spectrum of the arts, including music, dance, theater, film, and the visual arts. Partner institutions have included the Metropolitan Museum of Art, MoMA, Apollo Theater, The Metropolitan Opera, Asia Society, and many others. Over the last eleven seasons, festival themes have encompassed the music and culture of Berlin, Leonard Bernstein, the African American cultural legacy, China, Japan, Latin America, Vienna, South Africa, the Venetian Republic, and the turbulent cultural landscape of the 1960s in the United States. The most recent festival *Migrations: The Making of America* in spring 2019, was the Institution's largest to date with over 100 events presented by more than 80 festival partners.

As referenced above, the Carnegie Hall Building is also home to more than 500 independently-produced events each season, representing an extension of the longstanding tradition of outside performances presented at the Carnegie Hall Building since it opened as a rental hall in 1891. Today, these events provide an important source of rental income and bring greater variety to the three stages, augmenting the artistic profile of Carnegie Hall and underscoring a long tradition of embracing community and diversity.

Carnegie Hall's Weill Music Institute

Carnegie Hall's Weill Music Institute ("WMI") creates innovative music education and social impact programs that play a central role in fulfilling Carnegie Hall's mission of making great music accessible to as many people as possible. Often drawing upon Carnegie Hall's access to the world's greatest artists, WMI's hands-on programs invite people of all ages to engage with great music in ways that stimulate curiosity and encourage life-long learning.

An integral part of Carnegie Hall's concert season, WMI's initiatives encompass three primary goals.

- They connect with children and families—particularly those who might not otherwise have had access to creative musical experiences—including a deep commitment to providing professional development opportunities for teachers who support the learning of students across the country.
- They focus on nurturing young talent, including developing pathways for young musicians from all backgrounds. This has included the launch over the last six years of Carnegie Hall's three national youth ensembles, featuring some of the best teen players from across the country; *PlayUSA*, which provides support to organizations across the country that provide instrumental instruction to

underserved students; and free after-school and weekend programs for teens from across New York City at the Carnegie Hall Building and neighborhood locations.

- They leverage the power of music through programs that address social issues, catalyze personal growth, and create connections within community. Over the past five years, Carnegie Hall has facilitated *NeONArts*, a groundbreaking partnership with the New York City Department of Probation, which offers free arts programs for people of all ages in community centers in seven neighborhoods. In addition, specially trained teaching artists work with people in healthcare settings; young people facing challenging environments, including involvement with the justice system; parents in difficult circumstances; individuals experiencing homelessness; and those currently incarcerated.

More than half a million people each year now engage in WMI's programs through national and international partnerships, in New York City schools and community settings, and at the Carnegie Hall Building. This includes more than 450,000 students and teachers worldwide who participate in WMI's *Link Up* music education program for students in grades 3 through 5, made possible through partnerships with over 110 orchestras in the United States from Alaska to Florida, as well as internationally in Brazil, Canada, Colombia, Japan, Kenya, and Spain.

Ensemble Connect — A Program of Carnegie Hall, The Juilliard School, and The Weill Music Institute in Partnership with the New York City Department of Education

Aligned with its music education and social impact programs, Carnegie Hall is at the forefront of training the next generation of artists who seek 21st century careers that combine the best in performance with a central commitment to education, advocacy, entrepreneurship, and giving back to their communities. In 2007, Carnegie Hall and The Juilliard School in partnership with the New York City Department of Education created *Ensemble Connect*, a two-year fellowship that invites the finest young professional musicians from across the country to make an impact through remarkable concerts; meaningful partnerships working with teachers and students in New York City public schools; and, through their music, connecting with people across the community in a variety of ways.

Ensemble Connect represents one of the largest and most in-depth collaborations between a cultural institution and New York City public schools. *Ensemble Connect* fellows regularly bring their expert musicianship, a professional performer's perspective, and creative approaches to musical skill building in band, keyboard, and string programs to twenty schools in all five city boroughs.

Over the past twelve years, Carnegie Hall has maintained close relationships with *Ensemble Connect*'s 119 alumni. Representing the next generation of musical leaders in the field, the program's alumni now participate in more than 100 performing ensembles in the United States and worldwide, and have gone on to perform, teach, and engage with communities in more than 50 countries around the world.

Rose Museum and Archives

Open daily for free throughout the concert season, the Rose Museum exhibits Carnegie Hall's archival treasures to the public—including concert programs, photographs, autographed posters, musical manuscripts, and video—telling the history of the building and the legendary events that have made it renowned around the world.

Public tours of the Carnegie Hall Building are conducted by Carnegie Hall Music Ambassadors (Carnegie Hall’s volunteers). Tours allow visitors to take a journey through the building and learn more about the Carnegie Hall story—from Andrew Carnegie, to Isaac Stern leading the effort to save the Carnegie Hall Building from destruction, to well over a century of memorable performances.

Established in 1986, Carnegie Hall Archives is the permanent and official repository for Carnegie Hall’s historical collections, which include more than 300,000 items that chronicle more than 50,000 events and provide rich detail of the origin, history, activities, and growth of Carnegie Hall. In 2012, the Archives launched a new chapter in its development with the start of its Digital Archives Project. Through this initiative, Carnegie Hall has been digitizing most of its historic materials—much of which was previously available only on paper or in media formats likely to become obsolete, ensuring that Carnegie Hall’s legacy is preserved for future generations. As a result, these collections have been made accessible in a much greater way—both on-site at the Carnegie Hall Building and online, in support of the Carnegie Hall’s mission, serving the widest possible audience.

Digital Initiatives

Digital has become an increasingly important aspect of all of Carnegie Hall’s initiatives across the organization, offering new opportunities that embrace the dual curatorial and educational aspects of the Institution’s mission.

A core tool for achieving this has been Carnegie Hall’s virtual front door: www.carnegiehall.org. The website offers event calendars and ticket sales, video and online exhibits providing insight into Carnegie Hall’s full range of programming and history, online education resources, a virtual tour of the landmark building, among other features.¹

Digital is also seen as a powerful tool for expanding access to the music and artists presented at the Carnegie Hall Building. Through digital initiatives, the Institution is leveraging the unique qualities of the live concert experience to engage music lovers around the globe in real time through broadcasts and webcasts of performances and masterclasses by leading artists. The Institution’s position as a music curator and musical storyteller is further extended through its extensive collection of Carnegie Hall-produced video content and online playlists. Digital has also transformed the impact and reach of the Institution’s education programs by making it possible to share classroom curriculums and other educational resources for free with hundreds of thousands of students and educators worldwide.

Operating Expenses, Revenues, Contributions and Grants

Carnegie Hall’s operations generate earned revenues through: box office ticket sales from Carnegie Hall produced events (derived from both subscription and single ticket sales); rental fees from Stern Auditorium/Perelman Stage, Weill Recital Hall, Zankel Hall, and other entertainment venues; and the sub-lease to the Carnegie Hall Tower.

¹ Information contained in Carnegie Hall’s website shall not be construed as being incorporated herein by reference nor should any investment decision relating to the Series 2019 Bonds be made in reliance upon any information obtained from Carnegie Hall’s website.

Expenses, or uses of funds, associated with Carnegie Hall's operations are primarily for mission-related activities, which include: artist fees, promotion and stage costs for Carnegie Hall produced events, the WMI programs, Ensemble Connect programs and performances, Rose Museum and Archives, and operating costs of the concert halls and the building. Other expenses include administrative, information technology, fundraising, interest and financing costs and capital expenditures.

As a nonprofit organization, Carnegie Hall balances its budget primarily through contributions from individuals, corporations, and foundations and operating grants from government agencies – commonly referred to as non-earned or contributed revenue. Contributed revenue also includes funds raised through galas and other special events. Contributions to the endowment are invested and earnings are allocated to operations based upon a 5% spending rate calculation.

Comparative Consolidated Statements of Activities

Set forth on the following page is a summary of the consolidated operating activities, contributions, grants and other non-operating activities for Carnegie Hall derived from audited financial statements for the five most recent fiscal years.

	Fiscal Years Ended June 30				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operating revenue:					
Box Office receipts - Carnegie Hall produced events	\$ 14,371,547	\$ 15,454,168	\$ 17,106,703	\$ 14,433,751	\$ 17,553,724
Hall rental, real estate and other operations	27,731,404	28,909,494	32,700,119	33,878,826	34,164,033
Contributions and Grants	8,781,430	7,749,662	11,312,421	16,281,401	14,732,620
Net assets released from restriction	18,889,071	22,100,994	22,958,415	24,805,946	26,386,948
Endowment support and other investment income	16,223,700	16,962,263	17,504,378	14,975,315	14,662,231
	<u>85,997,152</u>	<u>91,176,581</u>	<u>101,582,036</u>	<u>104,375,239</u>	<u>107,499,556</u>
Operating expenses:					
Carnegie Hall produced events	21,462,834	21,708,653	22,932,740	22,598,262	22,529,124
Weill Music Institute Education programs	8,626,941	9,231,489	12,193,601	10,187,935	11,308,804
Hall rental and real estate operations	30,954,448	35,734,210	39,022,270	39,799,017	40,258,285
Interest expense	5,435,425	5,758,767	5,635,284	5,599,887	5,557,189
Other operations	3,684,984	3,112,704	3,648,346	3,997,547	4,181,714
General/administrative & fundraising	15,538,846	16,048,148	18,885,709	19,683,683	19,122,053
	<u>85,703,478</u>	<u>91,593,971</u>	<u>102,317,950</u>	<u>101,866,331</u>	<u>102,957,169</u>
Excess of operating revenue over operating expenses	<u>293,674</u>	<u>(417,390)</u>	<u>(735,914)</u>	<u>2,508,908</u>	<u>4,542,387</u>
Nonoperating revenue (expense):					
Depreciation and amortization expense	(13,155,316)	(16,121,531)	(16,890,298)	(16,752,780)	(16,195,729)
Investment return, net	-	-	-	983,342	491,031
Gain (loss) not yet recognized as a component of net periodic benefit cost	(1,201,114)	(3,285,595)	(3,894,647)	4,609,684	2,745,865
Net assets released from restrictions for capital	162,039,183	663,615	447,436	28,533	-
Endowment spending transfer	-	-	-	-	(354,530)
Decrease in unrestricted net assets, before other changes	<u>147,976,427</u>	<u>(19,160,901)</u>	<u>(21,073,423)</u>	<u>(8,622,313)</u>	<u>(8,770,976)</u>
Change in temporarily restricted net assets:					
Contributions	35,806,857	33,751,727	46,882,113	30,377,170	33,859,726
The City of New York and other government agency grants	3,509,746	803,780	1,105,112	1,371,193	1,608,645
Investment return (loss), net	52,547,622	13,461,762	(14,317,923)	41,667,507	19,828,606
Net assets released from restrictions:					
Satisfaction of donor restrictions	(180,928,254)	(22,764,609)	(23,405,851)	(24,834,479)	(26,386,948)
Endowment support	(15,500,000)	(16,700,000)	(17,500,000)	(15,000,000)	(14,295,470)
Increase (decrease) in temporarily restricted net assets	<u>(104,564,029)</u>	<u>8,552,660</u>	<u>(7,236,549)</u>	<u>33,581,391</u>	<u>14,614,559</u>
Change in permanently restricted net assets:					
Endowment campaign contributions	203,285	322,790	4,896,590	244,230	5,614,424
Increase (decrease) in net assets	43,615,683	(10,285,451)	(23,413,382)	25,203,308	11,458,007
Net assets - beginning of year	472,434,715	516,050,398	505,764,947	482,351,565	507,554,873
Net assets - end of year	<u>\$516,050,398</u>	<u>\$505,764,947</u>	<u>\$482,351,565</u>	<u>\$507,554,873</u>	<u>\$519,012,880</u>

Management Discussion of Financial Performance

Close to 170 performances were presented by the Institution in the 2017-2018 season, along with approximately 500 events presented on the stages within the Carnegie Hall Building by outside producers. Complimenting this was a wide range of music and social impact programs created by Carnegie Hall's WMI that engaged more than half a million people in New York City, across the United States and internationally.

Contributions supporting annual operations totaled \$41.1 million, remaining steady with funds raised in the previous fiscal year. The overall operating expenses grew slightly to \$103.0 million in fiscal year 2018, compared to \$101.9 million in fiscal year 2017. With some operating savings realized throughout the season and contributions to the multi-year 125th Anniversary Campaign (described below) tracking ahead of the year's planned budget, Carnegie Hall reported a \$4.5 million operating surplus in fiscal year 2018.

Overall, net assets increased to \$519 million as of June 30, 2018 from \$508 million in the previous year, reflecting strong investment returns.

Spending Policy

Carnegie Hall has an endowment spending policy of appropriating for distribution 5% of the endowment funds averaged ending balance of the preceding 20 quarters through the calendar year preceding the fiscal year in which the distribution is planned. In fiscal year 2018, this policy resulted in a contribution of \$14.650 million to the operating budget of Carnegie Hall. In fiscal year 2019 this contribution is budgeted at \$15.475 million.

125th Anniversary Campaign

Carnegie Hall launched the 125th Anniversary Campaign in 2015. The goal of this campaign is to raise \$125 million to provide funding for the expansion of existing artistic and education programs over the next decade and key funding for new initiatives to create extraordinary experiences for audiences of all ages through the universal language of music. As of June 30, 2018, the 125th Anniversary Campaign raised \$106.1 million.

Outstanding Indebtedness

In December 2009, The Trust for Cultural Resources of the City of New York (the "**Trust**") issued its Revenue Bonds, Series 2009A (Carnegie Hall) (the "**Series 2009A Bonds**"), the proceeds of which were loaned to Carnegie Hall to pay a portion of the costs of the Series 2009A Project (described below).

The Institution expects to redeem the Series 2009A Bonds on December 1, 2019 with the proceeds of the Series 2019 Bonds, together with other available funds.

The Series 2019 Project consists of the refunding of the Series 2009A Bonds, the proceeds of which were used to finance the Series 2009A project which consisted of funding a portion of the costs of construction, renovation and upgrading of the Studio Towers at the Carnegie Hall Building and the refunding of the Trust's Revenue Bonds, Series 2002 (Carnegie Hall) (collectively, the "**Series 2009A Project**"). The Studio Towers portion of the Series 2009A Project included (a) the creation of 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) the consolidation of administrative offices; (c) the creation of a roof terrace on the main roof; and (d) the expansion and reconfiguration of the backstage with

expanded backstage space, restored access to stage left, additional orchestra rooms and consolidated dressing rooms. Construction of the Studio Towers portion of the Series 2009A Project was completed in 2014. It also increased energy efficiency and achieved LEED Silver certification.

Carnegie Hall entered into an unsecured revolving credit agreement (the “**Credit Agreement**”) with Bank of America, N.A. (the “**Lender**”), which was amended and restated as of December 31, 2016 for \$25,000,000 and will expire on December 31, 2019 when all amounts under the agreement are due. Carnegie Hall expects to negotiate an extension of the Credit Agreement on substantially similar terms. At June 30, 2018, the amount outstanding under the agreement was \$3,834,606. The outstanding amount is recorded as a liability and included with loans payable on the balance sheet. Interest and fees paid on the Credit Agreement for the fiscal years ended June 30, 2018 were \$121,764. As of June 30, 2019, the amount outstanding on the line of credit has been fully paid down.

The Credit Agreement requires Carnegie Hall to meet certain financial covenants. At June 30, 2018, Carnegie Hall was in compliance with these financial covenants. Upon occurrence of an event of default, amounts required to be paid by the Institution may be accelerated at the option of the Lender, as provided in the Credit Agreement.

Investments

The following table presents the fair value of investments (including unrestricted and restricted investments) as of the fiscal years ending June 30, 2014 through June 30, 2018:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fixed income	\$ 54,797,488	\$ 65,924,110	\$ 45,568,874	\$ 53,087,639	\$ 50,994,296
Equities	189,319,686	189,719,328	181,572,391	203,760,369	210,095,459
Alternative investments	37,012,266	35,228,078	33,643,728	35,070,887	35,359,600
Real estate	13,353,678	14,426,006	15,130,266	15,636,257	17,672,150
Private equity	36,159,175	31,047,686	26,295,894	21,929,189	19,895,007
	<u>\$330,642,293</u>	<u>\$336,345,208</u>	<u>\$302,211,153</u>	<u>\$329,484,341</u>	<u>\$334,016,512</u>
Investment return	19%	4%	-5%	15%	7%

The annual rate of return represents a total return, which includes interest and dividends received as well as realized and unrealized gains and losses based upon market value.

The Institution’s balance sheet, as of June 30, 2018, shows net assets of \$519 million, up 2% from the previous year. Investments totaled \$334 million at June 30, 2018, of which \$318 million in endowment net assets was invested in accordance with the long-term investment policy, resulting in a 7% return on the portfolio in fiscal year 2018. The approximate market value of the Institution’s investments were \$323.5 million as of May 31, 2019.

The Investment Committee of the Board of Trustees supervises the Institution’s investments. The Committee reviews the performance of the investments. All investments are professionally managed. The Institution currently retains approximately 36 investment managers.

