

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD AT THE 110 WILLIAM STREET OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 19, 2017

The following directors and alternates were present, constituting a quorum:

James Patchett, Chairman
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Albert De Leon
Barry Dinerstein, alternate for Marisa Lago
the Chair of the City Planning Commission of The City of New York
James McSpiritt, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York
Jaques-Philippe Piverger
Carl Rodrigues, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York
Robert Santos
Shanel Thomas

The following directors were not present:

Marlene Cintron
Kevin Doyle
Anthony Ferreri
Andrea Feirstein

Also present were (1) members of New York City Economic Development Corporation (“NYCEDC”) staff and interns, (2) Scott Singer from Nixon Peabody LLP, (3), Seth Bryant from Bryant Rabbino LLP, (4) Arthur Cohen from Hawkins Delafield & Wood LLP, (5) Patricia Mollica from Katten Muchin Rosenman LLP, (6) John Ravalli from the City’s Department of Finance and (7) other members of the public.

James Patchett, President of NYCEDC and Chairperson of the Build NYC Resource Corporation (the “Corporation”), convened the meeting of the Board of Directors of Build NYC at 9:39 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the July 25, 2017 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 25, 2017 Board of Directors meeting. There being no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for July 31, 2017 (Unaudited)

Christine Robinson, Senior Accountant of NYCEDC, presented the Corporation's Financial Statements for the one month period ending July 31, 2017 (Unaudited). Ms. Robinson stated that in the one month period, the Corporation recognized approximately \$94,000 in revenue from 1 transaction. Ms. Robinson stated that income derived from compliance and other fees totaled \$11,000 for the one month period. Ms. Robinson stated that the Corporation recognized \$275,000 in total expenditures for the one month period ending in July 31, 2017, consisting of the monthly management fee, marketing and public hearing expenses.

In response to a question from Mr. Piverger, Ms. Robinson stated that the management fee of \$275,000 is paid to NYCEDC each month which comes out to \$3.3 Million a year and the marketing expense is a subscription fee which is the same year-to-year.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2017

Spencer Hobson, an Executive Vice President of NYCEDC and Treasurer of the Corporation, and Fred D'Ascoli, Controller for NYCEDC and Assistant Treasurer of the Corporation, presented for review and approval the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2017.

On behalf of the Audit Committee, Mr. De Leon stated that the Audit Committee was satisfied with the Corporation's Audited Financial Statements and recommended the approval thereof by the Board.

4. Annual Investment Report for Fiscal Year Ended June 30, 2017

Mr. Hobson and Mr. D'Ascoli presented for review and approval the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2017.

On behalf of the Audit Committee, Mr. De Leon stated that the Audit Committee was satisfied with the Annual Investment Report and recommended the approval thereof by the Board.

There being no comments or questions, a motion to approve the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2017 attached hereto as Exhibit A, as submitted, and the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2017 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously

approved.

5. Officer Appointment

Mr. Patchett presented for review and adoption a resolution to appoint Anne Shutkin as Executive Director for the Corporation. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

6. Audit Committee Appointment

Anne Shutkin, Vice President of NYCEDC and Executive Director of the Corporation presented for review and adoption a resolution to appoint Shanel Thomas as a member of the Audit Committee of the Corporation. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

7. Finance Committee Appointment

Ms. Shutkin presented for review and adoption a resolution to appoint Jacques-Philippe Piverger as a member of the Finance Committee of the Corporation. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

8. Performance Measurements Report

Ms. Shutkin presented the Corporation's performance measurements report.

There being no comments or questions, a motion to approve the performance measurements report attached hereto as Exhibit C, as submitted, was made, seconded and unanimously approved.

9. Board Performance Self-Evaluation Survey Results

Ms. Shutkin presented the results of the Board's annual Self-Evaluation Survey (the "Survey"). Mr. Shutkin stated that eight out of thirteen Board members took the Survey.

On behalf of the Governance Committee, Mr. Santos stated that he would like to thank Corporation staff for meeting with them and listening to their suggestions. Mr. Santos stated that the Governance Committee met several weeks prior to discuss the results of the survey. Mr. Santos stated that there was a slight drop off in the number of respondents so the survey would be made available earlier next year to give board members more time to respond. Mr. Santos stated that overall the responses were positive and that ideally next year there would be more responses that would be equally positive. Mr. McSpiritt stated that the Governance Committee was pleased with the results. Mr. McSpiritt stated that the change in the schedule of the questionnaire and the timing may assist in improving the response rates.

