

THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK

MINUTES OF MEETING
OF THE BOARD OF TRUSTEES

October 11, 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 October 11, 2018 at the offices of Orrick, Herrington & Sutcliffe, LLP, 51 West 52nd Street, New York, New York.

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

Susan Henshaw Jones, Chair
Leah C. Johnson
Erika Mallin
Lynne B. Sagalyn
Merryl Tisch
Dawanna Williams
Caitlin Lewis, Ms. Glen's designee
Krishna Omolade, Mr. Patchett's designee
Laura Wnek, Mr. Finkelparl's designee

Ms. Johnson, Ms. Mallin, Ms. Sagalyn, Ms. Tisch, Ms. Williams, Ms. Lewis and Ms. Wnek participated by conference telephone, which permitted them to hear and be heard by those present at the meeting.

In addition, the following persons were present:

Christine Todd	The Juilliard School
Linda Fan	The Yuba Group
Brian Hayes	The Yuba Group
Pete Vujasin	BofA Merrill Lynch
Sean Pierce	BofA Merrill Lynch
Dan Zatony	BofA Merrill Lynch
Eileen Heitzler	Orrick Herrington & Sutcliffe, LLP
Alison Radecki	Orrick Herrington & Sutcliffe, LLP
Helen Pennock	Orrick Herrington & Sutcliffe, LLP
Fred D'Ascoli	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 4:10 p.m. by Ms. Jones. Ms. Jones welcomed Krishna Omolade, the new designee for James Patchett. Mr. Omolade currently works at NYCEDC as Deputy Executive Director, NYCIDA & Build NYC and Assistant Vice President, Strategic Investments Group. He has previously worked in the nonprofit sector as the Director of Operations and Finance for Corbin Hill Food Project, a food justice organization based in Harlem. He is a graduate of Connecticut College and earned a masters degree in Urban Policy and Management from the New School University.

The Board, acting both as the Finance Committee and as the Board, considered the proposed transaction for the benefit of The Juilliard School (“Juilliard”). Christine Todd, who serves as Juilliard’s chief financial officer, introduced Linda Fan and Brian Hayes from The Yuba Group, who are serving as Juilliard’s financial advisor. Ms. Fan referred to the direct placements of the Trust’s bonds for the benefit of Juilliard in 2015 and 2017. Juilliard’s current proposed bond issue is for the Trust’s Series 2009A Bonds, which were sold to the public as fixed rate bonds. Mr. Hayes noted that the Series 2009A Bonds were issued to fund Juilliard’s projects that expanded, re-configured and up-dated its building. Juilliard’s now proposes to match the maturity dates of the Series 2009A Bonds at fixed rates of interest, with the right to call the new bonds at par in ten years. The current ratings on the Series 2009A Bonds are AA with a stable outlook from S&P Global Ratings and AA2 with a negative outlook from Moody’s Investors Service, Inc. New ratings will be published by both rating agencies prior to the issuance of the Series 2018A Bonds. Juilliard’s obligations will be unsecured. Pricing is expected to take place on October 29, with the closing scheduled for November 15.

Ms. Todd reported that interest in Juilliard’s education program continues to be strong. Juilliard accepts approximately seven percent of its applicants and approximately 70 percent of accepted applicants enroll. There are currently 850 full-time students at Juilliard’s campus at Lincoln Center, where Juilliard occupies the Irene Diamond Building and a portion of an adjacent residence hall. This arrangement affords Juilliard’s students with an extraordinary degree of access to performing arts and faculty. Damien Woetzel now serves as President of Juilliard, and Lesley Rosenthal has joined as the Chief Operating Officer. Joseph Polisi, who served as President of Juilliard for 34 years, is now the Chief China Officer. The Tianjian Juilliard School, which will offer graduate programs, is currently under construction, with funding provided by Juilliard’s local partners in Tianjian. Juilliard’s collaboration with Nord Anglia Education, a global network of schools for kindergarten through high school, continues to grow.

Ms. Todd also reported that Juilliard’s financial performance has continued to be strong, as has the investment performance of the endowment, which provides approximately 40% of the annual operating budget. Juilliard provides institutional scholarship assistance to the overwhelming majority of its students enrolled in programs that are subject to tuition charges. A considerable portion of the funding for its scholarship assistance comes from restricted funds in Juilliard’s endowment.

Mr. Vujasin, who heads the team for the underwriter for the Series 2018A Bonds, reported that the estimated savings in annual interest expenses are expected to be \$260,000,

with a net present value of savings over the term of the bonds of \$6 million. He noted that the maturity of the principal payments will not change.