Investments are reported at fair market value, which is based upon a number of factors, including publicly reported prices, valuations provided by each of the Institution's external portfolio managers and general partners of the limited partnerships and valuations of other assets that are provided periodically. The value and earnings of the Institution's investments are subject to changes in the financial markets, and are subject to various other risks as well. Other risks include, but are not limited to, credit, interest rate and liquidity risk, lack of a ready market for certain securities or investments, and reliance upon third party investment advisors. Past investment performance cannot be relied upon as an indicator for future results.

For a complete description of the market value of the Institution's investments at the end of fiscal year 2018, see footnote 2 to the Financial Statements of the Institution attached in Appendix B.

Insurance Coverage

Carnegie Hall will covenant in the Loan Agreement that it will procure and maintain or cause to be procured such insurance on all property owned, leased, operated or maintained by it as may be available and as a similarly situated institution with property similar to that owned, leased, operated or maintained by it would customarily and reasonably obtain.

Personnel – Labor and Employment

As of January 1, 2019, Carnegie Hall had a staff of approximately 425 employees, of which approximately 265 are full-time employees who are responsible for the operations of the Institution. This figure does not include temporary artists and staff.

Carnegie Hall currently has eight collective bargaining agreements with various trade groups covering approximately 40% of employees, including box office, stagehand, usher and building maintenance personnel. The terms of the agreements range from three to five years. Three agreements will expire in the fall of 2019 pending renewal negotiations. Carnegie Hall does not anticipate any labor interruptions or strikes.

Pension Obligations

Carnegie Hall has a defined benefit pension plan for its administrative employees. Plan benefits are based on a participant's years of service, age, and average monthly compensation. Carnegie Hall's funding policy is to contribute amounts to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Effective July 1, 2017, the plan was amended to freeze credited service that applies to the pre-July 1, 2017 benefit formula (legacy benefit). Going forward, active participants each year can earn a new benefit to be paid in the form of a variable annuity (Sustainable Income Plan (SIP) benefit). At retirement, each participant will receive benefits under the formula(s) applicable to that participant's period of employment.

Union employees are covered by their respective union plans. Carnegie Hall contributes to these plans based upon labor collective bargaining agreements. Carnegie Hall is current on all of its obligations with respect to these plans.

Litigation

No litigation or other proceedings are pending or, to the knowledge of the Institution's officers, threatened in any court, agency or other administrative body that would affect the

validity of: (1) the issuance, sale, or delivery of the Series 2019 Bonds, (2) the method or authority under which the Series 2019 Bonds are to be issued, (3) the Trust's financing of the Series 2019 Project as described in this Official Statement, or (4) the Resolution and the Loan Agreement.

There is no litigation pending against Carnegie Hall, or to the knowledge of its officers, threatened in any court, agency or other administrative body that would, in the opinion of the management of the Institution, have a material adverse effect on the Institution's financial position or operations or its ability to perform its obligations under the Series 2019 Bonds.

APPENDIX B

**THE CARNEGIE HALL CORPORATION AUDITED FINANCIAL
STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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THE CARNEGIE HALL CORPORATION

Financial Statements

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
The Carnegie Hall Corporation:

We have audited the accompanying financial statements of The Carnegie Hall Corporation, which comprise the balance sheets as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Carnegie Hall Corporation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

KPMG LLP

October 22, 2018

THE CARNEGIE HALL CORPORATION

Balance Sheets

June 30, 2018 and 2017

Assets	2018	2017
Cash and cash equivalents	\$ 17,941,604	19,687,777
Contributions receivable, net (note 4)	67,246,532	49,788,441
Prepaid expenses and other assets	3,744,949	4,537,899
Funds held by trustee (note 2)	452,312	452,312
Investments (note 2)	334,016,512	329,484,341
Fixed assets, net (note 3)	253,255,792	265,880,655
Total assets	<u>\$ 676,657,701</u>	<u>669,831,425</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 7,719,394	5,791,842
Advance sale of tickets and other deferred revenue	13,298,194	12,752,505
Accrued pension benefit obligation (note 8)	24,131,749	26,729,248
Loans payable (note 6)	112,495,484	117,002,957
Total liabilities	<u>157,644,821</u>	<u>162,276,552</u>
Net assets (note 10):		
Unrestricted	141,073,944	149,844,920
Temporarily restricted	184,804,469	170,189,910
Permanently restricted	193,134,467	187,520,043
Total net assets	<u>519,012,880</u>	<u>507,554,873</u>
Total liabilities and net assets	<u>\$ 676,657,701</u>	<u>669,831,425</u>

See accompanying notes to financial statements.

THE CARNEGIE HALL CORPORATION

Statements of Activities

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Change in unrestricted net assets:		
Operations:		
Expenses (note 7):		
Carnegie Hall produced events and audience development	\$ 22,529,124	22,598,262
Hall operations	19,573,204	19,587,302
Real estate operations (note 5)	20,685,081	20,211,715
Weill Music Institute education programs	11,308,804	10,187,935
General and administrative	11,341,521	13,340,968
Fund-raising expenses	7,780,532	6,342,715
Interest expense (note 6)	5,557,189	5,599,887
Other operations	4,181,714	3,997,547
	<u>102,957,169</u>	<u>101,866,331</u>
Revenues:		
Earned revenue:		
Box office receipts from Carnegie Hall produced events	17,553,724	14,433,751
Hall rental operations	16,313,428	16,920,844
Real estate operations and other (note 5)	17,850,605	16,957,982
Total earned revenue	<u>51,717,757</u>	<u>48,312,577</u>
Contributed income:		
Annual campaign and fund-raising events	14,301,057	15,849,838
The City of New York and other government agency grants	431,563	431,563
Net assets released from restrictions:		
Satisfaction of donor restrictions	26,386,948	24,805,946
Total contributed revenue	<u>41,119,568</u>	<u>41,087,347</u>
Investment income:		
Endowment support released from restriction/authorized for spending (note 10)	14,650,000	15,000,000
Other investment income (loss) (note 2)	12,231	(24,685)
Total operating investment income	<u>14,662,231</u>	<u>14,975,315</u>
Total operating revenues	<u>107,499,556</u>	<u>104,375,239</u>
Excess of operating revenues over expenses	4,542,387	2,508,908
Nonoperating:		
Depreciation and amortization expense (note 7)	(16,195,729)	(16,752,780)
Investment return, net (note 2)	491,031	983,342
Endowment spending transfer (note 10)	(354,530)	—
Gain not yet recognized as a component of net periodic benefit cost (note 8)	2,745,865	4,609,684
Net assets released from restrictions for capital	—	28,533
Decrease in unrestricted net assets	<u>(8,770,976)</u>	<u>(8,622,313)</u>
Change in temporarily restricted net assets:		
Contributions	33,859,726	30,377,170
The City of New York and other government agency grants (note 3)	1,608,645	1,371,193
Investment return, net (note 2)	19,828,606	41,667,507
Net assets released from restrictions:		
Satisfaction of donor restrictions	(26,386,948)	(24,834,479)
Endowment support (note 10)	(14,295,470)	(15,000,000)
Increase in temporarily restricted net assets	<u>14,614,559</u>	<u>33,581,391</u>
Change in permanently restricted net assets:		
Endowment campaign contributions (note 10)	5,614,424	244,230
Increase in permanently restricted net assets	<u>5,614,424</u>	<u>244,230</u>
Increase in net assets	11,458,007	25,203,308
Net assets at beginning of year	<u>507,554,873</u>	<u>482,351,565</u>
Net assets at end of year	\$ <u>519,012,880</u>	<u>507,554,873</u>

See accompanying notes to financial statements.

THE CARNEGIE HALL CORPORATION

Statements of Cash Flows

Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase in net assets	\$ 11,458,007	25,203,308
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	16,195,729	16,752,780
Amortization of bond discount and issuance costs	62,527	62,528
Realized and unrealized gains on investments	(19,726,876)	(41,904,763)
Endowment and capital contributions	(5,614,424)	(272,764)
Changes in assets and liabilities:		
Contributions receivable, less amounts classified as financing activities	(12,976,331)	(8,029,266)
Prepaid expenses and other assets	792,950	(200,079)
Accrued pension benefit obligation	(2,597,499)	(2,646,899)
Other operating liability accounts, less amounts classified as investing activities	2,473,241	(304,881)
Net cash used in operating activities	(9,932,676)	(11,340,036)
Cash flows from investing activities:		
Purchases of investments	(123,974,735)	(112,744,393)
Proceeds from sale of investments	139,169,440	127,375,968
Purchase of fixed assets	(3,570,866)	(1,023,155)
Net cash provided by investing activities	11,623,839	13,608,420
Cash flows from financing activities:		
Proceeds from endowment and capital contributions	1,132,664	5,982,237
Payments on loans	(4,570,000)	(4,595,394)
Net cash (used in) provided by financing activities	(3,437,336)	1,386,843
Net (decrease) increase in cash and cash equivalents	(1,746,173)	3,655,227
Cash and cash equivalents at beginning of year	19,687,777	16,032,550
Cash and cash equivalents at end of year	\$ 17,941,604	19,687,777

See accompanying notes to financial statements.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Carnegie Hall Corporation (the Corporation or Carnegie Hall) was established in 1960 by legislation of the State of New York for the purpose of managing and operating Carnegie Hall and adjoining properties as an auditorium and facility for concerts and other cultural, educational, and other activities. The Carnegie Hall Society, Inc. (the Society) was established in the same year to support Carnegie Hall's nonprofit activities. Because there was no longer a need for separate legal entities, as of June 30, 2017, the Society merged into the Corporation, with the Corporation as the surviving entity. In accordance with accounting standards, because the Society and the Corporation were under common control, the merger was accounted for as if it occurred at the beginning of 2017. The Corporation has been classified by the Internal Revenue Service as 501(c)(3) organization and is exempt from substantially all federal, state, and local taxes.

The significant accounting policies of Carnegie Hall are discussed below and in the following notes to the financial statements.

(b) Basis of Presentation

Carnegie Hall's net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations are unrestricted. Carnegie Hall considers depreciation and amortization, investment return in excess of the spending rate, pension plan adjustments, and net assets released from restrictions for capital to be nonoperating in the statements of activities.

Temporarily restricted net assets – Net assets that are subject to donor-imposed stipulations that will be met by either actions of Carnegie Hall or the passage of time. Temporarily restricted net assets are restricted principally to artistic and education programs, and include unexpended endowment gains that have not been appropriated for expenditure (note 10).

Permanently restricted net assets – Net assets that are subject to donor-imposed stipulations to be maintained in perpetuity. Generally, the donors of these assets permit Carnegie Hall to use all or part of the income earned on related investments for general or specific purposes. The income from permanently restricted net assets is expendable principally to support the artistic, education, and general activities of Carnegie Hall.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions or by law. As discussed in note 10, investment income on donor-restricted endowment funds is recorded as temporarily restricted until appropriated for expenditure. When restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished or endowment funds are appropriated for expenditure, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(c) Cash Equivalents

Cash equivalents include short-term investments with original maturities of three months or less at the time of purchase, except for those short-term investments managed by Carnegie Hall's investment managers as part of their long-term investment strategy.

(d) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 Quoted or published prices in active markets for identical assets or liabilities that Carnegie Hall has the ability to access at the measurement date
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active
- Level 3 Inputs that are unobservable at or near the balance sheet date.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of a financial instrument within the hierarchy does not necessarily correspond to Carnegie Hall's perceived risk of that instrument.

(e) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenue, expenses, gains, and losses recognized during the reporting period. Significant estimates made in preparation of the financial statements include the valuation of alternative investments, net realizable value of contributions receivable, valuation of pension benefit obligations, determination of depreciable lives for fixed assets, and allocation of functional expenses. Actual results could differ from those estimates.

(f) Subsequent Events

Carnegie Hall evaluated subsequent events after the balance sheet date of June 30, 2018 through October 22, 2018, which was the date the financial statements were issued, and concluded that no additional disclosures are required.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(2) Investments

Investments are stated at fair value based upon quoted or published market prices except for the fair values of alternative investments, including equity, fixed income, real estate, and private equity funds, which are based on net asset values (practical expedient) provided by the fund managers and general partners based upon the underlying net assets of the funds. These values are reviewed and evaluated by management. Alternative investments, real estate, and private equity funds are generally less liquid than other investments and the reported fair value may differ from the values that would have been reported had a ready market for these investments existed.

The following table presents the fair value hierarchy for those investments reported at fair value as of June 30, 2018:

	<u>Fair value</u>	<u>Level 1</u>
Fixed income:		
Short-term duration	\$ 30,410,807	30,410,807
U.S. Treasury and agencies	20,583,489	20,583,489
Equities:		
Domestic	<u>105,326,128</u>	<u>105,326,128</u>
	156,320,424	\$ <u><u>156,320,424</u></u>
Investments reported at net asset value	<u>177,696,088</u>	
Total investments	<u>\$ 334,016,512</u>	

The following table presents the fair value hierarchy for those investments reported at fair value as of June 30, 2017:

	<u>Fair value</u>	<u>Level 1</u>
Fixed income:		
Short-term duration	\$ 30,878,619	30,878,619
U.S. Treasury and agencies	22,209,020	22,209,020
Equities:		
Domestic	<u>101,707,977</u>	<u>101,707,977</u>
	154,795,616	\$ <u><u>154,795,616</u></u>
Investments reported at net asset value	<u>174,688,725</u>	
Total investments	<u>\$ 329,484,341</u>	

Carnegie Hall's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

The following tables present the liquidity and outstanding commitments for all investments reported at net asset value as of June 30, 2018 and 2017:

		June 30, 2018			
		Liquidity			Outstanding commitments
Fair value	Monthly/Quarterly	Semiannual	Greater than one year		
Equities:					
Event driven	\$ 46,049,108	—	46,049,108	—	—
Sector long/short	27,693,676	6,552,580	21,141,096	—	—
Foreign	31,026,547	30,872,933	—	153,614	—
Alternative investments:					
Global long/short debt/equity funds	756,667	—	—	756,667	—
Distressed debt hedge funds	3,346,389	—	2,287,529	1,058,860	—
Multi-strategy hedge funds	31,256,544	30,994,924	—	261,620	—
Real estate	17,672,150	—	—	17,672,150	1,082,295
Private equity	19,895,007	—	—	19,895,007	2,677,846
	<u>\$ 177,696,088</u>	<u>68,420,437</u>	<u>69,477,733</u>	<u>39,797,918</u>	<u>3,760,141</u>
		June 30, 2017			
		Liquidity			Outstanding commitments
Fair value	Monthly/Quarterly	Semiannual	Greater than one year		
Equities:					
Event driven	\$ 45,590,808	—	45,590,808	—	—
Sector long/short	25,150,415	6,281,862	18,868,553	—	—
Foreign	31,311,169	31,156,140	—	155,029	—
Alternative investments:					
Global long/short debt/equity funds	924,526	—	—	924,526	—
Distressed debt hedge funds	4,537,982	—	2,523,762	2,014,220	—
Multi-strategy hedge funds	29,608,379	29,308,302	—	300,077	—
Real estate	15,636,257	—	—	15,636,257	1,082,295
Private equity	21,929,189	—	—	21,929,189	4,354,120
	<u>\$ 174,688,725</u>	<u>66,746,304</u>	<u>66,983,123</u>	<u>40,959,298</u>	<u>5,436,415</u>

For investments with monthly, quarterly, and semiannual redemptions, the notice periods for redemptions range from approximately 10 to 180 days as of June 30, 2018. At June 30, 2018, Carnegie Hall had commitments of approximately \$3.8 million relating to private equity and real estate investments, for which capital calls had not been made. Such commitments generally have fixed expiration dates or other termination clauses. Carnegie Hall maintains sufficient liquidity in its investment portfolio to cover such calls. Additionally, at June 30, 2018, Carnegie Hall's investments in private equity and real estate investments had remaining lives of 1 to 10 years.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

Funds held by trustee totaling \$452,312 at June 30, 2018 and 2017 are invested in cash, which is considered Level 1 within the fair value hierarchy.

In 2018 and 2017, investment return includes the following components:

	2018	2017
Interest and dividends	\$ 1,725,993	1,482,994
Realized and unrealized gains	19,726,876	41,904,763
Investment expenses	(1,121,001)	(761,593)
	\$ 20,331,868	42,626,164

(3) Fixed Assets

Fixed assets are recorded at cost and consist of the following at June 30, 2018 and 2017:

	2018	2017
Leasehold improvements	\$ 354,486,341	358,540,198
Building	8,400,000	8,400,000
Furniture and equipment	8,864,691	10,240,470
	371,751,032	377,180,668
Less accumulated depreciation and amortization	(118,495,240)	(111,300,013)
	\$ 253,255,792	265,880,655

The cost of leasehold improvements is amortized using the straight-line method over the estimated useful lives of the assets or term of the lease, whichever is shorter, ranging principally from 10 to 40 years. The building is depreciated using the straight-line method over the estimated useful life of 20 years. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging principally from 5 to 10 years.

Carnegie Hall disposed of fixed assets with a cost and accumulated depreciation of \$9,000,502 and \$4,457,014 in 2018 and 2017, respectively.

