

THE TRUST FOR CULTURAL RESOURCES  
OF THE CITY OF NEW YORK

MINUTES OF MEETING  
OF THE BOARD OF TRUSTEES

February 24, 2016

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A meeting of the Board of Trustees of The Trust for Cultural Resources of The City of New York (the "Trust") was held on February 24, 2016 at the offices of Orrick, Herrington & Sutcliffe, LLP, 51 West 52<sup>nd</sup> Street, New York, New York.

The following Trustees and the designees for Alicia Glen, Deputy Mayor for Economic Development; Tom Finkelppearl, Commissioner of Cultural Affairs; and Maria Torres-Springer, Chairperson of the New York City Industrial Development Agency, who are *ex officio* Trustees, constituting a quorum, were present:

Alice Anne Knapp  
Merryl Tisch  
Marjorie Van Dercook  
Eleonora Bershadskaya, Ms. Glen's designee  
Kristen Sakoda, Mr. Finkelppearl's designee  
Jeffrey Lee, Ms. Torres-Springer's designee

Ms. Tisch, Ms. Bershadskaya, Ms. Sakoda and Mr. Lee participated by conference telephone, which permitted them to hear and be heard by those present at the meeting. Stanley Kreitman was excused. Donald H. Elliott, Secretary of the Trust, was present and presided in the absence of Stanley Kreitman, the Chairman.

In addition, the following persons were also present:

Alison Radecki	Orrick Herrington & Sutcliffe, LLP
Stephen Dewhurst	School of American Ballet, Chief Financial Officer
Christopher O. Wienk	Wye River Group, Incorporated
Anne Adams Rabbino	Assistant Secretary

Ms. Wienk and Ms. Rabbino also participated by conference telephone.

The meeting was called to order at 4:10 p.m. by the Secretary, Donald H. Elliott.

The Board, acting both as the Finance Committee and as the Board, then considered the proposed transaction for the benefit of the School of American Ballet, Inc. Ms. Vander Cook is the Executive Director of the School. She reported that the issuance of the Trust's bonds for the benefit of the School in 2006 had enabled the School to expand. The design of

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the expansion was very successful and construction was completed in 2007. The additional space enabled the School to expand its programs. The School is currently in the quiet phase of a capital campaign to raise \$20 million, of which \$17 million has already been committed.

Stephen Dewhurst, the chief financial officer of the School made a presentation about the School's financial condition. The School's enrollment history is very strong, having gone from a total of 486 students in 2006 to a total of 861 students in 2015. He reported that the School has \$34 million in un-restricted financial assets and a permanently restricted endowment of almost \$27 million.

Wye River Group Incorporated has served since mid-2015 as financial advisor to the School in connection with re-financing the 2006 bonds issued by the Trust for the benefit of the School. Mr. Wienk reported that a request for proposals was sent to 25 banks and that eleven banks made proposals. First Republic Bank was selected on the basis of its proposal to purchase the bonds and to fix the rate of interest for a term of 20 years, when the bonds will become due. Interest only is payable until maturity, although the School will have the right to pre-pay up to 20% of the outstanding principal balance each year, subject to a pre-payment premium of 2% in the first three years and a pre-payment premium of 1% in the fourth and fifth years. No pre-payment premium is payable after the fifth year. The principal amount of the bonds will be \$8,845,000, of which \$8,600,000 will be applied to the redemption of the Series 2006 Bonds and \$245,000 will be applied to the costs of issuance of the Series 2016 Bonds.

Ms. Radecki referred to the bond documents distributed in advance of the meeting. She stated that the proposed Series 2016 Bonds will be issued under the Revenue Bond Resolution (School of American Ballet, Inc.) adopted by the Trust on July 26, 2006. The Board is asked to authorize the Series 2016 Resolution, which is in the standard form used by the Trust for comparable fixed rate transactions and provides that the principal amount of the Series 2016 Bonds may not exceed \$9 million. The Series 2016 Resolution also permits a maturity of not more than 20 years and provides that the redemption premium may not exceed 102%, which is consistent with the School's agreement with First Republic Bank. The Board is also requested to authorize a new Loan Agreement, which incorporates the Trust's current standard provisions for comparable transactions. Authorization is also requested for the Bond Placement Agreement, pursuant to which the Trust agrees to sell, and First Republic Bank agrees to buy, the Series 2016 Bonds.