10. Hyde Leadership Charter School

Kyle Brandon, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately \$17,000,000 tax-exempt revenue bond issuance for the benefit of Hyde Leadership Charter School. Mr. Brandon recommended the adoption of a SEQRA determination that the proposed project is an unlisted action and therefore no further environmental review is required. Mr. Brandon described the project and its benefits as set forth in Exhibit D.

On behalf of the Finance Committee, Mr. Dinerstein recommended approval of this project.

There being no further comments, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of Hyde Leadership Charter School attached hereto as Exhibit E was made, seconded and unanimously approved.

11. Alphapointe

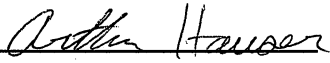
Crissette Maxwell, a Project Manager of NYCEDC, presented for review and adoption a post-closing resolution for the benefit of Alphapointe authorizing amendments to the existing project documents in order to update the bond amortization schedule. Ms. Maxwell described the project and its benefits, as reflected in Exhibit F.

In response to a question from Mr. McSpiritt, Ms. Maxwell stated that during the final phase of Alphapointe's financing the bank instituted a requirement that the company secure a ten-year interest rate swap instrument, which increased their monthly payments. Ms. Maxwell stated that this post-closing request will allow Alphapointe to lower their monthly payments and keep payments consistent with what was approved by the board during authorization in February 2017. In response to a question from Mr. McSpiritt, Ms. Maxwell stated that the average life would be extended to allow for the same annual payment for 25 years. Ms. Shutkin stated that the company is decreasing some of their earlier payments so they are keeping the same twenty-five year amortization schedule. In response to a question from Mr. McSpiritt, Ms. Maxwell stated that the company is back-loading payments.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit G was made, seconded and unanimously approved.

12. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:55 a.m.


Assistant Secretary

Dated: 10/26/17
New York, New York

Exhibit A

FINANCIAL STATEMENTS

Build NYC Resource Corporation
(A Component Unit of The City of New York)
Years Ended June 30, 2017 and 2016
With Report of Independent Auditors

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Financial Statements

June 30, 2017 and 2016

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I. Financial Section

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Financial Statements

We have audited the accompanying statements of net position of Build NYC Resource Corporation (the “Corporation”), a component unit of The City of New York, as of June 30, 2017 and 2016, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor’s 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 entity’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 entity’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 Corporation as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated _____, 2017, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

_____, 2017

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2017

This section of the Build NYC Resource Corporation ("Build NYC" or the "Corporation") annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2017 and 2016. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2017 Financial Highlights

- Current assets increased by \$2,003,861 (or 23%)
- Current liabilities increased by \$188,507 (or 185 %)
- Net position increased by \$16,633 (or 0.15%)
- Operating revenues decreased by \$1,718,907 (or 33%)
- Operating expenses increased by \$1,313,603 (or 63%)
- Operating income decreased by \$3,032,510 (or 94%)
- Non-operating expenses increased by \$55,829 (or 52%)

Overview of the Financial Statements

This annual financial report consists of two parts: *Management's discussion and analysis* (this section) and the *basic financial statements*. Build NYC is considered a component unit of The City of New York (the "City") for the City's financial reporting purposes. Build NYC is a local development corporation that was organized under the Not-For-Profit Corporation Law of the State of New York to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing.

Build NYC is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. The Corporation operates in a manner similar to a private business.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Financial Analysis of the Corporation

Net Position—The following table summarizes the Corporation's financial position at June 30, 2017, 2016, and 2015, and the percentage changes between June 30, 2017, 2016, and 2015:

	2017	2016	2015	% Change	
				2017–2016	2016–2015
Current assets	\$ 10,643,375	\$ 8,639,514	\$ 6,245,466	23%	38%
Non-current assets	1,009,423	2,808,144	2,081,478	(64)%	35%
Total assets	11,652,798	11,447,658	8,326,944	2%	37%
Current liabilities	290,502	101,995	86,253	185%	18%
Total unrestricted net position	\$ 11,362,296	\$ 11,345,663	\$ 8,240,691	0.15%	18%

In fiscal year 2017, current assets increased by \$2,003,861 or 23% primarily as a result of an increase in short-term investments. Non-current assets decreased by \$1,798,722 or 64% primarily due to a decrease of investments in long-term debt securities.

In fiscal year 2016, current assets increased by \$2,394,048 or 38% primarily as a result of an increase in investments and fee revenue generated from 28 bond transactions. Non-current assets increased by \$726,666 or 35% primarily due to an increase of investments in long-term debt securities.