The City of New York has historically made grants to Carnegie Hall for capital improvement purposes. In 2017, \$2,635,350 was received related to prior year commitments from the City of New York for the Studio Towers Renovation Project (Project commenced in 2010 to create an education wing, renovate backstage areas, and upgrade building infrastructure). No amounts were received for such purpose in 2018.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(4) Contributions

Contributions receivable at June 30, 2018 and 2017 are scheduled to be collected as follows:

	2018	2017
Less than one year	\$ 27,281,880	15,245,558
One to five years	39,369,884	30,540,384
Greater than five years	8,575,000	10,600,000
	75,226,764	56,385,942
Less allowance for uncollectible contributions receivable	(35,000)	(35,000)
Adjustment to reflect contributions receivable at discounted value (at rates ranging from 4% to 6%)	(7,945,232)	(6,562,501)
	\$ 67,246,532	49,788,441

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary.

Amounts receivable from five donors represented 65% and 78% of gross contributions receivable as of June 30, 2018 and 2017, respectively.

Fund-raising expenses, exclusive of depreciation, reflected in the accompanying financial statements of \$7,780,532 and \$6,342,715 have been incurred to raise contributions and grants, including temporarily and permanently restricted contributions, totaling \$55,815,415 and \$48,273,994 in 2018 and 2017, respectively.

(5) Property Lease

The Corporation has a lease with the City of New York (the Master Lease) covering the Carnegie Hall building and land, and the land adjacent thereto (the Tower Property). The Corporation subleases the Tower Property (the Sublease) to a real estate developer (the Subtenant) who has constructed an office building on this property. The Master Lease and the Sublease expire in 2086. Under the terms of the Master Lease, the annual rental expense for the Carnegie Hall building and land is currently \$183,600. However, the City of New York has directed that this amount be used by the Corporation for specific operating purposes in lieu of payment of rent. The annual rent payable to the City of New York for the Tower Property is based on the amount of revenue the Corporation receives from the Subtenant. These subrental revenue is subject to adjustment based upon subtenant commercial rental revenue, property value, and any refinancing or property transfer, as defined in the Sublease.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

Future minimum payments relating to the Tower Property due under the Master Lease, related Sublease, and other operating leases are as follows:

	Future minimum lease payments	Future minimum subrental revenue
Year ending June 30:		
2019	\$ 8,549,276	12,213,252
2020	8,549,276	12,213,252
2021	8,549,276	12,213,252
2022	8,549,276	12,213,252
2023	8,549,276	12,213,252

The Tower Property subrental revenue for the years ended June 30, 2018 and 2017 amounted to \$15,095,238 and \$15,023,768, respectively. The Tower Property rent expense paid to the City of New York for the years ended June 30, 2018 and 2017 amounted to \$10,566,667 and \$10,516,638, respectively.

(6) Loans Payable and Line of Credit

In November 2009, The Trust for Cultural Resources of the City of New York (the Trust) issued Series 2009 Revenue Bonds, the proceeds of which have been loaned to Carnegie Hall. The outstanding amount due under the Series 2009 Revenue Bonds at June 30, 2018 and 2017 is \$110,000,000.

The interest on the Series 2009 Revenue Bonds is fixed at 4.75% on \$28,905,000 principal amount and 5.00% on \$81,095,000 principal amount. The loan agreement between Carnegie Hall and the Trust requires that Carnegie Hall make loan repayments equal to all principal and interest payable on the applicable bond payment dates. Loan principal repayments are scheduled to commence during the fiscal year ending June 30, 2026. Carnegie Hall is in compliance with the requirements of the loan documents. Interest paid for the years ended June 30, 2018 and 2017 was \$5,427,738.

As of June 30, 2018 and 2017, the Series 2009 Revenue Bonds had an unamortized bond discount and issuance costs of \$164,635 and \$1,174,487, and \$172,323 and \$1,229,326, respectively, included in loans payable in the accompanying balance sheets.

Carnegie Hall has a revolving credit agreement which was amended and restated as of December 31, 2016 for \$25,000,000 and terminating on December 31, 2019, when all amounts under the agreement are due. At June 30, 2018 and 2017, the amount outstanding under the agreement is \$3,834,606 and \$8,404,606, respectively. The outstanding amount is recorded as a liability and included with loans payable in the accompanying balance sheets. The interest rate on the outstanding amount is approximately 2.66% and 1.53% at June 30, 2018 and 2017, respectively. The fixed fee rate on the unused balance was 0.10% at June 30, 2018 and 2017. Interest and fees paid on the line of credit for the years ended June 30, 2018 and 2017 were \$121,764 and \$164,462, respectively.

The line of credit agreement requires Carnegie Hall to meet certain financial covenants. At June 30, 2018, Carnegie Hall was in compliance with these financial covenants.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(7) Allocation of Expenses

Carnegie Hall excluded depreciation and amortization and interest from the functional expense categories in the statements of activities for the years ended June 30, 2018 and 2017. Those expenses have been distributed to the functional areas of Carnegie Hall as follows:

2018				
	Expenses excluding depreciation and interest	Depreciation and amortization	Interest	Total
Programs	\$ 78,277,927	15,435,699	5,557,189	99,270,815
General and administrative	11,341,521	575,066	—	11,916,587
Fund-raising	7,780,532	184,964	—	7,965,496
Total	<u>\$ 97,399,980</u>	<u>16,195,729</u>	<u>5,557,189</u>	<u>119,152,898</u>

2017				
	Expenses excluding depreciation and interest	Depreciation and amortization	Interest	Total
Programs	\$ 76,582,761	15,966,609	5,599,887	98,149,257
General and administrative	13,340,968	594,845	—	13,935,813
Fund-raising	6,342,715	191,326	—	6,534,041
Total	<u>\$ 96,266,444</u>	<u>16,752,780</u>	<u>5,599,887</u>	<u>118,619,111</u>

(8) Pension Plans

The Corporation has a defined-benefit pension plan for its administrative employees. Plan benefits are based on a participant's years of service, age, and average monthly compensation. The Corporation's funding policy is to contribute amounts to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Effective July 1, 2017, the plan was amended to freeze credited service that applies to the pre-July 1, 2017 benefit formula (Legacy benefit). Additionally, going forward, active participants each year will earn a new benefit to be paid in the form of a variable annuity (Sustainable Income Plan (SIP) benefit). At retirement, participants will receive both benefits.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

The following tables set forth the plan's financial information as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 44,243,884	44,204,737
Service cost	1,471,076	2,490,696
Interest cost	1,581,389	1,397,136
Actuarial gain	(1,776,300)	(3,018,534)
Benefits paid and estimated expenses	<u>(114,148)</u>	<u>(830,151)</u>
Benefit obligation at end of year	<u>45,405,901</u>	<u>44,243,884</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	17,514,636	14,828,590
Actual return	1,429,231	1,555,259
Employer contributions	2,467,021	1,975,000
Benefits paid and actual expenses	<u>(136,736)</u>	<u>(844,213)</u>
Fair value of plan assets at end of year	<u>21,274,152</u>	<u>17,514,636</u>
Funded status	\$ <u><u>(24,131,749)</u></u>	\$ <u><u>(26,729,248)</u></u>
	<u>2018</u>	<u>2017</u>
Components of net periodic cost:		
Service cost	\$ 1,471,076	2,490,696
Interest cost	1,581,389	1,397,136
Expected return on plan assets	(1,067,111)	(894,790)
Other, net	<u>630,033</u>	<u>944,743</u>
Net periodic cost	\$ <u><u>2,615,387</u></u>	\$ <u><u>3,937,785</u></u>
Item not yet recognized as a component of net periodic benefit cost:		
Actuarial gain	\$ 2,745,865	4,609,684

Accumulated amounts recorded in unrestricted net assets other than through net periodic benefit cost at June 30, 2018 and 2017 consist of actuarial losses of \$9,115,644 and \$11,861,509, respectively. In addition to service and interest costs, the components of projected net periodic postretirement benefit cost for fiscal year 2019 will include the amortization of the actuarial loss of \$367,000.

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

The accumulated benefit obligation for the plan at June 30, 2018 and 2017 was \$37,087,386 and \$35,312,587, respectively.

	<u>2018</u>	<u>2017</u>
Weighted average assumptions used to determine benefit obligations:		
Discount rate	4.05 %	3.70 %
Rate of compensation increase	3.50	3.50
Weighted average assumptions used to determine net periodic benefit cost:		
Discount rate	3.70 %	3.35 %
Expected return on plan assets	6.40	6.40
Rate of compensation increase	3.50	3.50

Carnegie Hall expects to contribute \$2,459,000 to the plan in 2019. Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

2019	\$ 4,423,000
2020	983,000
2021	1,780,000
2022	2,370,000
2023	2,007,000
2024–2028	9,913,000

The following tables present Carnegie Hall's fair value hierarchy for plan assets, which are measured at fair value on a recurring basis, as of June 30, 2018 and 2017:

	<u>2018</u>			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stocks	\$ 2,477,045	2,477,045	—	—
Mutual funds	12,736,409	12,736,409	—	—
Group annuity contract	6,060,698	—	—	6,060,698
	<u>\$ 21,274,152</u>	<u>15,213,454</u>	<u>—</u>	<u>6,060,698</u>

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

		2017			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stocks	\$	2,453,407	2,453,407	—	—
Mutual funds		9,113,767	9,113,767	—	—
Group annuity contract		5,947,462	—	—	5,947,462
	\$	<u>17,514,636</u>	<u>11,567,174</u>	<u>—</u>	<u>5,947,462</u>

Activity with respect to Level 3 plan assets for the years ended June 30, 2018 and 2017 was as follows:

		<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$	5,947,462	6,513,361
Sales		(41,169)	(772,116)
Interest earned		154,405	206,217
Balance at end of year	\$	<u>6,060,698</u>	<u>5,947,462</u>

Carnegie Hall participates in a multiemployer union pension plan, the Pension Fund of Local No. One, I.A.T.S.E. The Employer Identification Number is 13-3022965 and the three-digit Pension Plan number is 001. The most recent Pension Protection Act (PPA) zone status is green at December 31, 2015 and 2014, which is for the plan years ended December 31, 2017 and 2016. The zone status is based on information that Carnegie Hall received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The expiration date of the collective bargaining agreement requiring contributions to the plan is August 31, 2019. The contributions by Carnegie Hall to the union pension fund were \$419,142 and \$415,347 for the years ended June 30, 2018 and 2017, respectively.

Carnegie Hall further participates in six other multiemployer plans, the amounts of which are insignificant to the financial statements.

(9) Related Party Transactions

Organizations affiliated with members of the Board of Trustees of Carnegie Hall provide services to the Corporation. The arrangements for these services are negotiated on an arm's-length basis and are periodically reviewed by the Governance Committee of the Corporation.

(10) Net Assets

Carnegie Hall's endowment is subject to the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA). Carnegie Hall has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. Accounting guidance associated with the enactment of NYPMIFA as set forth in Accounting Standards Codification

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

Section 958-205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. In fiscal years 2018 and 2017, Carnegie Hall has a spending policy of appropriating for distribution 5% of the endowment funds' average ending balance of the preceding 20 quarters through the calendar year preceding the fiscal year in which the distribution is planned.

The objective of Carnegie Hall's investment portfolio is to provide future growth of the portfolio sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment fund. The objective of the investment program is to enhance the portfolio's long-term viability by maximizing the value of the portfolio with a prudent level of risk. The assets are managed on a total return basis. The Investment Committee of the Board of Trustees has adopted strategic asset allocation targets for equities, alternative investments, private investments (including real estate) and fixed income, while reserving the right to authorize investments in other asset classes.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the original historic dollar value. This deficiency typically results from unfavorable market fluctuations subsequent to the investment of permanently restricted contributions. Subsequent gains that restore the fair value of the assets of the donor-restricted endowment fund to the required level will be classified as increases in unrestricted net assets. There were no such deficiencies at June 30, 2018 or 2017.

Carnegie Hall's endowment consists of both donor-restricted endowments and those amounts designated by the board to function as endowment. Endowment net assets consist of the following at June 30, 2018 and 2017:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2018:				
Donor restricted	\$ —	117,170,727	193,134,467	310,305,194
Board designated	<u>7,544,773</u>	<u>—</u>	<u>—</u>	<u>7,544,773</u>
Balance at June 30, 2018	<u>\$ 7,544,773</u>	<u>117,170,727</u>	<u>193,134,467</u>	<u>317,849,967</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2017:				
Donor restricted	\$ —	111,637,591	187,520,043	299,157,634
Board designated	<u>7,408,272</u>	<u>—</u>	<u>—</u>	<u>7,408,272</u>
Balance at June 30, 2017	<u>\$ 7,408,272</u>	<u>111,637,591</u>	<u>187,520,043</u>	<u>306,565,906</u>

THE CARNEGIE HALL CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

The following table presents the changes in endowment net assets for the years ended June 30, 2018 and 2017:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance at June 30, 2016	\$ 6,424,930	84,970,084	187,275,813	278,670,827
Investment gain, net	983,342	41,667,507	—	42,650,849
Endowment spending	—	(15,000,000)	—	(15,000,000)
Contributions	—	—	244,230	244,230
Balance at June 30, 2017	7,408,272	111,637,591	187,520,043	306,565,906
Investment gain, net	491,031	19,828,606	—	20,319,637
Endowment spending	(354,530)	(14,295,470)	—	(14,650,000)
Contributions	—	—	5,614,424	5,614,424
Balance at June 30, 2018	\$ 7,544,773	117,170,727	193,134,467	317,849,967

Temporarily restricted net assets at June 30, 2018 and 2017 were available for the following purposes:

	<u>2018</u>	<u>2017</u>
Artistic and educational programs	\$ 43,397,332	34,458,583
Annual fund – time restrictions	24,236,410	24,093,736
Endowment appreciation not appropriated for expenditure	117,170,727	111,637,591
	<u>\$ 184,804,469</u>	<u>170,189,910</u>

DEFINITIONS OF CERTAIN TERMS

The following definitions of certain of the terms used in the Resolution and the Loan Agreement and used in this Official Statement do not purport to be complete and reference should be made to the aforementioned documents for full and complete definitions.

“*Accounts*” means all accounts created and established by or held pursuant to the Resolution.

“*Act*” means Articles 20 and 21 of Title E of the Arts and Cultural Affairs Law of the State of New York, as the same may be amended from time to time.

“*Act of Bankruptcy*” means the filing of a petition in bankruptcy by or against the Trust or the commencement of a receivership, insolvency, assignment for the benefit of creditors or other similar proceeding by or against the Trust, unless such petition or proceeding was dismissed and all applicable appeal periods have expired without an appeal having been filed.

“*Additional Credit Enhancement*” means any policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement used to provide credit support in addition to the Credit Enhancement, if any, then in effect for a particular Series of Bonds, which shall be accepted by the Trustee.

“*Additional Payments*” means certain payments to be made by the Institution to the Trustee, the Paying Agent and the Trust pursuant to the Loan Agreement.

“*Alternate Liquidity Facility*” means an irrevocable letter of credit, a surety bond, line or lines of credit, standby bond purchase agreement or other similar agreement or agreements or any other agreement or agreements delivered to the Trustee and providing liquidity support for the Bonds, satisfactory to the Institution and consented to by the Credit Enhancement Provider, issued and delivered to the Trustee in accordance with the applicable Series Resolution.

“*Authorized Newspaper*” means THE BOND BUYER or any other newspaper or publication carrying municipal bond notices and devoted primarily to financial news or the subject of state and municipal bonds, printed in the English language and generally circulating at least five days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York.

“*Authorized Officer*” means: (i) in the case of the Trust, the Chair, the Secretary or the Assistant Secretary and when used with reference to any act or document also means any other person authorized by resolution of the Trust to perform such act or sign such document; (ii) in the case of the Institution, the Chief Financial Officer and when used with reference to any act or document also means any other person authorized by resolution of the Institution to perform such act or sign such document; (iii) in the case of any Credit Enhancement Provider, any President, Vice President, Treasurer or Secretary and when used with reference to any act or document also means any other person authorized by any Credit Enhancement Provider to perform such act or sign such document; (iv) in the case of any Liquidity Facility Issuer, any President, Vice President, Treasurer or Secretary and when used with reference to any act or document also means any other person authorized by any Liquidity Facility Issuer to perform such act or sign such document; and (v) in the case of the Trustee, any officer within the Corporate Trust Office with direct responsibility for the administration of this Resolution or any other officer of the Trustee and also means any other officer to whom such matter is referred because of such officer’s knowledge and familiarity with the particular subject.

“*Bond*” or “*Bonds*” means any of the bonds of the Trust authenticated and delivered under and pursuant to the provisions of the Resolution and any Series Resolution.

“*Bond Counsel*” means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, selected by the Trust and approved by the Institution.

“*Bondholder*” or “*holder*” or “*Owner*” or any similar term, when used with reference to a Bond or Bonds, means any person who is the registered owner of any Bond Outstanding.

“*Bond Register*” means the registration books for the registration and transfer of Bonds kept by the Trustee.