Ms. Radecki described the documents to be authorized by the Approving Resolution, which were distributed to the members of the Board in advance of the meeting. The Series 2018A Bonds will be issued under the General Resolution adopted by the Trust in 2009 and will be on a parity with the prior bonds. The Trust is also asked to authorize the Series 2018A Resolution, which establishes the parameters of the Series 2018A Bonds. The principal amount of the Series 2018A Bonds may not exceed \$50 million, and the term may not exceed 30 years from original issuance. The interest rate may not exceed 7% and the prepayment premium may not exceed 102% of the par amount. The Loan Agreement entered into in 2009 between the Trust and Juilliard will be amended by the First Amendment of Loan Agreement to confirm that it applies to the Series 2018A bonds. The documents that the Board is being asked to authorize include the Purchase Contract pursuant to which the Trust will agree to sell, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter, will agree to buy, the Series 2018A Bonds. Juilliard is also a party to the Purchase Contract and makes various standard representations and undertakes various standard obligations. The Series 2018A Bonds will be offered pursuant to the Preliminary Official Statement, which includes in Appendix A financial, operating and governance information about Juilliard. The Series 2018A Indemnification Agreement, which is required by the Trust in every transaction and contains the obligation of the borrower to pay all costs and expenses incurred by the Trust in connection with or as a result of the issuance of the bonds, is in the standard form.

The Approving Resolution also authorizes other documents and agreements required in connection with the issuance of the Series 2018A Bonds, including a Tax Agreement and Certificate, which will set forth Juilliard's obligations to maintain the tax-exempt status of the bonds; a letter of instructions to the trustee for the Series 2009A Bonds, which will provide for using the proceeds of the sale to the Series 2018A Bonds to redeem the Series 2009A Bonds on January 1, 2018; and other documents that, on the advice of counsel, are necessary or appropriate in connection with the issuance of the bonds.

The proceeds of the Series 2018 Bonds will be used to refund the Trust's prior bonds, which is a "Type II" project for purposes of environmental review. Accordingly, no further environmental review is required.

The following resolution was then moved by Ms. Sagalyn, seconded by Ms. Mallin and unanimously adopted by the Finance Committee and the Board:

RESOLVED, that the Resolution of The Trust for Cultural Resources of The City of New York Approving Certain Matters In Connection With The Issuance Of Its Refunding Revenue Bonds, Series 2018A (The Juilliard School), be and hereby is approved. (A copy of the foregoing Resolution is attached hereto.)

Ms. Jones asked Ms. Heitzler to present the Resolution pertaining to the Trust's Refunding Revenue Bonds, Series 2008A (Lincoln Center for the Performing Arts, Inc.). Ms. Heitzler reported that bonds issued by the Trust in 2008 for the benefit of Lincoln Center for the Performing Arts, Inc. ("LCPA") were converted in 2015 to direct purchase bonds that bear interest at a floating rate with a spread above LIBOR. The documents also included a provision requiring an adjustment of the spread in the event of changes in corporate federal tax rates. After federal corporate tax rates were decreased at the beginning of 2018, a disagreement regarding the interpretation of the adjustment provision arose between LCPA and the holder of the bonds, Banc of America Capital Corp. This disagreement was resolved in August, when the bond holder accepted LCPA's interpretation. The facts relating to this disagreement and its resolution could, upon review by the Internal Revenue Service in an audit, result in a determination that, for federal tax law purposes, a "re-issuance" of the Series 2008A Bonds has occurred. Unless the Trust and LCPA take certain actions in 2018, such a determination could result in the Series 2008A Bonds becoming taxable bonds. Avoiding this risk requires several steps to be taken, which are authorized by the Resolution submitted to the Board in advance of the meeting.

The following resolution was then moved by Ms. Johnson, seconded by Ms. Sagalyn and unanimously adopted by the Finance Committee and the Board:

RESOLVED, that the Resolution of The Trust for Cultural Resources of The City of New York Approving Certain Matters In Connection Its Refunding Revenue Bonds, Series 2008A (Lincoln Center for the Performing Arts, Inc.), be and hereby is approved. (A copy of the foregoing Resolution is attached hereto.)

Mr. D'Ascoli, Controller of the New York City Economic Development Corporation and Assistant Treasurer of the Trust, then presented the Trust's Budget and Financial Plan for the fiscal year ending December 31, 2019 in the format required pursuant to the Public Authorities Law, which is required to be posted in the Public Authorities Reporting Information System ("PARIS"). This format requires projections through the fiscal years ending December 31, 2022. The Budget and Financial Plan was prepared on the basis of the actual results reported in the audited financial statements for the fiscal year ending December 31, 2017, with projected increases based on existing contracts or annual increases of 1% for items for which there is no existing contract.

