

THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK

MINUTES OF MEETING
OF THE BOARD OF TRUSTEES

March 27, 2018

A meeting of the Board of Trustees of The Trust for Cultural Resources of The City of New York (the "Trust") was held on March 27, 2018 at the offices of Orrick, Herrington & Sutcliffe, LLP, 51 West 52nd Street, New York, New York.

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

Susan Henshaw Jones, Chair
Erika Mallin
Lynne B. Sagalyn
Dawanna Williams
Anne Shutkin, Mr. Patchett's designee
Laura Wnek, Mr. Finkelppearl's designee

Ms. Jones, Ms. Williams, Ms. Shutkin and Ms. Wnek participated by conference telephone, which permitted them to hear and be heard by those present at the meeting. Leah C. Johnson, Merryl Tisch and Caitlin Lewis, Ms. Glen's designee, were excused.

In addition, the following persons were present:

Eileen B. Heitzler	Orrick Herrington & Sutcliffe, LLP
Fred D'Ascoli	New York City Economic Development Corporation
Raafat Osman	New York City Economic Development Corporation
Carol Ann Butler	New York City Economic Development Corporation
Anne Adams Rabbino	Secretary
B. Seth Bryant	Assistant Secretary

The meeting was called to order at 11:05 p.m. by Ms. Jones.

Ms. Jones warmly welcomed Anne Shutkin, who is Mr. Patchett's new designee, and Laura Wnek, who is Mr. Finkelppearl's new designee. Ms. Shutkin is currently the Executive Director of the New York City Industrial Development Agency and of Build NYC and also Vice President, Strategic Investments Group, at the New York City Economic Development Corporation. She has previously worked in the private sector as a lawyer and in the non-profit section as a consultant and as a lawyer. Ms. Shutkin serves on the board of trustees of Bank

Street College of Education, where she is co-chair of the governance committee and secretary of the board. Ms. Wnek joined the New York City Department of Cultural Affairs as Deputy General Counsel in 2016 and has served as Acting General Counsel since February, 2018. She previously practiced in commercial litigation and worked on art law matters.

Ms. Jones stated that she would like to discuss the report of the Governance Committee meeting on March 21, 2018 with the Board. Ms. Rabbino and Mr. Bryant left the meeting for the duration of the following discussion.¹ Ms. Jones reported that the Governance Committee had reviewed the letter from Donald H. Elliott dated March 19. Mr. Elliott has served as Secretary of the Trust since it was organized in 1977, but, as stated in his letter, Mr. Elliott has decided that the time has come for him to retire. The Board discussed Mr. Elliott's leadership in shaping the Trust and agreed that they wished to continue to have the benefit of Mr. Elliott's advice in appropriate circumstances and to elect Mr. Elliott as Secretary Emeritus.

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

WHEREAS, Donald H. Elliott has served as Secretary of the Board of Trustees of the Trust since the Trust was initially organized in 1977;

WHEREAS, Mr. Elliott's judgments about how to serve the cultural institutions in the City through the Trust have been invaluable in the activities and operations of the Trust;

WHEREAS, Mr. Elliott has decided that the time has come for him to retire as Secretary;

WHEREAS, the Board wishes to continue to take advantage of Mr. Elliott's judgment and advice in appropriate circumstances by electing Mr. Elliott as Secretary Emeritus;

WHEREAS, the Governance Committee has met and discussed Mr. Elliott's decision to retire as Secretary and has recommended the actions incorporated in the following resolutions;

NOW, THEREFORE, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Donald H. Elliott for his vision that led to the creation of the Trust and for his leadership and advice throughout the existence of the Trust; and be it further

RESOLVED, that the Board of Trustees hereby elects Mr. Elliott as Secretary Emeritus of Board of the Trust, with the right to be notified of and to attend all meetings of the Board, without the right to vote on any matter coming before

¹ The Minutes of the meeting during the period when Ms. Rabbino and Mr. Bryant were not present were prepared with the assistance of Ms. Heitzler.

the Board, and requests that Mr. Elliott continue to be available to the Board to advise the Board from time to time.

Ms. Jones turned to the question of succession for Mr. Elliott as Secretary. Ms. Jones referred to the role that Anne Adams Rabbino has played as Assistant Secretary for many years in supporting Mr. Elliott and in working directly with the Trust's borrowers and their counsel and advisors as well as with members of the Board of Trustees. She reported that the Governance Committee had recommended that Ms. Rabbino continue to work with the Board in the role of Secretary and had agreed on the importance of selecting a lawyer to work with Ms. Rabbino as she has previously worked with Mr. Elliott to become familiar with the Trust's operations and the applicable legal requirements.

B. Seth Bryant is the founding partner of Bryant Rabbino LLP and managing partner of the firm. Mr. Bryant has practiced law for more than 20 years, primarily in large law firms until he founded Bryant Rabbino in 2009. He is a transactions lawyer with experience in municipal finance, corporate finance, mergers and acquisitions and general corporate work. Ms. Williams has known and worked with Mr. Bryant previously, and she spoke very highly of him.

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

RESOLVED, that the Board of Trustees hereby elects Anne Adams Rabbino as Secretary of the Board of the Trust; and be it further

RESOLVED, that the Board of Trustees hereby elects B. Seth Bryant as Assistant Secretary of the Board of the Trust, to serve with Robert LaPalme, previously elected as Assistant Secretary of the Board of the Trust.

Ms. Rabbino and Mr. Bryant were invited to re-join the meeting. They expressed their appreciation to the Board.