“*Business Day*” means a day other than (a) a Saturday, Sunday or other day on which banks located in New York, New York, or a city in which the principal offices of the Trustee or the Paying Agent are located are required or authorized by law or executive order to close, (b) a day on which banks in the city in which the office of any Credit Enhancement Provider or any Liquidity Facility Issuer at which a payment under any Credit Enhancement or Liquidity Facility, as the case may be, is to be made are required or authorized by law or executive order to be closed, or (c) a day on which the New York Stock Exchange is closed.

“*Code*” means, at any time, the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

“*Continuing Disclosure Agreement*” means any agreement entered into between the Institution and the Trustee with respect to a Series of Bonds, pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

“*Corporate Trust Office*” means the principal corporate trust office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of adoption of this Resolution is located at 240 Greenwich Street, New York, New York 10286.

“*Credit Enhancement*” means any policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement or instrument used to provide credit support in connection with a particular Series of Bonds, as may be designated and set forth in the Series Resolution authorizing such Series of Bonds, any amendments thereof and any Replacement Credit Enhancement. **There is no Credit Enhancement being issued in connection with the Series 2019 Bonds.**

“*Credit Enhancement Payments Account*” means the account within the Debt Service Fund and the Redemption Fund, as applicable, which is created and established by the Resolution.

“*Credit Enhancement Provider*” means each provider of Credit Enhancement, if any, issued in connection with a particular Series of Bonds, as may be designated and set forth in the Series Resolution authorizing such Series of Bonds.

“*Credit Enhancement Provider Event of Insolvency*” means the occurrence and continuance of one or more of the following events: (a) the issuance of an order of rehabilitation, liquidation or dissolution of a Credit Enhancement Provider; (b) the commencement by a Credit Enhancement Provider of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar

official for itself or any substantial part of its property; (c) the consent of a Credit Enhancement Provider to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the making by a Credit Enhancement Provider of an assignment for the benefit of creditors; (e) the failure of a Credit Enhancement Provider to generally pay its debts as they become due; or (f) the initiation by a Credit Enhancement Provider of any actions to authorize any of the foregoing.

“*Debt*” means, without duplication, indebtedness for borrowed money, whether or not evidenced by notes, bonds, capitalized leases, debentures or other evidence of indebtedness, including indebtedness under purchase money mortgages and similar security arrangements, indebtedness which is non-recourse and any other obligation which appears as indebtedness on the balance sheet included in the Institution’s annual financial statement; provided, however, that debt service amounts for the payment of which moneys or defeasance securities maturing or redeemable at not less than 100% of the principal amount thereof solely at the option of the holder of such securities prior to the principal payment date or interest payment date on which they are to be applied have been irrevocably set aside to pay such debt service shall not be considered Debt for purposes of the Loan Agreement. Debt incurred with respect to a credit facility or liquidity facility shall be counted only to the extent the reimbursement obligation on amounts drawn, or in the reasonable judgment of the Institution likely to be drawn, on the credit facility or liquidity facility exceeds the obligation on the Debt for which a credit facility or a liquidity facility is provided.

“*Debt Service Fund*” means the fund so designated which is created and established by the Resolution.

“*Defeasance Obligations*” means non-callable obligations described in clause (A), (B) or (C) of the definition of “Permitted Investments” below.

“*Depository*” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

“*Development Fund*” means the fund so designated which is created and established by the Resolution.

“*Favorable Opinion of Bond Counsel*” means an opinion of Orrick, Herrington & Sutcliffe LLP, or other Bond Counsel, addressed to the Trust, any remarketing agent or broker-dealer, the Institution and the Trustee, which may be relied upon by the Credit Enhancement Provider and any Liquidity Facility Issuer to the effect that the action proposed to be taken is authorized or permitted by the laws of the State of New York and the Resolution and will not adversely affect any exclusion from gross income for federal income tax purposes of interest on the Bonds.

“*Financed Facilities*” means all facilities included in the portion of the Project to which proceeds of Bonds are applied.

“*Funds*” means all funds created and established by or held pursuant to the Resolution.

“*Indemnification Agreement*” means the Indemnification Agreement, dated as of September 1, 2019, between the Trust and the Institution, as the same may be amended from time to time.

“*Institution*” means The Carnegie Hall Corporation, a not-for-profit corporation created and existing under the laws of the State of New York and a participating cultural institution for purposes of the Act.

“*Institution Payments Account*” means the account within the Debt Service Fund which is created and established by the Resolution.

“*Interest Payment Date*” means for the Series 2019 Bonds, each June 1 and December 1, commencing December 1, 2019, and for other Bonds has the meaning given in the applicable Series Resolution.

“*Liquidity Facility*” means an irrevocable letter of credit, a surety bond, line or lines of credit, standby bond purchase agreement or other similar agreement or agreements or any other agreement or agreements delivered to the Trustee and providing liquidity support for the Bonds in accordance with a Series Resolution, and any Alternate Liquidity Facility, as the same may be amended or supplemented from time to time pursuant to the terms thereof. **There is no Liquidity Facility being issued in connection with the Series 2019 Bonds.**

“*Liquidity Facility Issuer*” means each issuer of a Liquidity Facility, if any, then in effect with respect to a particular Series of Bonds, as may be designated and set forth in the Series Resolution authorizing such Series of Bonds, and its successors and assigns.

“*Liquidity Facility Issuer Bond*” means each Bond purchased by the Liquidity Facility Issuer with the proceeds of a drawing under the Liquidity Facility pursuant to the applicable Series Resolution and registered and/or held in the name of and/or for the benefit of the Liquidity Facility Issuer or its nominee until the date on which such Bond is remarketed in accordance with the Multi-Mode Annex and sold by the Liquidity Facility Issuer pursuant to the applicable Series Resolution.

“*Loan Agreement*” means the Loan Agreement by and between the Trust and the Institution, dated as of September 1, 2019, in connection with the issuance of Bonds, and assigned to the Trustee for the benefit of the Bondholders, each Credit Enhancement Provider and each Liquidity Facility Issuer, if any, as the same may be amended, supplemented or otherwise modified from time to time.

“*Loan Payments*” means those payments made by the Institution to the Trustee pursuant to the Agreement as set forth in Appendix E under the caption “Payment for the Bonds.”

“*Minimum Authorized Denominations*” for any Series of Bonds will have the meaning ascribed to it in the related Series Resolution.

“*Moody’s*” means Moody’s Investors Service, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Trust.

“*Multi-Mode Annex*” means the Multi-Mode Annex set forth as an exhibit to a Series Resolution.

“*Outstanding*” when used with reference to Bonds, means as of a particular date and subject to the Resolution, all Bonds authenticated and delivered under the Resolution except: (i) any Bond paid or redeemed or otherwise cancelled by the Trustee at or before such date; (ii) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited with the Trustee prior to maturity pursuant to the Resolution; (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the

Resolution, and (iv) any Bond deemed paid under the provisions of the Resolution, except that any Bond described in clause (ii) or (iv) shall be considered Outstanding until the maturity or redemption date thereof solely for the purposes of the Resolution; and provided further, (i) that Liquidity Facility Issuer Bonds and Bonds the principal of or interest on which has been paid by any Credit Enhancement Provider under the Credit Enhancement provided by such Credit Enhancement Provider shall be considered Outstanding until such Credit Enhancement Provider and Liquidity Facility Issuer have been reimbursed in full for all amounts due or to become due with respect to the respective Credit Enhancement or Liquidity Facility; and (ii) that Bonds owned by the Institution shall not be deemed to be Outstanding while so held for the purposes of any exercise by Bondholders of rights under the Resolution.

“*Paying Agent*” means the Trustee appointed under the Resolution with such duties imposed under the Resolution and under the Series Resolution in the capacity of Paying Agent.

“*Permitted Investments*” means to the extent permitted by applicable law:

- (A) Cash;
- (B) U.S. Dollar-denominated senior debt securities of the United States of America issued by the U.S. Department of the Treasury (including obligations issued or held in book entry form on the books of the Department of the Treasury) and backed by the full faith and credit of the United States of America;
- (C) U.S. Dollar-denominated obligations, debentures, notes or other evidence of indebtedness issued or guaranteed, directly or indirectly, by any of the following federally sponsored agencies or instrumentalities, which obligations are backed by the full faith and credit of the United States of America:
 - Commodity Credit Corporation
 - Export-Import Bank of the United States
 - Farm Credit System Financial Assistance Corporation
 - Federal Financing Bank
 - Federal Housing Administration
 - General Services Administration
 - Government National Mortgage Association (GNMA)
 - Maritime Administration
 - Rural Economic Community Development Administration
(formerly, Farmers Home Administration)
 - Rural Utilities Service
 - Rural Telephone Bank
 - Small Business Administration
 - U.S. Department of Housing and Urban Development (PHAs)
 - U.S. Maritime Administration
 - Washington Metropolitan Area Transit Authority
 - such other federally sponsored agencies or instrumentalities which may hereafter be created or otherwise approved by the Credit Enhancement Provider;
- (D) U.S. Dollar-denominated obligations, debentures, notes or other evidence of indebtedness issued or guaranteed, directly or indirectly, by any of the following federally sponsored agencies or instrumentalities, which obligations are not backed by the full faith and credit of the United States of America:

- Federal Farm Credit Banks Funding Corporation
 - Federal Home Loan Banks (including their Consolidated Obligations issued through the Office of Finance of the Federal Home Loan Bank System)
 - Federal Home Loan Mortgage Corporation (FHLMC)
 - Federal National Mortgage Association (FNMA)
 - Financing Corporation (FICO)
 - Private Export Funding Corporation
 - Resolution Funding Corporation (REFCORP)
 - Student Loan Marketing Association (SALLIE MAE)
 - Tennessee Valley Authority
 - such other federally sponsored agencies or instrumentalities which may hereafter be approved by the Credit Enhancement Provider;
- (E) U.S. Dollar-denominated obligations issued by public agencies, instrumentalities or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes or project notes issued by public agencies, instrumentalities or municipalities, in each case fully secured as to payment of both principal and interest by a requisition or payment agreement with the United States of America;
- (F) U.S. Dollar-denominated demand deposits, interest-bearing time deposits, certificates of deposit, federal funds, bankers' acceptances or other similar banking arrangements, in each case issued by a domestic commercial bank (including the branch office located in the United States of a foreign bank) whose short term certificates of deposits are rated, on the date of purchase, in the highest ratings category (disregarding any gradations within such category) for comparable types of obligations by a nationally recognized securities rating organization ("NRSRO"), and which mature no more than 360 days after the date of purchase; and deposits which are fully insured by the Federal Deposit Insurance Corporation ("FDIC") in banks that have capital and surplus of at least \$50,000,000;
- (G) Repurchase agreements with (i) registered broker-dealers or (ii) domestic commercial banks that are members of the FDIC or any members of the Corporation of Primary Dealers in United States Government Securities (or any successor thereof), in each case the underlying securities of which are of the type described in (A)-(F) above; provided that, in the case of (ii) above, the long term senior unsecured debt obligations of the issuer (or of any unconditional guarantor) are rated, at the time of purchase, A2 or better by Moody's or A or better by S&P;
- (H) Direct obligations of any state, political subdivision or governmental authority or agency within the territorial United States of America whose debt obligations are rated, at the time of purchase, Aa2 or better by Moody's or AA or better by S&P, or any general obligation fully and unconditionally guaranteed as to principal and interest by any state, political subdivision or governmental authority or agency within the territorial United States of America whose debt obligations are rated, at the time of the purchase, A2 or better by Moody's or A or better by S&P;
- (I) Commercial paper with an original maturity at issuance of not more than 270 days, which is rated, at the time of purchase, in the highest ratings category (disregarding any gradations within such category) for comparable types of obligations by a NRSRO; other

corporate debt instruments or any obligations which are rated, at the time of purchase, in one of the 2 highest ratings categories (disregarding any gradations within such categories) for comparable types of obligations by Moody's or S&P;

- (J) Money market funds rated Aaa-mf by Moody's or AAm (or AAm-G) or better by S&P;
- (K) Municipal obligations, the payment of principal, interest and redemption premium, if any, of which are irrevocably secured by obligations of the type described in (A)-(D) above, and which have been deposited in an escrow arrangement that is irrevocably pledged to the payment of such obligations;
- (L) Investment agreements or guaranteed investment contracts with any company or financial institution; provided, that such agreements or contracts, or the senior unsecured long term debt obligations of the issuer (or of any unconditional guarantor) are rated, at the time such agreements or contracts are entered into, in one of the 2 highest ratings categories (disregarding any gradations within such categories) for comparable types of obligations by a NRSRO;
- (M) Forward purchase agreements covering the purchase of securities of the type described in clauses (B), (C), (D), (E), (F), (H) or (I) of this definition of Permitted Investments; and
- (N) Other forms of investment provided for in an applicable Series Resolution.

"Project" means any project as permitted under the Act, or as set forth in one or more Series Resolutions.

"Project Account" means the account within the Development Fund created and established by the Resolution.

"Rating" means a full letter grade (or its equivalent) rating category such as "Aa" in the case of Moody's and "AA" in the case of S&P on the date hereof, without regard to "+" or "-" denotations or any other denotations intended by the Rating Agency assigning the rating to indicate qualitative differences within a particular rating category; and when applied to a Credit Enhancement Provider, "Rating" shall refer to the rating assigned to the claims-paying ability of such Credit Enhancement Provider; and when Bonds of the Series of Bonds to which it is being applied bear interest at a rate calculated more frequently than annually, "Rating" shall refer only to a "short-term" rating issued by the Rating Agency and when such Bonds bear interest calculated annually or less frequently than annually, the term shall refer only to a "long-term" rating issued by the Rating Agency (unless short-term and long-term ratings are otherwise said by such Rating Agency in an official announcement to refer to obligations on which interest is calculated at different times, in which case the revised definition of short-term and long-term shall apply in the Resolution).

"Rating Agency" means any nationally recognized rating agency (as determined by the Trust) having a Rating in effect on any Series of Bonds, which Rating has been affirmatively requested by the Trust.

"Rebate Fund" means the fund so designated which is created and established by the Resolution.

"Redemption Fund" means the fund so designated which is created and established by the Resolution.

“*Redemption Price*” when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Resolution.

“*Replacement Credit Enhancement*” means any policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement or instrument issued in accordance with the provisions of the terms of the applicable Series Resolution which policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement or instrument shall be accepted by the Trustee and the Institution in replacement of the Credit Enhancement then in effect.

“*Resolution*” means the Revenue Bond Resolution (Carnegie Hall) adopted by the Board of Trustees of the Trust on July 18, 2019, as supplemented by the Series 2019 Resolution Authorizing not in Excess of \$110,000,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall) adopted by the Board of Trustees of the Trust on July 18, 2019, as each of them may be amended or supplemented from time to time by one or more Supplemental Resolutions.

“*Revenues*” means all Loan Payments made or to be made by the Institution pursuant to the Loan Agreement (except for Additional Payments and payments made or to be made for deposit to the Rebate Fund).

“*Series*” means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and the applicable Series Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“*Series Certificate*” means a certificate of an Authorized Officer of the Trust establishing final terms, conditions and other details of a Series of Bonds prior to issuance thereof in accordance with the delegation of power to do so under this Resolution or any Series Resolution.

“*Series Resolution*” means a Supplemental Resolution authorizing bonds under the provisions of the Resolution, including any Series Certificate delivered pursuant thereto.

“*Sinking Fund Installment*” means any policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement or instrument issued in accordance with the provisions of the terms of the applicable Series Resolution which policy of insurance, surety bond, irrevocable letter of credit, line or lines of credit or any other agreement or instrument shall be accepted by the Trustee and the Institution in replacement of the Credit Enhancement then in effect.

“*S&P*” means S&P Global Ratings, or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Trust.

“*Supplemental Resolution*” means any resolution supplemental to or amendatory of the Resolution or of any Series Resolution, adopted by the Trust in accordance with the terms of the Resolution.

“*Tax Certificate and Agreement*” means any Tax Certificate and Agreement with respect to a Series of Bonds, concerning certain matters pertaining to the use of proceeds of such Series of Bonds and the facilities financed thereby executed by and delivered by the Trust, the Institution and the Trustee on the date of issuance of such Series of Bonds, including any and all exhibits attached thereto, as the same may be supplemented or amended with a Favorable Opinion of Bond Counsel.

“Trust” means The Trust for Cultural Resources of The City of New York, a corporate governmental agency and a public benefit corporation constituting a political subdivision of the State of New York.

“Trustee” means the bank, trust company or national banking association then acting as Trustee in accordance with the Resolution, which is initially The Bank of New York Mellon.

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The descriptions contained herein do not purport to be complete, and reference should be made to the Resolution for a full and complete statement of its provisions.

Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who own the same from time to time, the Resolution is deemed to be a contract among the Trust, the Trustee and the holders from time to time of the Bonds. The pledges and assignments made in the Resolution and the covenants and agreements set forth in the Resolution to be performed by or on behalf of the Trust are for the benefit, protection and security of (i) the holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction except as expressly provided in or permitted by the Resolution and (ii) each Credit Enhancement Provider and Liquidity Facility Issuer, if any, as their interests may appear, as further provided in the Resolution.