Ms. Radecki also referred to the Indemnification Agreement. Pursuant to the Indemnification Agreement, the School agrees to indemnify the Trust for expenses incurred in connection with the Series 2016 Bond transaction or arising from the issuance of the Series 2016 Bonds, but without any obligation to make a deposit to support the indemnification obligations because the Series 2016 Bonds are not being offered to the public. As stated in the Approving Resolution submitted to the Board in advance of the meeting, because the proceeds of the Series 2016 Bonds will be used to refinance existing debt, which is a Type II action under Section 617.5(23) of the implementing regulations under the State Environmental Quality Review Act, the Trust has no further responsibilities under that Act or the implementing regulations. Although the Trust is not a party to the Continuing Covenants

Agreement between the School and First Republic Bank, a draft was distributed in advance of the meeting.

The following resolution was then moved, seconded and adopted by the Finance Committee and the Board by the members of the Board participating in the meeting and by the designees of the *ex officio* members of the Board, except that Ms. Vander Cook recused herself:

**RESOLVED**, that the Resolution of The Trust for Cultural Resources of The City of New York Approving Certain Matters In Connection With The Issuance Of Its Refunding Revenue Bonds, Series 2016 (School of American Ballet, Inc.), be and hereby is approved. (A copy of the foregoing Resolution is attached hereto.)

The Board then considered the election of Alice Knapp as chairman of the Audit Committee and the Governance Committee. Mr. Elliott reminded the Board that Steven M. Levine, who died in 2015, had served as chairman of those committees since they were established in 2006 and that Ms. Knapp had also served on those committees since 2006.

The following resolution was then moved, seconded and adopted by the members of the Board participating in the meeting and by the designees of the *ex officio* members of the Board, except that Ms. Knapp recused herself:

**WHEREAS**, the Board of Trustees of The Trust for Cultural Resources of The City of New York (the "Trust") appointed Steven M. Levine, Alice Anne Knapp and Stanley Kreitman to the Audit Committee and the Governance Committee and appointed Mr. Levine to serve as chairman of the Audit Committee and the Governance Committee; and

**WHEREAS**, Mr. Levine died in 2015; and

**WHEREAS**, Ms. Knapp has served on the Audit Committee and the Governance Committee since the formation of these committees by the Board of Trustees in 2006 and is familiar with the duties and responsibilities of these committees; and

**WHEREAS**, Ms. Knapp is willing to serve as chairman of the Audit Committee and the Governance Committee;

**NOW, THEREFORE**, it is hereby resolved that Alice Anne Knapp is appointed as chairman of the Audit Committee and as chairman of the Governance Committee of the Trust.

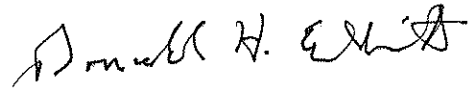
The Board then considered the minutes of the meeting of the Trust held on September 17, 2015. The following resolution was then made, seconded and unanimously adopted:

**RESOLVED**, that the minutes of the meeting of the Board of Trustees of the

Trust held on September 17, 2015, be and hereby are approved.

There being no further business to come before the meeting, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald H. Elliott". The signature is written in a cursive style with a large initial "D" and a stylized "E".