Mr. Jones then requested that Ms. Sagalyn report on the meeting of the Audit Committee, which had taken place prior to the meeting of the Board. Ms. Sagalyn reported that the Audit Committee had discussed the aspects of the financial statements related to the "combined-use facility" for The Museum of Modern Art and the related issues surrounding the tax equivalency payments collected from owners of condominium units in the Museum Tower and the payments made by the Trust to the City in lieu of real estate taxes. She noted that all of the reports from RSM US LLP, the Trust's auditors, are "clean" un-qualified reports. She reported that RSM in executive session with the Audit Committee stated that the staffing at EDC is satisfactory to perform the necessary work and that the staff does a good job of maintaining the financial records and reporting. The Internal Audit Group of EDC also concluded that the procedures followed by EDC are satisfactory for the intended purposes of maintaining accurate financial records and appropriate controls.

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

RESOLVED, that the Trust hereby approves the Independent Auditors' Report on the Trust's Basic Financial Statements for the years ended December 31, 2017 and December 31, 2016, and Supplementary Information for the year ended December 31, 2017; the Agreed-Upon Procedures for the year ended December 31, 2017; the Reports on Compliance with Contractual Provisions of Debt Agreements for the year ended December 31, 2017, all prepared by RSM US LLP; and be it further

RESOLVED, that the Trust hereby receives the Assessment of Internal Controls as of December 31, 2017, as provided by the Internal Audit Department of the New York City Economic Development Corporation, dated March 5, 2018.

Ms. Jones asked Ms. Rabbino to describe the administrative and compliance matters submitted to the Board for its review. After an opportunity to raise questions, the following resolutions were moved, seconded and unanimously adopted:

RESOLVED, that the minutes of the meeting of the Board of Trustees of the Trust held on June 26, 2017, be and hereby are approved; and be it further

RESOLVED, that the minutes of the meeting of the Audit Committee of the Trust held on November 13, 2017, be and hereby are approved; and be it further

RESOLVED, that the Annual Report of the Trust for 2017 be, and hereby is, approved; and be it further

RESOLVED, that the Mission Statement and Performance Evaluations of the Trust for 2017 and the related information be, and hereby are, approved; and be it further

RESOLVED, that the Property Report of the Trust pursuant to Section 2800(2)(a)(7) of the Public Authorities Law as of December 31, 2017 be, and hereby is, approved; and be it further

RESOLVED, that the previously approved Procurement Policy of the Trust be, and hereby is, approved without modification; and be it further

RESOLVED, that the previously approved Policy of the Trust relating to Acquisition and Disposition of Real Property and Disposition of Personal Property (the "Property Policy") be, and hereby is, approved without modification; and that Anne Adams Rabbino is hereby appointed as the contracting officer in accordance with Section 2896(1) of the Public Authorities Law as the person responsible for the Trust's compliance with the enforcement of the Property Policy; and be it further

RESOLVED, that the previously approved Investment Guidelines of the Trust be, and hereby are, approved without modification; and be it further

RESOLVED, that the Trust hereby ratifies and approves the expenditure of funds in escrow accounts controlled by the New York City Economic Development Corporation and applied to pay administrative, accounting and legal expenses of the Trust during the period from January 1, 2017 through December 31, 2017; and be it further

RESOLVED, that the Trust hereby approves the Schedule of Bonds issued by the Trust in 2017; and be it further

RESOLVED, that the Trust hereby approves the Annual Report of Summary Financial Information for the Trust for the fiscal year ended December 31, 2017 in the form required by the Public Authorities Reporting Information System (PARIS); and be it further

RESOLVED, that the Trust hereby authorizes the submission of Report of the Trust for the year ending December 31, 2017, in accordance with the Public Authorities Accountability Act of 2005, together with the required exhibits, all of which have been authorized and approved hereby; and be it further

RESOLVED, that the Trust hereby authorizes the extension of the Amended and Restated Agreement dated as of July 1, 1993 between the Trust and the New York City Economic Development Corporation, which has a current expiration date of June 30, 2018, for the period from July 1, 2018 through June 30, 2019; and be it further

RESOLVED, that the Trust hereby appoints Lynne B. Sagalyn to serve as a member of the Finance Committee and confirms the continuation in office of Susan Henshaw Jones to serve as Chair of the Finance Committee and of Leah C. Johnson, Erika Mallin, Merryl Tisch, Dawanna Williams and the *ex officio* members of the Board as members of the Finance Committee of the Board of the Trust; and be it further

RESOLVED, that the Trust hereby appoints Lynne B. Sagalyn to serve as Chair of the Audit Committee and confirms the continuation in office of Leah C. Johnson, Erika Mallin and Dawanna Williams as members of the Audit Committee of the Board of the Trust; and be it further

RESOLVED, that the Trust hereby appoints Lynne B. Sagalyn to serve as a member of the Governance Committee and confirms the continuation in office of Susan Henshaw Jones as Chair of the Governance Committee and of Leah C. Johnson, Erika Mallin, Merryl Tisch, and Dawanna Williams as members of the Governance Committee of the Board of the Trust.

Ms. Heitzler reported on the impact of tax law changes enacted in 2017. The most significant change is that advance refundings of tax exempt bond issues have been eliminated

except those that occur within 90 days of the maturity date of the bonds being refunded. Another potential impact is driven by the decrease in corporate tax rates, which make it less attractive for banks to hold tax-exempt debt. This may result in higher costs for some borrowers that have placed their debt with banks.

Another pending change that will affect the Trust is the winding down of the LIBOR market, which is used as a benchmark to set the interest rate on many obligations. No industry standard has yet emerged, but everyone expects a standard to be developed before LIBOR ceases to be available.

There being no further business to come before the meeting, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Anne Adams Rabbino". The signature is written in a cursive, flowing style.

Anne Adams Rabbino
Secretary