Authorization and Issuance of Bonds. The Bonds may be issued at any time and from time to time to finance or refinance: (i) the cost of building, constructing, equipping and installing the Project; (ii) the cost of any additions or improvements to the Project; (iii) the payment to the Trust and the Institution of their administrative, legal and other necessary expenses in connection with developing the Project; (iv) the payment of the administrative, legal, accounting, financing and other expenses of the Trust and the Institution incidental to the issuance of the Bonds, the payment of fees, charges, expenses and costs (including, without limitation, attorneys' fees) of the Trustee and the payment of other costs of issuing the Bonds; (v) the payment of the principal and Redemption Price of and interest on the Bonds; (vi) the payment of fees, charges and other costs in connection with Credit Enhancement or other forms of credit support, or a Liquidity Facility, if applicable to a particular Series of Bonds; (vii) the payment of capitalized interest and accrued interest on the Bonds; and (viii) the payment of other obligations issued for any of the above purposes.

Establishment of Funds and Accounts. The Resolution creates and establishes the following Funds and separate Accounts within Funds to be held and maintained by the Trustee:

Development Fund (including the Costs of Issuance Account, the Capitalized Interest Account and the Project Account therein);

Debt Service Fund (including the Institution Payments Account therein and the Credit Enhancement Payments Account therein);

Redemption Fund (including the Credit Enhancement Payments Account therein); and

Rebate Fund (established when applicable).

The Development Fund. The Trustee will pay from the Costs of Issuance Account of the Development Fund the costs of issuing the Bonds and administrative, legal, accounting and other necessary expenses in connection with the Project, upon requisition. Except as otherwise provided in the Resolution, any moneys deposited in the Development Fund, including net proceeds of any casualty insurance award, will be used only to pay the capitalized interest on the Bonds when due, any capitalized fees, the cost of building, constructing, equipping and installing the Project or repairing or restoring the Project, including necessary incidental expenses, and further including reimbursement to the Institution for payments made for such purposes including reimbursement of payments made prior to the issuance of

the related Series of Bonds with the expectation of such reimbursement and any ongoing payments to be made pursuant to an interest rate swap agreement entered into by the Institution; provided, however, that moneys on deposit in the Project Account may be used to pay the costs of other capital projects if the Trustee is provided with an opinion of Bond Counsel to the effect that such use is authorized by the Act and the Resolution and that such use will not adversely affect the exclusion from gross income of interest on the Bonds for federal tax purposes. Transfers may be made from time to time from the Capitalized Interest Account to the Project Account in order to pay costs of the Project. Upon the occurrence and continuance of an Event of Default under the Resolution, no moneys will be disbursed from the Development Fund for the payment of Project costs if the Trustee takes action to prohibit such disbursement.

Upon receipt of a certificate from the Institution as to completion of the Project pursuant to the Loan Agreement, the Trustee will thereupon certify the balance of moneys then remaining in the Development Fund and, as directed in writing by the Institution: (i) use such balance, less the amount estimated by the Institution to be necessary to complete the Project or its repair or restoration or to fully effectuate the purposes for which such Bonds were issued; (ii) for the costs of other capital projects as permitted by the Resolution; or (iii) deposit such balance in the Redemption Fund or the Debt Service Fund for the payment of principal of or Sinking Fund Installments then due, on the appropriate Series of Bonds to which such excess moneys relate, or for payment of interest then due on the appropriate Series of Bonds with the delivery of an opinion of Bond Counsel to the same effect as provided in the paragraph above; provided, however, that one or more Series of Bonds issued simultaneously will be deemed to be one Series for such purposes. Upon any declaration of acceleration (as described under "Acceleration of Maturity," below), the Trustee may immediately transfer the balance in the Development Fund to the Institution Payments Account of the Debt Service Fund.

The Debt Service Fund. Except as may otherwise be provided in a Series Resolution and the Resolution, Revenues will be deposited upon receipt in the Institution Payments Account of the Debt Service Fund. On or before the date on which an interest payment or a principal payment is due on any Series of Bonds, the Trustee shall transfer to each subaccount of the Debt Service Fund for the applicable Series of Bonds for which such interest and/or principal payment is due, an amount sufficient to make such interest and/or principal payment, or, as may be more particularly described in a Series Resolution, to reimburse any Credit Enhancement Provider for such payments of interest and/or principal.

To the extent that Revenues held in the Institution Payments Account are insufficient to make all of such transfers one (1) Business Day before such amounts are due, the Trustee will immediately notify the Institution and any Credit Enhancement Provider and if such deficiency has not been remedied will allocate the Revenues so held in the Institution Payments Account of the Debt Service Fund proportionately among the Series of Bonds for which an interest payment and/or principal payment is due. There may also be deposited in the Institution Payments Account any amounts remaining in the Development Fund upon any declaration of acceleration pursuant to the Resolution. There will also be deposited in the Debt Service Fund any other amount required to be deposited therein pursuant to the Resolution and any Supplemental Resolution.

On each date on which principal installments are due on any Series of Outstanding Bonds, whether upon redemption, purchase in lieu of redemption, maturity or acceleration, the Trustee will pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of the principal installments due on the Outstanding Bonds on such date, as follows:

first, to the extent provided in any Series Resolution, from the Credit Enhancement Payments Account of the Debt Service Fund, and to the extent the moneys therein are insufficient for said purpose,

second, from the Institution Payments Account of the Debt Service Fund, and to the extent the moneys therein are insufficient for said purpose,

third, from any other moneys held by the Trustee under the Resolution and available for such purpose.

On each interest payment date, the Trustee will pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of the interest due on any Series of Outstanding Bonds on such date, and on or before any redemption date, will pay, from the sources described below and in the order of priority indicated, the amounts required for the payment of accrued interest on Outstanding Bonds to be redeemed as follows:

first, to the extent provided in any Series Resolution, from the Credit Enhancement Payments Account of the Debt Service Fund, and to the extent the moneys therein are insufficient for said purpose,

second, from the Institution Payments Account of the Debt Service Fund, and to the extent the moneys therein are insufficient for said purpose,

third, from any other moneys held by the Trustee under the Resolution and available for such purpose.

The Redemption Fund. There will be deposited in the applicable account of the Redemption Fund (i) excess amounts on deposit in the Development Fund, (ii) all moneys drawn under any Credit Enhancement for the redemption of Bonds and (iii) all moneys to be used to redeem Bonds pursuant to any Series Resolution.

Application of Moneys in Certain Funds for Retirement of Bonds. If at any time any funds held on deposit in the Debt Service Fund and the Redemption Fund, together with any funds held in the Development Fund (to the extent such funds are not needed to pay costs of the Project), are sufficient to effect defeasance and the release of the pledge of the Revenues in accordance with the Resolution, the Trust, upon the direction of the Institution, will request the Trustee in writing to retire all Bonds. The Trustee will, upon receipt of any such request or direction in writing by the Trust and the Institution, proceed, as promptly as possible, to comply with such request or direction.

Rebate Fund. The Rebate Fund will be opened when applicable and maintained by the Trustee as a Fund separate from any other Fund established and maintained under the Resolution. Within the Rebate Fund, the Trustee will maintain such accounts as required by the Institution in order to comply with the terms and requirements of any Tax Certificate and Agreement. Subject to the provisions of the Resolution, all money at any time deposited in the Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in a Tax Certificate and Agreement), for payment to the Treasury Department of the United States of America, and the Trust, the Institution, any Credit Enhancement Provider or any provider of any credit facility or liquidity facility with respect to the Bonds or the owner of any Bonds shall not have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund will be governed by the Resolution and by the applicable Tax Certificate and Agreement.

Upon the written direction of the Institution, the Trustee will deposit in the Rebate Fund funds received from the Institution and, to the extent that the Institution has provided insufficient funds the Trustee will withdraw first, from available amounts held in the Redemption Fund, second, from available amounts held in the Development Fund and, third, from available amounts held in the Debt Service Fund

if and to the extent required, so that the balance of the amount on deposit in the Rebate Fund is equal to the Rebate Requirement.

Investment of Moneys. Moneys in any of the Funds (other than the Credit Enhancement Payments Account of the Debt Service Fund and the Credit Enhancement Payments Account of the Redemption Fund) will be invested by the Trustee, as directed in writing by an Authorized Officer of the Institution, in Permitted Investments; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at which the Institution reasonably believes such moneys will be required for the purposes set forth in the Resolution. The Institution, in issuing such directions, will comply with the restrictions and instructions in the Tax Certificate and Agreement.

Except as otherwise provided in the Resolution, interest or dividends derived on account of the investments in any Fund or account will be deposited in and credited to the Fund or account with respect to which they derived.

Neither the Trust nor the Trustee, subject to the provisions of the Resolution governing the responsibilities of the Trustee, is liable for any depreciation in the value of any securities in which moneys of the Funds are invested, or for any loss arising from any investment.

Tax Covenant. The Trust covenants that it will not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes under Section 103 of the Code of the interest on the Bonds that are issued as tax-exempt bonds. Without limiting the generality of the foregoing covenant, the Trust covenants to comply with the instructions and requirements of any Tax Certificate and Agreement. This covenant will survive payment in full or defeasance of the Bonds.

Appointment and Acceptance of Trustee. The Bank of New York Mellon, New York, New York, is appointed as Trustee and Paying Agent.

Obligation of Trustee. The Trustee is under no obligation to institute any suit, or to take any proceeding under the Resolution, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts created by or in the enforcement of any rights and powers under the Resolution, (other than (1) to draw on each Credit Enhancement or Liquidity Facility in accordance with the terms thereof and as provided by the Resolution and any Series Resolution, (2) to make required payments to Bondholders or to the Paying Agent for the benefit of Bondholders, (3) to accelerate the Bonds in accordance with the directions of the Bondholders or any Credit Enhancement Provider as provided in the Resolution and (4) to direct a mandatory tender or redemption of the Bonds following a notice from any Liquidity Facility Provider that the Liquidity Facility will be terminated), until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, except for liability stemming from its willful misconduct, willful disregard of instructions, negligence or bad faith.

The duties and obligations of the Trustee are determined by the express provisions of the Resolution, and the Trustee will not be liable except for the performance of such duties and obligations as are specifically set forth in the Resolution.

Property Held in Trust. All moneys and securities held by the Trustee and any Paying Agent pursuant to the Resolution will be in trust for the purposes and under the terms and conditions of the Resolution.

Compensation. Unless otherwise provided by contract with the Trustee, the Trust will pay to the Trustee, from time to time, reasonable compensation as agreed to in writing among the relevant parties for all services rendered by it under the Resolution, including its services as registrar and Paying Agent, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties under the Resolution. The Trustee will have a lien for such compensation on any and all funds at any time held by it under the Resolution prior to the Bonds (other than proceeds of any Credit Enhancement, any Liquidity Facility, remarketing proceeds or funds provided by the Institution for optional and mandatory tenders pursuant to a Series Resolution or moneys on deposit in the Rebate Fund or the Debt Service Fund). None of the provisions contained in the Resolution require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign by giving not less than sixty (60) days written notice to the Trust, the Institution, any Credit Enhancement Provider and any Liquidity Facility Issuer specifying the date when such resignation will take effect. Resignation will not take effect until a successor (including a temporary Trustee appointed under the Resolution) is appointed and has accepted such appointment.

Removal of Trustee. The Trustee, or any successor thereof, may be removed at any time by (i) the Institution (with the consent of the Trust) except during the continuance of an Event of Default of the Institution, (ii) the Trust, or (iii) the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding, excluding any Bonds held by or for the account of the Trustee. So long as a Series of Bonds is covered by Credit Enhancement, the Credit Enhancement Provider for such Series, at any time, may remove the Trustee for “cause” by notice to the Trust, the Trustee and the Institution. For such purpose, “cause” means (i) the negligence or willful misconduct of the Trustee in the performance of its duties under the Resolution or (ii) the failure or unwillingness of the Trustee to perform its duties under the Resolution. Upon receipt by the Trustee of such notice of termination, the Trustee will continue to act as Trustee under the Resolution and have the right to proceed to cure such negligence, willful misconduct or failure or unwillingness to perform its duties, for a period of two (2) weeks. If such cure is not effected within such time, the Trustee’s functions under the Resolution will be terminated immediately upon appointment of a successor trustee by the Institution (with the consent of the Trust), the Trust or such Bondholders with the written approval of each Credit Enhancement Provider. The Trustee or any successor may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions of the Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Trust, the Institution, any Credit Enhancement Provider or the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding. Removal of the Trustee will not take effect until a successor is appointed and has accepted such appointment.

Successor Trustee. In case the Trustee, or any successor thereof, resigns, is removed or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee, or of its property or affairs, a successor may be appointed by (i) the Institution (with the consent of the Trust) except during the continuance of an Event of Default of the Institution, (ii) the Trust or (iii) the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding, in any event with the written consent of each Credit Enhancement Provider.

If no appointment of a successor is made within forty-five (45) days after the Trust’s receipt of the written notice of resignation or after the occurrence of any other event requiring or authorizing such

appointment, the Trustee, the Trust, the Institution, any Credit Enhancement Provider or any Bondholder may apply to any court of competent jurisdiction for such appointment.

Any successor is required to be a commercial bank or trust company or national banking association doing business and having its main office located in the State of New York, and having capital funds aggregating at least \$50,000,000, if there be such an entity willing and able to accept the appointment on reasonable and customary terms (including the imposition of commercially reasonable fees) and authorized by law to perform all the duties required by the Resolution.

The Paying Agents. The Trustee and such other paying agent as is appointed in the appropriate Series Resolutions are the Paying Agents for the Bonds, with such duties and obligations as are determined by the express provisions of the Resolution. No Paying Agent is liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Resolution. Unless otherwise provided by contract with each Paying Agent, the Trust (but solely from moneys provided by the Institution under the Loan Agreement) will pay each Paying Agent reasonable compensation for all services rendered by it under the Resolution. In the event of the failure of any Paying Agent to accept its appointment, the resignation of any Paying Agent, or the failure of any Paying Agent to perform its duties satisfactorily, the Institution (with the consent of the Trust), the Trustee, and each Credit Enhancement Provider, may appoint a successor Paying Agent. Pending such appointment, the Trustee will succeed to the duties of the Paying Agent that resigned or is removed. Each Paying Agent is required to: (i) be a commercial bank or trust company authorized by law to act in such capacity; and (ii) have capital funds aggregating at least \$50,000,000.

Trustee to Exercise Powers of Statutory Trustee. The Trustee is vested with all of the rights and powers of a trustee appointed by Bondholders pursuant to the Act and the rights of Bondholders to appoint a separate trustee to represent them pursuant to the Act is abrogated.

Events of Default. Each of the following events is an event of default (herein called “Event of Default”) under the Resolution:

(a) payment of the principal of, premium, if any, or any installment of interest on any of the Bonds is not made when the same becomes due and payable; or

(b) payment of the purchase price from any source of any of the Bonds tendered or deemed tendered for purchase pursuant to any Series Resolution is not made when the same becomes due and payable; or

(c) the Trust defaults in the due and punctual performance of its tax covenants contained in the Resolution; or

(d) the Trust defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution (other than any default described in paragraphs (a), (b) or (c) above) and such default continues unremedied for thirty (30) days after written notice has been given to the Trust by the Trustee, which may give such notice in its discretion, with the written consent of each Credit Enhancement Provider, and will give such notice at the written request of any Credit Enhancement Provider or the holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or

(e) an Act of Bankruptcy has occurred and is continuing or is deemed to have occurred and be continuing and the Trustee shall have received written notice thereof from the Trust, the Institution, any Credit Enhancement Provider, any Liquidity Facility Issuer or a Bondholder; provided, however, that the

filing of a petition in bankruptcy or similar proceeding against the Trust, if dismissed within ninety (90) days of filing, will not be deemed to be an Act of Bankruptcy for such purposes; or

(f) the occurrence and continuance of an Event of Default under the Loan Agreement after any applicable grace period has run and the Trustee has received written notice thereof provided in the manner specified therein from the Trust, the Institution, any Credit Enhancement Provider, any Liquidity Facility Issuer or a Bondholder; or

(g) receipt by the Trustee of written notice directing acceleration (to the extent permitted by the Resolution) from any Credit Enhancement Provider or any Liquidity Facility Issuer of an “Event of Default” under the documents governing the related Credit Enhancement or Liquidity Facility, as applicable.