The following resolution was then moved by Ms. Tisch, seconded by Ms. Mallin, and unanimously adopted:

WHEREAS, The Trust for Cultural Resources of The City of New York, a New York public benefit corporation (the "Trust") is required pursuant to the Public Authorities Accountability Act and related statutes to post in the Public Authorities Reporting Information System ("PARIS") a Budget and Financial Plan (the "PARIS Budget"), showing (a) Actual Receipts and Expenditures for 2017, (b) Current Estimated Receipts and Expenditures for 2018, (c) Receipts

and Expenditures Adopted by the Board of Trustees for 2019, and (d) Proposed Receipts and Expenditures for 2020-2022;

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

NOW, THEREFORE, it is hereby

RESOLVED, that the PARIS Budget be, and hereby is, approved, and the posting of the PARIS Budget be, and hereby is, authorized.

The Board then considered the minutes of the meetings of the Board of the Trust and of the Audit Committee of the Trust, both held on March 27, 2018.

The following resolutions were then moved by Ms. Sagalyn, seconded by Ms. Johnson and unanimously adopted:

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

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

The Board then discussed potential transactions that the Trust may be asked to authorize in 2019.

There being no further business to come before the meeting, the meeting was adjourned at 4:55 p.m.

Respectfully submitted,



Anne Adams Rabbino
Secretary

**RESOLUTION OF THE TRUST FOR
CULTURAL RESOURCES OF THE CITY OF
NEW YORK APPROVING CERTAIN
MATTERS IN CONNECTION WITH THE
ISSUANCE OF ITS REFUNDING REVENUE
BONDS, SERIES 2018A (THE JULLIARD
SCHOOL)**

WHEREAS, The Juilliard School (the “Institution”) has requested that The Trust for Cultural Resources of The City of New York (the “Trust”) issue its Refunding Revenue Bonds, Series 2018A (The Juilliard School) (the “Series 2018A Bonds”) in order to refund all of the Trust’s Revenue Bonds, Series 2009A (The Juilliard School), the proceeds of which were applied to finance and refinance the expansion and renovation of the Juilliard Building (now known as The Irene Diamond Building), including rehearsal studios, a theatre, classrooms, practice rooms, lobbies, offices, student and faculty lounges, library archives and stacks, a scholar’s reading room, and bathrooms that created approximately 32,000 square feet of additional space for the Institution, and to pay a portion of the administrative, legal, accounting, financing and other expenses incidental to the issuance of the Series 2018A Bonds and related purposes; and

WHEREAS, the Series 2018A Bonds will be the fourth series of bonds issued under the Trust’s Revenue Bond Resolution adopted on March 18, 2009 (the “Revenue Bond Resolution”); and

WHEREAS, there have been presented to the Trust the following documents, in substantially final form, in connection with the issuance of the Series 2018A Bonds: the Series 2018A Resolution Authorizing Not In Excess of \$50,000,000 Refunding Revenue Bonds, Series 2018A (The Juilliard School) of the Trust (the “Series 2018A Resolution”); the First Amendment of Loan Agreement between the Institution and the Trust, relating to the Series 2018A Bonds (the “First Amendment of Loan Agreement”); the Purchase Contract relating to the Series 2018A Bonds (the “Purchase Contract”) among Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriter”), the Trust and the Institution; the Indemnification Agreement relating to the Series 2018A Bonds between the Trust and the Institution (the “Indemnification Agreement”); and the Preliminary Official Statement relating to the Series 2018A Bonds (the “Preliminary Official Statement”); and

WHEREAS, all of the proceeds of the Series 2018A 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 2018A Resolution.
- (2) The forms, terms and provisions of the First Amendment of Loan Agreement, the Purchase Contract, the Indemnification Agreement and the Preliminary Official

Statement (and the final Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement) presented to the Trust, together with such changes, modifications and deletions as may be deemed necessary and appropriate, are hereby approved and authorized in all respects, and the Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized and directed to execute and deliver, or approve and accept, as applicable, on behalf of the Trust, the above mentioned documents, in the forms presented to this meeting together with such changes, modifications and deletions as any of them, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Trust. The Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are hereby authorized, with the advice of counsel, to approve and execute such changes to the Series 2018A Resolution as may be deemed necessary and appropriate to effectuate the purposes thereof and which will not materially alter the terms and conditions thereof. The use and distribution of the Preliminary Official Statement by the Underwriter are hereby authorized and approved and the use and distribution of a final Official Statement for the Series 2018A Bonds by the Underwriter are hereby authorized and approved.

(3) The Chair, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary or any of them individually are hereby authorized to open any and all bank accounts and money market fund accounts, on behalf of and in the name of the Trust, as any of them deem necessary or desirable in connection with the issuance of the Series 2018A 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 execution and filing by the Chair, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Trust of applications for U.S. Treasury Obligations – State and Local Government Series and cancellations of existing applications are hereby authorized, ratified and confirmed, if necessary.