Donald H. Elliott  
Secretary

**RESOLUTION OF THE TRUST FOR  
CULTURAL RESOURCES OF THE CITY OF  
NEW YORK APPROVING CERTAIN  
MATTERS IN CONNECTION WITH THE  
ISSUANCE OF ITS REFUNDING REVENUE  
BONDS, SERIES 2016 (SCHOOL OF  
AMERICAN BALLET, INC.)**

WHEREAS, the School of American Ballet, Inc. (the "Institution") has requested that the Trust issue its Refunding Revenue Bonds, Series 2016 (School of American Ballet, Inc.) (the "Series 2016 Bonds"), in order to (a) provide funds to refund all of the Trust's outstanding Revenue Bonds, Series 2006 (School of American Ballet, Inc.) (the "Refunded Bonds"), the proceeds of which were used to finance or refinance all or a portion of the costs and expenses relating to the expansion, reconstruction, renovation, improvement, furnishing and equipping of facilities operated, or to be operated, by the School of American Ballet, Inc., a New York not-for-profit corporation (the "Institution"), and owned, or to be owned, by the Institution or Lincoln Center for the Performing Arts, Inc., a New York not-for-profit corporation, including but not limited to the building, expansion or renovation of dance studios and ancillary spaces and to certain other capital improvements in the Samuel B. & David Rose Building at 70 Lincoln Center Plaza, New York, New York 10023 and (b) pay a portion of the administrative, legal, accounting, financing and other expenses incidental to the issuance of the Series 2016 Bonds and related purposes (in the aggregate, (a) and (b) are referred to herein as the "Project"). The Series 2016 Bonds will be the second series of bonds issued under the Trust's Revenue Bond Resolution adopted on July 26, 2006 (the "Revenue Bond Resolution");

WHEREAS, there have been presented to the Trust the following documents, in substantially final form, in connection with the issuance of the Series 2016 Bonds: the Series 2016 Resolution of the Trust (the "Series 2016 Resolution"); the Loan Agreement between the Trust and the Institution (the "Loan Agreement"); the Bond Placement Agreement relating to the Series 2016 Bonds (the "Bond Placement Agreement"), among First Republic Bank, the Trust and the Institution; and the Indemnification Agreement relating to the Series 2016 Bonds between the Trust and the Institution (the "Indemnification Agreement"); and

WHEREAS, proceeds of the Series 2016 Bonds will be used to refinance existing debt, which is a Type II action under Section 617.5(23) of the implementing regulations under the State Environmental Quality Review Act and, consequently, the Trust has no further responsibilities under that Act or the implementing regulations;

NOW, THEREFORE, it is hereby resolved that:

- (1) The Trust hereby approves and adopts the Series 2016 Resolution.
- (2) The forms, terms and provisions of the Loan Agreement, the Bond Placement Agreement, and the Indemnification Agreement presented to the Trust, together with such changes, modifications and deletions as may be deemed necessary and appropriate, are hereby approved and authorized in all respects, and the Chairman, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized and

directed to execute and deliver, or approve and accept, as applicable, on behalf of the Trust, the above mentioned documents, in the forms presented to this meeting together with such changes, modifications and deletions as any of them, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Trust. The Chairman, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized, with the advice of counsel, to approve and execute such changes to the Series Resolution as may be deemed necessary and appropriate to effectuate the purposes thereof and which will not materially alter the terms and conditions thereof.

(3) The Chairman and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized to open any and all bank accounts and money market fund accounts, on behalf of and in the name of the Trust, as any of them deem necessary or desirable in connection with the issuance of the Series 2016 Bonds, and each of them is authorized to be the sole signatory of the Trust for purposes of making deposits and withdrawals to and from any such bank account.

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

(5) The Chairman, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are further authorized and directed to take such actions and to execute and deliver any such directions, documents, certificates, undertakings, agreements or other instruments as any of them, with the advice of counsel, may deem necessary and appropriate in order to effect the transactions contemplated by the documents presented to this meeting, including, without limitation, the Series 2016 Certificate, and the execution and delivery of directions, instruments, documents, certificates, undertakings and agreements deemed necessary and appropriate to assure that interest on the Series 2016 Bonds is excluded from gross income of the owners thereof for federal income tax purposes, including, without limitation, the Tax Certificate and Agreement.