Acceleration of Maturity. Subject to the provisions described under “Credit Enhancement Provider Control of Remedies” below, upon the happening and continuance of any Event of Default, then in every such case the Trustee may (with the prior written consent of each Credit Enhancement Provider) and, upon the written request of each Credit Enhancement Provider or the holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding, will (with the prior written consent of each Credit Enhancement Provider), give notice in writing to the Trust, the Governor and Attorney General of the State of New York and the Mayor and Comptroller of The City of New York specifying the Event or Events of Default and stating that the Trustee will declare the principal of all Bonds Outstanding (other than Bonds registered in the name of the Institution) to be immediately due and payable. Subject to the provisions described under “Credit Enhancement Provider Control of Remedies” below, unless the Event of Default is fully cured, the Trustee may (with the prior written consent of each Credit Enhancement Provider) and, upon the written request of the Credit Enhancement Provider or the holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding (subject to such indemnification by such Bondholders as provided by the Resolution) will immediately (with the prior written consent of each Credit Enhancement Provider) declare the principal of all the Bonds Outstanding and the interest accrued thereon to be due and payable immediately, whereupon such principal plus such accrued interest, will become and be immediately due and payable. Upon a declaration of acceleration of the Bonds, the Trustee will draw on each Credit Enhancement in an amount equal to the principal of and accrued interest on the related Bonds. If then required by law, the Trustee will give the notice described above to the Governor and Attorney General of the State of New York and the Mayor and Comptroller of The City of New York at least thirty (30) days prior to the date of declaration of acceleration. So long as there are moneys to pay such acceleration, interest will cease to accrue on the Bonds upon such declaration of acceleration.

At any time after the principal of the Bonds has been declared to be due and payable, as described above, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee may and, the Trustee will, with the written consent of the holders of not less than fifty-one percent (51%) in principal amount of the Bonds not then due by their terms and then Outstanding (in either case with the prior written consent of each Credit Enhancement Provider and subject to the reinstatement of any related Credit Enhancement and/or Liquidity Facility), annul such declaration and its consequences if certain conditions set forth in the Resolution are met.

Exhaustion of Revenues. If, following action to realize upon the security interests granted under the Resolution and under the Loan Agreement and otherwise to enforce the payment of all liabilities of the Institution under the Loan Agreement, it appears that no further Revenues will be received by the Trust or the Trustee and that no further recovery from the Institution may be realized and the moneys and investments held by the Trustee, together with earnings reasonably expected thereon, will be insufficient

to pay in full the principal of, Sinking Fund Installments and interest on the Bonds as the same become due and payable, or to effect defeasance under the Resolution, the Trustee will proceed to give the required notice and, but only with prior written consent of the Credit Enhancement Provider, if any, to declare the principal of all the Bonds Outstanding (other than Bonds registered in the name of the Institution) to be due and payable immediately.

Enforcement of Remedies. Upon the happening and continuance of any Event of Default, then and in every such case, the Trustee may (with the prior written consent of each Credit Enhancement Provider) proceed, and upon the written request of each Credit Enhancement Provider or the holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding will proceed (with the prior written consent of each Credit Enhancement Provider and subject to such indemnification as provided by the Resolution), to protect and enforce its rights and the rights of the holders of the Bonds under the laws of the State of New York or the Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or in aid or execution of any power therein granted, or for an accounting against the Trust as if the Trust were the trustee of an express trust as to moneys received by the Trust and pledged to the Trustee under the Resolution or for the enforcement of any proper legal or equitable remedy as the Trustee will deem most effectual to protect and enforce such rights.

Upon the occurrence and continuance of any Event of Default, the Trustee may (with the prior written consent of each Credit Enhancement Provider) and will, upon the written request of the Credit Enhancement Provider, take such action, without notice or demand, as it deems advisable to protect and enforce its rights under the Loan Agreement.

Priority of Payments After Default. If, at any time, the moneys held by the Trustee under the Resolution (other than proceeds of any Liquidity Facility, remarketing proceeds or moneys provided by the Institution for optional or mandatory tenders pursuant to a Series Resolution) are not sufficient to pay the principal of or Sinking Fund Installments and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity or otherwise under the provisions of the Resolution), such moneys, together with any moneys then available or thereafter becoming available for such purpose, will be applied (after payment of all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds (other than Bonds registered in the name of the Institution) has become due and payable either by their terms, by redemption or by a declaration of acceleration, all such moneys are applied:

FIRST: To the payment to the persons (other than the Institution) entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the persons (other than the Institution) entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds which have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Resolution) with interest upon such Bonds from the respective dates upon which they have become due, in the order of their due dates, and, if the amount available is not sufficient to pay in full Bonds due on any particular due date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) If the principal of all the Bonds (other than Bonds registered in the name of the Institution) has become due and payable, either by their terms, by redemption, or by a declaration of acceleration or otherwise, to the payment to the Bondholders (other than the Institution) of the principal and interest (at the rate or rates expressed in the Bonds) then due and unpaid upon the Bonds and if applicable to the Redemption Price of the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Amounts so paid are subject to the pledge and assignment set forth in the Resolution and any amounts pledged thereunder to secure the payment of a particular Series of Bonds will not be used for the payment of any other Series of Bonds.

Bondholders May Control Proceedings. Subject to the provisions described under “Credit Enhancement Provider Control of Remedies” below, the holders of no less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding will have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee, in accordance with law or the provisions of the Resolution.

Restrictions Upon Action by Individual Bondholder. Subject to the provisions described under “Credit Enhancement Provider Control of Remedies” below and of the applicable Series Resolution, no Bondholder will have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution or for any other remedy under the Resolution, unless such holder satisfies certain requirements in the Resolution as to notification, request and offer of indemnity. No one or more holders of the Bonds will have any right to affect, disturb or prejudice the security of or to enforce any rights under the Resolution except in the manner therein provided.

Subject to the provisions of the Resolution and the applicable Series Resolution, any Liquidity Facility Issuer, nothing contained in the Resolution will affect or impair, or be construed to affect or impair, the right of any Bondholder (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Bondholder may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the Resolution for (i) the equal and ratable benefit of all Bondholders and (ii) each Credit Enhancement Provider and Liquidity Facility Issuer.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee, the Bondholders or any Credit Enhancement Provider or Liquidity Facility Issuer is intended to be exclusive of any other remedy or remedies. Each such remedy is cumulative and in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute.

Waiver and Non-Waiver. No delay or omission of the Trustee, of any holder of Bonds or of any Credit Enhancement Provider or Liquidity Facility Issuer, if any, for such Bonds to exercise any right or power accruing upon any default will impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein.

Subject to the provisions described under “Credit Enhancement Provider Control of Remedies” below and the reinstatement of any related Credit Enhancement and/or Liquidity Facility, the Trustee may with the consent of each Credit Enhancement Provider, and upon written request of the holders of not less than fifty-one percent (51%) of the aggregate principal amount of Bonds Outstanding or upon the

direction of each Credit Enhancement Provider will, waive any default or any Event of Default before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Resolution or before the completion of the enforcement of any other remedy under the Resolution; provided, however, that no such waiver will extend to or affect any other existing or any subsequent default.

Notice of Default. The Trustee will deliver to all Bondholders, to each Credit Enhancement Provider and to each Liquidity Facility Issuer, written notice of the occurrence of any Event of Default described in clause (a) or (b) under “Events of Default” within thirty (30) days after any such Event of Default has occurred.

Credit Enhancement Provider Control of Remedies. Subject to the provisions of the Series Resolution authorizing a Series of Bonds, if Credit Enhancement is in effect with respect to any Series of Bonds and the Credit Enhancement Provider has not failed to make lawful payment under the Credit Enhancement in accordance with the terms of the Credit Enhancement after the presentation of documents strictly complying with the terms of the Credit Enhancement and no Credit Enhancement Provider Event of Insolvency has occurred, (i) the Credit Enhancement Provider is deemed to be the owner of all Bonds then Outstanding to which the Credit Enhancement applies, with the right to exercise or direct the exercise of remedies on behalf of the owners of such Bonds in accordance with the Resolution following an Event of Default and (ii) the Trustee will not take any action with respect to an Event of Default at the direction of the Bondholders of such Series without the prior written consent of the Credit Enhancement Provider for such Series of Bonds.

If any Credit Enhancement Provider fails to make lawful payment under the Credit Enhancement in accordance with the terms of the Credit Enhancement after the presentation of documents strictly complying with the terms of the Credit Enhancement or a Credit Enhancement Provider Event of Insolvency occurs with respect to any Credit Enhancement Provider, then such Credit Enhancement Provider will no longer be deemed to be the owner of the Outstanding Bonds for which its Credit Enhancement was issued and will no longer have the right to exercise or direct the exercise of remedies, or the right to give consent, in accordance with the terms of the Resolution with respect to such Bonds. All such rights of the Credit Enhancement Provider will be reinstated upon the cure of any such failure by the making of the related payment under and in accordance with the terms and provisions of the Credit Enhancement.

Conflicting Rights. In the event of a conflict between the rights of the Trustee or the Trust to give consents, directions, appointments or requests under the Resolution and such rights of a Credit Enhancement Provider, such Credit Enhancement Provider will have priority in the exercise of such rights.

Modification and Amendment Without Consent. The Trust, with the prior written consent of an Authorized Officer of the Institution, may adopt at any time a Supplemental Resolution supplementing the Resolution or supplementing any Supplemental Resolution so as to modify or amend such Resolutions for one or more of the following purposes:

- (a) to add to the covenants and agreements of the Trust contained in the Resolution other covenants and agreements thereafter to be observed which are not contrary to or inconsistent with the Resolution as theretofore in effect;
- (b) to surrender any right, power or privilege reserved to or conferred upon the Trust by the Resolution;

(c) to confirm, as further assurance, any pledge or other security interest under and the subjection to any lien or pledge created or to be created by the Resolution;

(d) to provide for the issuance, execution, delivery, authentication, payment, registration, transfer and exchange of Bonds in coupon form payable to bearer or in book-entry form; provided, however, that the Trust may then issue bonds in coupon form payable to bearer or in book-entry form, with interest thereon excludable from gross income for federal income tax purposes;

(e) to amend any provision of the Resolution upon any withdrawal, substitution or replacement of any Credit Enhancement or any Liquidity Facility and the delivery of any Additional Credit Enhancement, Replacement Credit Enhancement or Alternate Liquidity Facility, provided that such amendment will not adversely affect the security for the Bonds;

(f) to provide for the issuance of Bonds in accordance with the Resolution;

(g) to amend any provision of any applicable Series Resolution relating to the conversion from any variable interest rate determination method on the Bonds to another variable interest rate determination method or to a fixed rate of interest, or to add to such provisions;

(h) to amend any provision of the Resolution or a Series Resolution and to take any action deemed necessary or desirable by the Trust with respect to a Series of Bonds on any mandatory tender date with respect to such Series of Bonds; and

(i) to include any modifications, amendments or supplements as may be required with respect to any Series of Bonds in order to obtain or maintain a favorable Rating or Ratings from one or more Rating Agencies.

provided, that (i) notice of any such amendment or modification is delivered to each Credit Enhancement Provider and each Liquidity Facility Issuer and (ii) an opinion of Bond Counsel with respect to such proposed amendments and/or additions is delivered to the Trust, each Credit Enhancement Provider, each Liquidity Facility Issuer and the Trustee prior to the adoption of such amendments or additions.

Such Supplemental Resolution will become fully effective in accordance with its terms upon the filing with the Trustee of a copy of such Supplemental Resolution certified by an Authorized Officer, Secretary or Assistant Secretary of the Trust and the written consent of the Institution and, if required by any Series Resolution, the Credit Enhancement Provider.

Supplemental Resolutions Effective With Consent of Trustee. At any time, subject to the conditions or restrictions contained in the Resolution, a Supplemental Resolution amending or supplementing the Resolution or any Supplemental Resolution may be adopted, with the written consent of an Authorized Officer of the Trustee, the Institution, each Credit Enhancement Provider and each Liquidity Facility Issuer, curing any ambiguity or curing, correcting or supplementing any defect or inconsistent provisions contained in the Resolution or making such provisions in regard to matters or questions arising under the Resolution as may be necessary or desirable and, in the reasonable opinion of the Trustee, not materially prejudicial to the interests of Bondholders. No such Supplemental Resolution, however, will be effective until after the filing with the Trustee of a copy of such Supplemental Resolution certified by an Authorized Officer, Secretary or Assistant Secretary of the Trust, and the filing with the Trust of original counterparts of the consents of the Trustee, the Institution, each Credit Enhancement Provider and each Liquidity Facility Issuer.

Supplemental Resolutions Effective With Consent of Bondholders. (a) A Supplemental Resolution amending or supplementing the Resolution, any Supplemental Resolution or the Bonds may be adopted, with the prior written consents of Authorized Officers of the Institution, each Credit Enhancement Provider and each Liquidity Facility Issuer. No such Supplemental Resolution, however, will be effective until after the filing with the Trustee of a copy of such Supplemental Resolution certified by an Authorized Officer, Secretary or Assistant Secretary of the Trust and original counterparts of the consent of the Institution, each Credit Enhancement Provider and each Liquidity Facility Issuer and unless such Supplemental Resolution is approved or consented to by the holders of at least fifty-one percent (51%) in aggregate principal amount of all Bonds Outstanding.

(b) No such modification changing any terms of redemption of Bonds, due date of principal or interest on Bonds or making any reduction in principal or Redemption Price of and in the rate of interest on any Bond will be made without the consent of the affected Bondholder, nor will any modification of any rights or obligations of the Trustee be made without the consent of the Trustee.

(c) No Supplemental Resolution will be adopted by the Trust, except as described under “Modifications by Unanimous Action” below, reducing the percentage of consent of Bondholders required for any modifications of the Resolution or diminishing the pledge of Revenues securing the Bonds or granting the Institution additional rights with respect to Bonds owned by the Institution.

Consent of Bondholders. Any consent is binding upon the Bondholder giving such consent and on any subsequent holder of such Bonds (whether or not such subsequent holder has notice thereof) unless such consent is revoked by filing a revocation with the Trustee prior to the date when notice is first published.

Rights of Credit Enhancement Provider. Subject to the provisions set forth in the Series Resolution authorizing a Series of Bonds, for so long as any Credit Enhancement is in effect and the Credit Enhancement Provider has not failed to make lawful payment under the Credit Enhancement in accordance with the terms of the Credit Enhancement after the presentation of documents strictly complying with the terms of the Credit Enhancement and no Credit Enhancement Provider Event of Insolvency has occurred, the Credit Enhancement Provider is deemed to be the Owner of all the Bonds supported by such Credit Enhancement for all purposes of consents to amendments to the Resolution, to the exclusion of the persons in whose names and such Bonds are registered on the registration books maintained by the Trustee.

Modifications by Unanimous Action. The rights and obligations of the Trust and of the holders of the Bonds and the terms and provisions of the Resolution, any Supplemental Resolution or the Bonds may be modified or amended in any respect upon the adoption of the Supplemental Resolution by the Trust, the consents of the Institution, each Credit Enhancement Provider and each Liquidity Facility Issuer and the consent of the holders of all of the Bonds Outstanding; provided, however, that no such modification or amendment will change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written consent thereto in addition to the consent of the Bondholders.

Exclusion of Bonds. Bonds owned or held by or for the account of the Trust or the Institution or any affiliate thereof will not be deemed Bonds Outstanding for the purpose of any consent or other action or any calculation of Bonds Outstanding provided for under the Resolution.

Defeasance. If the Trust pays or causes to be paid or there are otherwise paid, (i) to the holders of the Bonds (other than Bonds registered in the name of the Institution) the principal or Redemption Price thereof and interest thereon, at the times and in the manner stipulated therein and in the Resolution, (ii) all fees, expenses and other amounts due and payable under the Resolution and the Loan Agreement and (iii)

all amounts due to each Credit Enhancement Provider and each Liquidity Facility Issuer pursuant to the applicable Credit Enhancement or Liquidity Facility, then the pledge of any Revenues or other moneys and securities pledged and the estate and rights granted by the Resolution and all covenants, agreements and other obligations of the Trust to the Bondholders will thereupon cease, terminate, become void and be discharged and satisfied and the Bonds so paid will thereupon cease to be entitled to any lien, benefit or security under the Resolution, except as otherwise provided in the Resolution.

Any Bond or Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect provided in the above paragraph if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Trust, upon written direction of the Institution, has given to the Trustee irrevocable instructions to give notice of redemption that such Bonds will be redeemed on such date; (ii) there has been deposited with, and held and segregated by, the Trustee either moneys or Defeasance Obligations, the principal of and the interest on which when due will provide moneys which, together with moneys, if any, deposited with the Trustee at the same time for such purpose, are sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds (and if any Bonds bear interest at a variable interest rate, other than a variable interest rate which has been determined through the principal payment date, calculated at the maximum rate of interest payable on such Series of Bonds) on and prior to the redemption date or maturity date thereof, as the case may be, and all fees, expenses and other amounts payable or to become payable under the Resolution and the Loan Agreement; (iii) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Trust, upon written direction of the Institution, has given the Trustee irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper a notice to the Bondholders that the required deposit has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of such Bonds; (iv) in the event the Bonds are subject to optional or mandatory tender prior to the date of payment of the principal or Redemption Price thereof, there has also been deposited with the Trustee amounts in the form of either moneys in an amount which are sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time for such purpose, are sufficient, without reinvestment, to pay when due the purchase price of any Bonds not remarketed or purchased by the Liquidity Facility Issuer for such Bonds, if any, on the date of tender; (v) there has been filed with the Trustee an opinion of Bond Counsel to the effect that the Bonds for which such moneys and Defeasance Obligations have been deposited with the Trustee are, upon such deposit, deemed paid within the meaning of the Resolution; and (vi) there has been filed with the Trustee a verification report, if required by the Trust or any Credit Enhancement Provider, satisfactory to the Trust and the Credit Enhancement Provider by a verifier acceptable to the Credit Enhancement Provider as to the sufficiency of such moneys and Defeasance Obligations. To the extent required for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds, neither Defeasance Obligations nor moneys deposited with the Trustee nor principal or interest payments on any such obligations will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations, if not then needed for such purpose, will, to the extent practicable, be reinvested, pursuant to the written instruction of the Trust or the Institution (subject to certain restrictions contained in the Resolution). Interest earned from such reinvestment will be paid over to the Institution upon written request of the Trust, free and clear of any lien or pledge under the Resolution.