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

(6) The Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are further authorized and directed to take such actions and to execute and deliver any such directions, documents, certificates, undertakings, agreements or other instruments as any of them, with the advice of counsel, may deem necessary and appropriate in order to effect the transactions contemplated by the documents presented to this meeting, including, without limitation, a Letter of Instructions to the Trustee, the Series 2018A 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 2018A Bonds is excluded from gross income of the owners thereof for federal income tax purposes, including, without limitation, a Tax Certificate and Agreement and any amendments entered into after the issuance of the Series 2018A Bonds to any documents entered into in connection with the Series 2018A Bonds including, without limitation, the Tax Certificate and

Agreement, the Revenue Bond Resolution, the Series 2018A Resolution, the Series 2018A Certificate, the Indemnification Agreement, the Letter of Instructions and the Loan Agreement.

**RESOLUTION OF THE TRUST FOR
CULTURAL RESOURCES OF THE CITY OF
NEW YORK APPROVING CERTAIN
MATTERS IN CONNECTION WITH ITS
REFUNDING REVENUE BONDS, SERIES
2008A (LINCOLN CENTER FOR THE
PERFORMING ARTS, INC.)**

WHEREAS, on July 17, 2008, The Trust for Cultural Resources of The City of New York (the "Trust") issued its Refunding Revenue Bonds, Series 2008A-1 (Lincoln Center for the Performing Arts, Inc.) (the "Series 2008A-1 Bonds") and Series 2008A-2 (the "Series 2008A-2 Bonds" and, together with the Series 2008A-1 Bonds, the "Series 2008A Bonds") in order to (i) provide funds to currently refund the Trust's previously issued Revenue Bonds (Lincoln Center for the Performing Arts, Inc.), Series 2006A and (ii) pay a portion of the expenses of the Trust and Lincoln Center for the Performing Arts, Inc. (the "Institution") incurred in connection with the issuance of the Series 2008A Bonds; and

WHEREAS, the Series 2008A Bonds were the first series of bonds issued under the Trust's Revenue Bond Resolution adopted on April 22, 2008 (the "Revenue Bond Resolution") and pursuant to the Series 2008A Resolution (Lincoln Center for the Performing Arts, Inc.) adopted by the Trust on April 22, 2008 and supplemented on June 3, 2015 (the "Series Resolution"); and

WHEREAS, the proceeds of the Series 2008A Bonds were loaned to the Institution pursuant to the Loan Agreement, dated as of July 1, 2008 between the Trust and the Institution; and

WHEREAS, the Series 2008A Bonds originally bore interest at a Daily Interest Rate (as defined in the Resolution) and were supported by separate Letters of Credit issued by JPMorgan Chase Bank, N.A. and The Bank of New York Mellon (the "Letters of Credit"); and

WHEREAS, the Institution determined that instead of extending the Letters of Credit, it wished to convert the Series 2008A Bonds to an Index Floating Rate and it wished Banc of America Capital Corp (the "Purchaser") to purchase the Series 2008A Bonds; and

WHEREAS, the Series 2008A Bonds were subject to mandatory tender on June 10, 2015 and were subsequently purchased by the Purchaser and converted to bear interest at an Index Floating Rate (as defined in the Series Resolution) for a period which extends to June 10, 2020; and

WHEREAS, on January 1, 2018, there was a change in the Maximum Federal Corporate Tax Rate (as defined in the Series Resolution) which resulted in a change to the applicability of the Margin Rate Factor (as defined in the Series Resolution) and to the calculation of the Index Floating Rate, with such changes resulting in a disagreement regarding the calculation between the Purchaser and the Institution; and

WHEREAS, although such disagreement has been resolved, the Internal Revenue Service (the "IRS") could determine that the resolution of such agreement constituted a reissuance of the

Series 2008A Bonds possibly resulting in the interest on the Series 2008A Bonds not being excludable from gross income for federal income tax purposes unless appropriate action is undertaken to preserve the tax-exempt status of the Series 2008A Bonds; and

WHEREAS, upon the advice of bond counsel, the Trust has determined that it will take certain actions to preserve the tax-exempt status of the Series 2008A Bonds, so that interest on the Series 2008A Bonds remains excludable from gross income for federal income tax purposes, including entering into a Supplemental Tax Certificate and Agreement and filing a new IRS Form 8038;

NOW, THEREFORE, it is hereby resolved that:

The Chair, any other Trustee and the Secretary or any Assistant Secretary, or any of them individually, are 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 to preserve the status that interest on the Series 2008A Bonds is excluded from gross income of the owners thereof for federal income tax purposes including, without limitation, executing and filing the IRS Form 8038 and entering into a Supplemental Tax Certificate and Agreement.