Moneys and Funds Held for Particular Bonds. The amounts held by the Trustee and any Paying Agent for the payment of the principal or Redemption Price of and interest on the Bonds due on any date

with respect to particular Bonds, pending such payment, will be held in trust for the holders of the Bonds entitled thereto.

No Recourse on the Bonds. No recourse will be had for the payment of the principal or Redemption Price of and interest on the Bonds or for any claims based thereon or on the Resolution against any officer or other trustee of the Trust or any Trustee or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Bondholder by the acceptance of the Bond.

Notices. Any notices that are to be given to the Bondholders shall (a) if the Bonds are held in book entry form, be sent to Cede & Co. electronically as required pursuant to its operational arrangements, or (b) if the Bonds are certificated, be mailed postage prepaid, by first class mail, or delivered, to the address of such Bondholders contained in the Bond Register.

Governing Law. The Resolution is governed by and construed in accordance with the law of the State of New York.

Resolution of Conflicts Between Documents. In the event of a conflict between the provisions of the Resolution and any Series Resolution or Supplemental Resolution, the provisions of the Series Resolution or Supplemental Resolution will control with respect to such Series of Bonds.

Payment on Business Days. In the event that the date of payment of any amount due under the Resolution is not a Business Day, then such payment will be made on the next succeeding Business Day with the same force and effect as if made on the scheduled date of payment without the accrual of any additional interest.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The descriptions contained herein do not purport to be complete, and reference should be made to the Loan Agreement for a complete statement of its provisions.

Assignment. Under the Loan Agreement, the Institution consents to and authorizes the assignment, transfer and pledge by the Trust to the Trustee for the benefit of the Bondholders, each Credit Enhancement Provider, if any, and each Liquidity Facility Issuer, if any, as their interests may appear: of the Trust's rights to receive the payments required to be made under the Loan Agreement; any or all security interests that may be granted by the Institution; of the obligations and other securities delivered pursuant to the Loan Agreement; and of all funds and accounts established by the Resolution (other than the Rebate Fund and the Bond Purchase Fund) and pledged under the Resolution, in each case, to secure any payment or the performance of any obligation of the Institution under the Loan Agreement or arising out of the transactions contemplated hereby whether or not the right to enforce such payment or performance is specifically assigned by the Trust to the Trustee (for the benefit of the Bondholders, any Credit Enhancement Provider and any Liquidity Facility Issuer, as their interest may appear). The Institution further agrees that the Trust may pledge and assign to the Trustee (for the benefit of the Bondholders, any Credit Enhancement Provider and any Liquidity Facility Issuer, as their interest may appear) any and all of the Trust's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Trust to the Trustee (or any Credit Enhancement Provider and any Liquidity Facility Issuer) authorized by the Loan Agreement, the Trustee will be fully vested with all of the rights of the Trust so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment will be limited to securing the Institution's obligation to make all payments required hereby and to performing all other obligations required to be performed by the Institution under the Loan Agreement. Any pledge made or security interest granted under the Loan Agreement will not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the Institution under the Loan Agreement.

Covenants. The Institution makes certain representations in the Loan Agreement for the benefit of the Trust as to its authority to enter into and perform its obligations under certain agreements, its qualification as a participating cultural institution under the Act, its tax-exempt status, and its charitable purposes, among other matters. The Institution covenants in the Loan Agreement with the Trust as to the maintenance of its tax-exempt status, its continued operation as a non-profit institution for educational and cultural purposes as set forth in its Charter, its rights to its properties and the provision of certain financial statements and notices, among other matters. The Institution also covenants that:

- (i) It will at all times procure and maintain or cause to be procured and maintained such insurance on the Financed Facilities as a reasonable person owning property similar to the Financed Facilities would customarily obtain at the time; and
- (ii) It will apply all cash and investment type property as defined in the Code received in the future, that are delivered from pledges or other contributions to the Institution the use of which is restricted to costs of the Financed Facilities or debt service in accordance with the provisions of the Tax Certificate and Agreement and the Resolution.

Continuing Disclosure. The Institution covenants and agrees that if at any time the Bonds of any Series are subject to the provisions of S.E.C. Rule 15c2-12 (the "Rule") it will enter into a Continuing Disclosure Agreement satisfying the requirements of the Rule. Notwithstanding any other provision of

the Loan Agreement, failure of the Institution to comply with any Continuing Disclosure Agreement will not be considered an Event of Default under the Loan Agreement; however, the Trustee may (and, at the request of the holders of at least fifty-one percent (51%) aggregate principal amount in Outstanding Bonds or the Credit Enhancement Provider or the Liquidity Facility Issuer, if any, must) or any Bondholder or any owner of a beneficial interest in a Bond or Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution to comply with its continuing disclosure obligations under the Loan Agreement.

Payment for the Bonds. The Institution unconditionally agrees to pay, subject to certain permitted credits under the Loan Agreement, directly to the Trustee, from any moneys legally available to it, the following amounts, which payments will constitute “Loan Payments”:

(i) To the Rebate Fund, upon at least five (5) Business Days’ notice, such amounts as are required to be paid by the Institution into the Rebate Fund pursuant to the Resolution and the Tax Certificate and Agreement;

(ii) To the Institution Payments Account of the Debt Service Fund, at least one (1) Business Day prior to the Interest Payment Date, the amount of interest due on all Bonds on such applicable Interest Payment Date, including, without limitation, interest on the Liquidity Facility Issuer Bonds, if any, at the Bank Bond Interest Rate (as defined in an applicable Series Resolution) (for purposes of calculating the amount of interest on Bonds bearing interest from the date of such deposit to the Interest Payment Date if such interest rate cannot then be known, the rate of interest will be assumed to be the interest rate in effect on such date of deposit plus one percent (1%) per annum);

(iii) To the Debt Service Fund, at least one (1) Business Day prior to each principal or Sinking Fund Installment payment date, an amount equal to the principal or Sinking Fund Installment due on the Bonds on such principal or Sinking Fund Installment payment date;

(iv) To the Redemption Fund on or prior to the date on which Bonds are to be redeemed pursuant to the Resolution, an amount equal to the principal of and interest and premium, if any, on such Bonds payable upon such redemption;

(v) Promptly upon demand by an Authorized Officer of the Trust or the Trustee, all amounts required to be paid by the Institution pursuant to an acceleration of payments owed by the Institution to the Trust as provided in the Loan Agreement;

(vi) Any other amounts that, from time to time, may be required to enable the Trust to pay amounts to the Trustee pursuant to the Resolution equal to the principal or Purchase Price of, premium, if any, and interest on any Bonds; and

(vii) To the Debt Service Fund for the payment of principal then due or the Sinking Fund Installment, if any, then due on Bonds or to the Redemption Fund at the election of the Institution, all amounts received from pledges, gifts, grants or donations restricted to the Financed Facilities, other than amounts used to pay costs of the Financed Facilities pursuant to the Loan Agreement, or as otherwise permitted by the Loan Agreement.

Notwithstanding any provisions of the Loan Agreement or the Resolution to the contrary (except as otherwise specifically provided for in the Loan Agreement), (i) all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement, or credited against the obligations of the Institution as provided in clause (ii) below, are made in satisfaction of the Institution’s indebtedness to the Trust to the extent of

such payment or credit and (ii) investment earnings on moneys held in the Debt Service Fund or the Redemption Fund, to the extent credited to the account or Fund in which such moneys are held or transferred to any other of such accounts or Funds in accordance with the applicable provisions of the Loan Agreement or the Resolution, are credited, to the extent available to pay principal, premium, if any, or interest on the Bonds, against the obligations of the Institution under the Loan Agreement to make such payments.

To the extent that the Trustee has withdrawn funds from the Debt Service Fund, the Redemption Fund or the Development Fund to provide a sufficient deposit to the Rebate Fund, when due, under the Resolution, the Institution will be obligated under the Loan Agreement to promptly replenish any or all of such Funds to the extent of the amounts which were withdrawn for such deposit; provided, however, that the Institution is not obligated to replenish funds withdrawn from the Debt Service Fund to the extent the funds subject to such withdrawal were in excess of the amount required to be on deposit in the Debt Service Fund on the date of such withdrawal.

The Institution shall have no further obligation to make any Loan Payments (except for payments required to be made to the Rebate Fund pursuant to the terms of the Loan Agreement and of the Resolution) with respect to any Series of Bonds to the Trust during the term of the Loan Agreement when and so long as the amount of cash and Defeasance Obligations that has remained on deposit in the Debt Service Fund and the Redemption Fund for such Series of Bonds is sufficient to pay such Series of Bonds and all amounts payable or that may become payable to the Credit Enhancement Provider and the Liquidity Facility Issuer, if any, by the Institution as provided in the Resolution.

Additional Payments. The Institution unconditionally agrees to make certain payments and indemnifications specified in the Loan Agreement to the Trustee, the Paying Agent and the Trust from any moneys legally available to it.

Security for Purchase Price. The Institution unconditionally agrees to pay or cause to be paid directly to the Paying Agent, from any monies legally available to it, the Purchase Price of the Bonds, pursuant to the provisions of any applicable Series Resolution, on the respective Purchase Dates, in immediately available funds, but only to the extent that proceeds for the purchase of such Bonds so tendered are not available, either from the remarketing effort conducted by the Remarketing Agent or from the Liquidity Facility, if any, on the respective Purchase Dates at the time specified in the relevant provisions of such Series Resolution. The obligations of the Institution under this paragraph will inure to the benefit of the Bondholders.

General Provisions.

(a) As security for the performance of its Loan Payment obligations with respect to principal of, Sinking Fund Installments and interest on any particular Series of Bonds, the Institution may, to the extent it deems necessary or desirable, arrange for the delivery of Credit Enhancement with respect to such Series of Bonds to the Trustee. As security for the payment of the Purchase Price of Bonds tendered and not remarketed, the Institution may, to the extent it deems necessary or desirable, arrange for the delivery of a Liquidity Facility with respect to such Series of Bonds to the Trustee.

(b) After all the Bonds have been retired and all interest and applicable premiums, if any, due thereon have been paid or provision for such retirement and payment has been made in accordance with the provisions of the Resolution and the Institution has performed all its other obligations under the Loan Agreement and under the Resolution, and any fees and miscellaneous expenses (including reasonable attorneys' fees and expenses) of each of the Trustee, the Paying Agent, any Remarketing Agent, any Credit Enhancement Provider, any Liquidity Facility Issuer, if any, and the Trust required to be paid by

the Institution, have been paid or provided for, any excess moneys in the Funds established under the Resolution will be paid, from whatever source derived: first, to the Rebate Fund to pay any rebate amounts due and owing; second, to the Liquidity Facility Issuer, to the extent any amount remains owing to it; third, to the Credit Enhancement Provider, to the extent amounts remain owing to it; and fourth, to the order of the Institution as an adjustment of Loan Payments and Additional Payments. This paragraph will survive the termination or expiration of the Loan Agreement for any reason.

(c) The obligation of the Institution to make payments required under the Loan Agreement are absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction the Institution might otherwise have against the Trust, the Trustee, any Paying Agent, the Credit Enhancement Provider, any Liquidity Facility Issuer, any Remarketing Agent, or any purchaser or the holder of any Bond. Until such time as no Bonds are deemed Outstanding and all other payment obligations of the Institution under the Loan Agreement have been satisfied, the Institution will not suspend or discontinue any such payment (except to the extent that the same has been prepaid) or terminate the Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or commercial frustration of purpose, or any damage to or destruction of the Financed Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Financed Facilities, or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure of the Trust to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with the Loan Agreement and the Institution waives all rights now or hereafter conferred by statute or otherwise to grant, terminate, or surrender the Loan Agreement, or any part thereof except as provided in the Loan Agreement or to any abatement, suspension, deferment, diminution or reduction in the payments under the Loan Agreement. Except to the extent provided in the first and second sentences of this paragraph, nothing contained herein will be construed to prevent or restrict the Institution from asserting any rights which it may have against the Trust under the Loan Agreement or under any provision of law.

(d) The Loan Agreement is a general obligation of the Institution; provided, however that none of the Property of the Institution is pledged or assigned in any way to the repayment of the Bonds nor does it secure in any way the obligations of the Institution under the Loan Agreement, and none of the Property of the Institution shall be made available to Bondholders, the Trust or any other creditor to satisfy the obligations of the Institution under the Loan Agreement.

Events of Default. Any one or more of the following events will constitute an “Event of Default” under the Loan Agreement:

(a) Failure to pay any Loan Payment or any payment described under “Security for Purchase Price” when due and payable;

(b) Failure to pay any amount (except the obligation to make Loan Payments or any payment described under “Security for Purchase Price”) that has become due and payable under the Loan Agreement, and such failure continues for thirty (30) days after notice thereof has been given by the Trust, any Credit Enhancement Provider, any Liquidity Facility Issuer, or the Trustee to the Institution;

(c) Failure of the Institution, in any material respect, to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be performed (except as set forth in (a) or (b) above) and continuance of such failure for a period of thirty (30) days after notice thereof is given by the Trust, any Credit Enhancement Provider, any Liquidity Facility Issuer, or the Trustee to the Institution; provided that if such failure cannot be cured within such thirty (30) day period, it will not

constitute an Event of Default for a period not to exceed an additional sixty (60) days if the Institution commences corrective action during such thirty (30) day period and diligently pursues such cure of such failure;

(d) The Institution (i) applies for or consents to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admits in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) makes a general assignment for the benefit of its creditors, (iv) commences a voluntary case under title 11 of the United States Code (the “Bankruptcy Code”) (as now or hereafter in effect), (v) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fails to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under the Bankruptcy Code, or (vii) takes any action for the purpose of effecting any of the foregoing;

(e) A proceeding or case is commenced, without the application or consent of the Institution, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of the Institution or its debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Institution or of all or any substantial part of its assets, or (iii) similar relief with respect to the Institution under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, for a period of ninety (90) days; or any order for relief against the Institution is entered in an involuntary case under the Bankruptcy Code;

(f) A final nonappealable judgment or order for the payment of money in excess of \$1,000,000 and that is not fully covered by insurance is rendered against the Institution and the same remains undischarged for a period of sixty (60) consecutive days during which execution thereof is not effectively stayed or in the case of an appealable judgment, the Institution fails to deliver a bond satisfactory to the Trust;

(g) Any representation or warranty made (i) by the Institution in any document or statement submitted to the Trust by the Institution, or prepared on its behalf, for approval of the Project, or (ii) by the Institution in the Loan Agreement or (iii) by the Institution in any report, certificate, financial statement or other instrument furnished in writing pursuant to the Loan Agreement or any of the foregoing proves to have been materially false when made and continues to be misleading or incorrect in any material respect;

(h) The Charter of the Institution is repealed, suspended or revoked for more than ninety (90) days;

(i) An “Event of Default” under the Resolution occurs and is continuing;

(j) An “Event of Default” under the Indemnification Agreement occurs and is continuing and the Trust gives notice of such Event of Default to the Trustee; or

(k) A default after any applicable grace period in the payment of the principal of, or interest on, any of the Institution’s Debts occurs, which Debt is in a principal amount in excess of \$1,000,000.

Remedies on Default. Whenever any Event of Default under the Loan Agreement has occurred and is continuing, the Trust, or the Trustee where so provided, may (with the prior written consent of the Credit Enhancement Provider) or must, upon the request of the Credit Enhancement Provider, take any

one or more of the following remedial steps; provided, that, to the extent the Credit Enhancement Provider has failed to make lawful payment under its Credit Enhancement in accordance with the terms of the Credit Enhancement after the presentation of documents strictly complying with the terms and provisions of the Credit Enhancement or a Credit Enhancement Provider Event of Insolvency has occurred with respect to any Credit Enhancement Provider, such Credit Enhancement Provider will not have any rights under the Loan Agreement to consent to or to request any such remedial steps to be taken:

(a) The Trustee may cause all Loan Payments payable for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same, together with any accrued interest thereon, will become immediately due and payable;

(b) The Trustee may withhold any payments, advances or reimbursement from the Development Fund including, but not limited to, bond proceeds to which the Institution may otherwise be entitled under the Loan Agreement and apply any such proceeds or moneys in the Development Fund for such purposes as are authorized by the Resolution;

(c) The Trust may withhold any or all further performance under the Loan Agreement;

(d) The Trust may take whatever action at law or in equity as may appear necessary or desirable to collect the Loan Payments and Additional Payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Institution under the Loan Agreement;

(e) The Trustee may take any action permitted under the Resolution with respect to an Event of Default thereunder including any action to realize its security thereunder, subject to the rights of the Credit Enhancement Provider under the Loan Agreement; and

(f) The Trust may proceed to enforce the Trust's rights by an action for damages, injunction or specific performance.

All rights and remedies in the Loan Agreement given or granted to the Trust or the Trustee (for the benefit of the Bondholders, any Credit Enhancement Provider and any Liquidity Facility Issuer, as their interests may appear) are cumulative, non-exclusive and in addition to any and all rights and remedies that the Trust may have or may be given by reason of any law, statute, ordinance or otherwise, and no failure to exercise or delay in exercising any remedy will effect a waiver of the Trust's right to later exercise such remedy.

No such action taken (including by operation of law or otherwise), except as expressly provided in the Loan Agreement, will relieve the Institution from its obligations under the Loan Agreement, all of which will survive any such action.

Waiver and Non-Waiver. No delay or omission of the Trustee, of any holder of Bonds or of any Credit Enhancement Provider or of any Liquidity Facility Issuer for such Bonds to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or an acquiescence therein and each and every power and remedy given by the Loan Agreement to the Trustee, the holders of such Bonds or to any Credit Enhancement Provider or to any Liquidity Facility Issuer, respectively, may be exercised from time to time and as often as may be deemed expedient.

Subject to certain provisions of the Resolution and the reinstatement of any Credit Enhancement and/or Liquidity Facility, the Trustee may with the consent of the Credit Enhancement Provider, and upon

written request of the holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds Outstanding of a Series or upon the direction of the Credit Enhancement Provider, if any, will, waive any default or any Event of Default before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Resolution or before the completion of the enforcement of any other remedy under the Resolution; provided, however, that no such waiver will extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon; provided further, any such waiver may be for any period of time as may be specified.

Notwithstanding the foregoing, the provisions regarding any payments to be made to the Trust in the Loan Agreement may only be waived with the prior written consent of the Trust.

Tax Covenant. The Institution covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Institution covenants that it will comply with the instructions and requirements of the Tax Certificate and Agreement. The Institution will, on a timely basis, provide the Trust with all necessary information and, with respect to the Institution's Rebate Requirement or Yield Reduction Payments (as defined in the Tax Certificate and Agreement) required to be paid, all necessary funds, in addition to any funds that are then available for such purpose in the Rebate Fund, to enable the Trust to comply with all arbitrage and rebate requirements of the Code as identified in the Resolution when due. Such covenant will survive the defeasance or payment in full of any and all Bonds.

Assignment. The Loan Agreement may not be assigned in whole or in part by the Institution without the prior written consent of the Trust and any Credit Enhancement Provider and any Liquidity Facility Issuer, as applicable.

Amendment. The Loan Agreement may be amended by the Institution and the Trust without the consent of the holders of the Bonds, but with the prior written consent of the Trustee so long as, in the reasonable judgment of the Trustee, any such amendment cures an ambiguity or cures, corrects or supplements any defect or inconsistent provision of the Loan Agreement, or modifies or supplements the Loan Agreement in any other respect as the Trustee, the Institution and the Trust may consider necessary or desirable and if the same is not materially prejudicial to the interests of Bondholders. Any amendment other than as described in the preceding sentence will only be effective with the prior written consent of the Owners of at least fifty-one percent (51%) in principal amount of all Bonds Outstanding and each Credit Enhancement Provider and each Liquidity Facility Issuer, if any. With respect to the consents of Owners, (i) the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase and (ii) the remarketing agent for Bonds of a Series, upon a mandatory tender date for such Bonds, may consent to an amendment, change, modification or waiver of the Loan Agreement with the same effect as a consent given by the Owners of such Bonds.

Notwithstanding the foregoing, for so long as any Credit Enhancement is in effect with respect to any Series of Bonds and the Credit Enhancement Provider has not failed to make lawful payment under the Credit Enhancement in accordance with the terms of the Credit Enhancement after the presentation of documents strictly complying with the terms of the Credit Enhancement and no Credit Enhancement Provider Event of Insolvency has occurred, the Credit Enhancement Provider will be deemed to be the Owner of all the Bonds of such Series supported by such Credit Enhancement for all purposes described in the above paragraph, to the exclusion of the persons in whose names and such Bonds are registered on the registration books maintained by the Trustee.

Governing Law. The Loan Agreement is governed by and construed in accordance with the laws of the State of New York.

Corporate Obligation. Any other provision of the Loan Agreement, or of any other document delivered pursuant to or otherwise in connection with the Loan Agreement, to the contrary notwithstanding, all covenants, stipulations, obligations and agreements of the Institution contained in or arising under the Loan Agreement or any such document: (i) shall be deemed to be corporate covenants, stipulations, obligations and agreements of the Institution that are payable, to the extent constituting payment obligations, solely from unrestricted assets of the Institution, and (ii) shall not be deemed to be covenants, stipulations, obligations and agreements of any member of the Board, of any of the Authorized Officers or of any other Institution employee acting under any of their direction, in his or her individual capacity, and no such person shall be subject to any personal liability or accountability by reason of the execution and delivery of the Loan Agreement or of any other such document or by reason of any action taken by him or her in the good faith discharge of his or her duties in any such capacity.

PROPOSED FORM OF OPINION OF BOND COUNSEL

September 5, 2019

The Trust for Cultural Resources
of The City of New York
New York, New York

Re: The Trust for Cultural Resources of The City of New York
Refunding Revenue Bonds, Series 2019
(Carnegie Hall)

Ladies and Gentlemen:

We have acted as bond counsel to The Trust for Cultural Resources of The City of New York (the “Trust”) in connection with the issuance of \$87,540,000 aggregate principal amount of The Trust for Cultural Resources of The City of New York Refunding Revenue Bonds, Series 2019A (Carnegie Hall) (the “Bonds”), issued pursuant to the provisions of the New York State Cultural Resources Act and The Trust for Cultural Resources of The City of New York Act, said acts being Articles 20 and 21 of Title E of the Arts and Cultural Affairs Law of the State of New York, a Revenue Bond Resolution (Carnegie Hall) adopted by the Board of Trustees of the Trust on July 18, 2019, a Series 2019 Resolution, adopted by the Board of Trustees of the Trust on July 18, 2019, and a Series 2019A Certificate, dated as of August 7, 2019, and delivered by the Trust on September 5, 2019 (collectively, the “Resolution”). The Resolution provides that the Bonds are issued for the purpose of making a loan of the proceeds thereof to The Carnegie Hall Corporation (the “Institution”) pursuant to a loan agreement, dated as of September 1, 2019 (the “Loan Agreement”), between the Trust and the Institution. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution; the Loan Agreement; opinions of counsel to the Trust, the Institution and The Bank of New York Mellon, as trustee (the “Trustee”); the Tax Certificate and Agreement, dated the date hereof (the “Tax Certificate”), among the Trust, the Institution and the Trustee; certificates of the Trust, the Trustee, the Institution and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Nixon Peabody LLP, New York, New York, Special Financing Counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and the use of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the Institution within the meaning of Section 513 of the Code. We note that such opinion is subject to a number

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of qualifications and limitations. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of the Institution within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Trust. We have assumed without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Loan Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or subject to the lien of the Resolution or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal

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advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Trust.
2. The Resolution has been duly adopted by, and constitutes the valid and binding obligation of, the Trust. The Resolution creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Resolution, except the Rebate Fund, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.
3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Trust.
4. The Bonds are not a lien or charge upon the funds or property of the Trust except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof (including The City of New York) is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York or The City of New York, and neither said State nor said City is liable for the payment thereof.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Bonds is exempt from personal income taxes imposed by the laws of the State of New York or any political subdivision thereof (including The City of New York). We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

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PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”), dated as of September 5, 2019, by and between The Carnegie Hall Corporation (the “Institution”) and The Bank of New York Mellon, New York, New York, as trustee (the “Trustee”) under the Revenue Bond Resolution (Carnegie Hall) (the “General Resolution”), adopted by The Trust for Cultural Resources of The City of New York (the “Issuer”) on July 18, 2019, as supplemented by a Series 2019 Resolution Authorizing not in Excess of \$110,000,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall), adopted by the Issuer on July 18, 2019 (the “Series Resolution,” and collectively with the General Resolution, the “Resolution”), is executed and delivered in connection with the issuance of the Issuer’s \$87,540,000 Refunding Revenue Bonds, Series 2019 (Carnegie Hall) (the “Bonds”). The proceeds of the Bonds are being loaned by the Issuer to the Institution pursuant to a Loan Agreement, dated as of September 1, 2019 (the “Loan Agreement”). Capitalized terms used in this Agreement which are not otherwise defined in the Resolution shall have the respective meanings specified in Article IV hereof. Pursuant to Section 3.02 of the Loan Agreement, the parties agree as follows:

ARTICLE I
The Undertaking

Section 1.1. *Purpose; No Issuer Responsibility or Liability.* This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Underwriter in complying with subsection (b)(5) of the Rule. The Institution and the Trustee acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement, and shall have no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures.

Section 1.2. *Annual Financial Information.* (a) the Institution shall provide, or shall cause the Dissemination Agent to provide, Annual Financial Information with respect to each fiscal year of the Institution, commencing with fiscal year ending June 30, 2019, by, with respect to the information described in (a) of the definition of Annual Financial Information, no later than six months after the end of the respective fiscal year, and with respect to the information described in (b) of the definition of Annual Financial Information, no later than nine months after the end of the respective fiscal year, to the MSRB. The Trustee shall provide notice in writing to the Institution that such Annual Financial Information is required to be provided by such date, at least 45 days but not more than 60 days in advance of such date.

(b) The Institution shall provide, or shall cause the Dissemination Agent to provide, in a timely manner, notice of any failure of the Institution to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 1.3. *Reserved.*

Section 1.4. *Notice Events.* (a) If a Notice Event occurs, the Institution shall provide, or shall cause the Dissemination Agent to provide, in a timely manner not in excess of ten (10) business days of the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB, (ii) BofA Securities, Inc, on behalf of itself and as representative of Morgan Stanley & Co. LLC (collectively, the “Underwriter”), and (iii) the Trustee.

(b) Any notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) The Trustee shall promptly advise the Institution and the Issuer whenever, in the course of performing its duties as Trustee under the Resolution, the Trustee has actual notice of an occurrence which, if material, would require the Institution to provide notice of a Notice Event hereunder; provided, however, that the failure of the Trustee so to advise the Institution or the Issuer shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Resolution.

(d) Each Notice Event notice relating to the Bonds shall include the CUSIP numbers of the Bonds to which such Notice Event relates or, if the Notice Event relates to all bond issues of the Issuer including the Bonds, such Notice Event notice need only include the CUSIP number of the Issuer.

Section 1.5. *Additional Disclosure Obligations.* The Institution acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Institution, and that, under some circumstances, compliance with the terms of this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Institution under such laws.

Section 1.6. *Additional Information.* Nothing in this Agreement shall be deemed to prevent the Institution from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the Institution chooses to include any information in any Annual Financial Information or notice of Notice Event in addition to that which is specifically required by this Agreement, the Institution shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or notice of Notice Event hereunder.

Section 1.7. *No Previous Non-Compliance.* The Institution represents that it has not previously entered into any undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II *Operating Rules*

Section 2.1. *Reference to Other Filed Documents.* It shall be sufficient for purposes of Section 1.2 hereof if the Institution provides or causes to be provided Annual Financial Information (but not notices of Notice Events) by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the SEC.

Section 2.2. *Submission of Information.* Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. *Dissemination Agents.* The Institution may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Institution under this Agreement, and revoke or modify any such designation. The Institution shall designate The Bank of New York Mellon, New York, New York, as the initial dissemination agent.

Section 2.4. *Transmission of Information and Notices.* Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. *Fiscal Year.* Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Institution's current fiscal year is July 1–

June 30, and the Institution shall promptly notify (i) the MSRB, (ii) the Underwriter, and (iii) the Trustee in writing of each change in its fiscal year.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1. *Effective Date; Termination.* (a) This Agreement shall be effective upon the issuance of the Bonds.

(b) If the obligations of the Institution under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Agreement in the same manner as if it were the Institution, and thereupon the Institution shall have no further responsibility hereunder.

(c) The obligations of the Institution and the Trustee under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

(d) This Agreement, or any provision hereof, shall be null and void in the event that the Institution (1) delivers to the Trustee an opinion of Counsel, addressed to the Issuer and the Trustee, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers to the Trustee and the Issuer a notice that this Agreement or any provision hereof is null and void because those portions of the Rule do not or no longer apply to the Bonds to the MSRB.

Section 3.2. *Amendment.* (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Institution or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Institution shall have delivered to the Trustee an opinion of Counsel, addressed to the Institution, the Issuer and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Institution shall have delivered to the Trustee an opinion of Counsel or a determination by a person unaffiliated with the Issuer or the Institution (such as bond counsel or the Trustee) and acceptable to the Institution, addressed to the Institution, the Issuer and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Resolution with the consent of holders of the Bonds pursuant to Section 9.03 of the General Resolution as in effect at the time of the amendment, and (5) the Institution shall have delivered copies of such amendment to the MSRB.

(b) In addition to subsection (a) above, this Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Institution shall have delivered to the Trustee an opinion of Counsel, addressed to the Institution, the Issuer and the Trustee, to the effect that performance by the Institution and the Trustee under this Agreement as so amended will not result in a violation of the Rule and (3) the Institution shall have delivered copies of such amendment to the MSRB.

(c) In addition to subsections (a) and (b) above, this Agreement may be amended by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) the Institution shall have delivered to the Trustee an opinion of Counsel, addressed to the

Institution, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of staff, of the SEC, and (2) the Institution shall have delivered copies of such amendment to the MSRB.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Institution in preparing financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. *Benefit; Third-Party Beneficiaries; Enforcement.* (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that (i) beneficial owners of Bonds shall be third-party beneficiaries of this Agreement and (ii) the Issuer shall be deemed to be a third party beneficiary of this Agreement and shall be entitled to enforce the rights of the Trustee under this Agreement to the extent the Trustee shall fail or refuse or shall be unable to take any enforcement action hereunder. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Institution to comply with the provisions of this Agreement shall be enforceable: (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds; or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Issuer (but the Issuer shall have no obligation to take any such action), or the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the obligations of the Institution under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Institution or the Trustee to perform in accordance with this Agreement shall not constitute a default or an "Event of Default" under the Resolution or the Loan Agreement, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of New York, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State of New York, provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV
Definitions

Section 4.1. *Definitions.* The following terms used in this Agreement shall have the following respective meanings:

(1) “Annual Financial Information” means, collectively, (a) Audited Financial Statements, if available, or Unaudited Financial Statements of the Institution, (b) the Institution’s annual report and, to the extent not provided in such Audited or Unaudited Financial Statements of the Institution, the financial and quantitative operating data of the Institution of the types included in the tables and text appearing in APPENDIX A to the Official Statement under the headings “Comparative Consolidated Statements of Activities,” “Outstanding Indebtedness,” and “Investments” and (c) the information regarding amendments to this Agreement required pursuant to Section 3.2(d) of this Agreement.

The descriptions contained in clause (b) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the Institution, audited by such auditor as shall then be required or permitted by applicable law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Section 3.2(a) hereof, the Institution may from time to time, if required by federal or state legal requirements, modify the accounting principles to be followed in preparing its financial statements. The written notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific federal or State law or regulation describing such accounting principles or other description thereof.

(3) “Counsel” means any nationally recognized bond counsel or counsel expert in federal securities laws as they relate to municipal securities.

(4) “Dissemination Agent” means The Bank of New York Mellon, New York, New York, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the Institution pursuant to Section 2.3 of this Agreement and which has filed with the Institution and the Trustee a written acceptance of such designation.

(5) “Financial Obligation” means a (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(6) “GAAP” means generally accepted accounting principles in the United States of America as prescribed from time to time by the Financial Accounting Standards Board or any successor to the duties or responsibilities thereof.

(7) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(8) “Notice Event” means any of the following events with respect to the Bonds, whether relating to the Institution or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bond holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer, or of the Institution;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer, or for the Institution, in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or of the Institution, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, or of the Institution.

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or of the Institution, or the sale of all or substantially all of the assets of the Issuer, or of the Institution, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Institution, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Institution, any of which affect Bond holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Institution, any of which reflect financial difficulties.

(9) “Official Statement” means the “final official statement,” as defined in paragraph (f)(3) of the Rule.

(10) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(11) “SEC” means the United States Securities and Exchange Commission.

(12) “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V
Miscellaneous

Section 5.1. *Duties, Immunities and Liabilities of Trustee.* Article VI of the Resolution is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Resolution. The Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement.

Section 5.2. *Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page of this Agreement Follows]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

THE CARNEGIE HALL CORPORATION

By: _____
An Authorized Representative

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
An Authorized Representative

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CARNEGIE HALL



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The execution and delivery of this Official Statement by its Chair have been duly authorized by the Trust.

THE TRUST FOR CULTURAL RESOURCES OF
THE CITY OF NEW YORK

By:  _____
/s/ Susan Henshaw Jones
Chair