As a result of fee revenue generated from a number of bond transactions and an increase in contractual obligations, the Corporation's net position increased by \$16,633 or 0.15% in fiscal year 2017 and \$3,104,972 or 38% in fiscal year 2016.

Operating Activities

Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities as well as refinance previous financing transactions.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Operating Activities (continued)

The Corporation charges various program fees that include application fees, financing fees, and compliance fees.

The following table summarizes changes in Build NYC's net position for fiscal years 2017, 2016, and 2015 and the percentage changes between June 30, 2017, 2016, and 2015:

	2017	2016	2015	% Change	
				2017-2016	2016-2015
Operating revenues	\$ 3,565,650	\$ 5,284,557	\$ 4,326,655	(33)%	22%
Operating expenses	3,385,800	2,072,197	1,702,417	63%	22%
Operating income	179,850	3,212,360	2,624,238	(94)%	22%
Non-operating (expenses) revenues	(163,217)	(107,388)	(125,429)	52%	(14)%
Change in net position	\$ 16,633	\$ 3,104,972	\$ 2,498,809	(99)%	24%

Fiscal Year 2017 Activities

In fiscal year 2017, operating revenues decreased by \$1,718,907 or 33%. This is a direct result of a decrease in bond transactions, partially offset by an increase in benefits of recapture.

Total operating expenses increased by \$1,313,603 in fiscal year 2017 or 63%. This is a direct result of a board approved increase in management expenses.

The non-operating expense/revenue category had a net deficit of \$163,217 in fiscal year 2017, a 52% increase year over year, primarily due to an increase in a combination of current year and prior year board approved special projects costs.

Fiscal Year 2016 Activities

In fiscal year 2016, operating revenues increased by \$957,902 or 22%. This is a result of an increase in compliance and project finance fees.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Fiscal Year 2016 Activities (continued)

Total operating expenses increased by \$369,780 in fiscal year 2016 or 22%. This is a direct result of a board approved increase in management expenses responding to a shift of bond transactions to Build NYC from the New York City Industrial Development Agency ("IDA"). IDA, a component unit of the City and public benefit corporation of the State of New York was established to encourage and develop an economically sound commerce and industry base in the City.

The non-operating expense/revenue category had a net deficit of \$107,388 in fiscal year 2016, a 14% decrease year over year, primarily due to an increase in investment income.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, New York City Economic Development Corporation, 110 William Street, New York, NY 10038.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Net Position

	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 2,545,818	\$ 3,485,390
Investments <i>(Note 3)</i>	8,084,587	5,150,604
Fees receivable	12,970	3,520
Total current assets	10,643,375	8,639,514
Non-current assets:		
Investments <i>(Note 3)</i>	1,009,423	2,808,144
Total non-current assets	1,009,423	2,808,144
Total assets	11,652,798	11,447,658
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	41,509	33,824
Due to New York City Economic Development Corporation	180,393	9,311
Unearned revenue and other liabilities	68,600	58,860
Total current liabilities	290,502	101,995
Net position – unrestricted	\$11,362,296	\$ 11,345,663

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2017	2016
Operating revenues		
Fee income <i>(Note 2)</i>	\$ 2,753,763	\$ 5,284,557
Recapture income <i>(Note 2)</i>	811,887	-
Total operating revenues	3,565,650	5,284,557
Operating expenses		
Management fees <i>(Note 4)</i>	3,300,000	2,000,000
Public hearing expenses	50,016	30,784
Auditing expenses	31,656	37,085
Marketing expenses	2,162	3,789
Other expenses	1,966	539
Total operating expenses	3,385,800	2,072,197
Operating income	179,850	3,212,360
Non-operating revenues (expenses)		
Investment income	58,875	39,240
Special projects costs <i>(Note 5)</i>	(222,093)	(146,628)
Total non-operating (expenses) revenues	(163,217)	(107,388)
Change in net position	16,633	3,104,972
Unrestricted net position, beginning of year	11,345,663	8,240,691
Unrestricted net position, end of year	\$11,362,296	\$ 11,345,663

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows

	Year Ended June 30	
	2017	2016
Operating activities		
Financing and other fees	\$ 2,764,053	\$ 5,319,097
Recapture benefits received	811,887	-
Management fees paid	(3,300,000)	(2,000,000)
Audit expenses paid	(27,932)	(30,426)
Marketing expenses paid	(1,194)	(3,789)
Public hearing expenses paid	(40,163)	(35,711)
Miscellaneous expenses paid	(16,037)	(539)
Net cash provided by operating activities	190,614	3,248,632
Investing activities		
Interest income	8,400	5,394
Sale of investments	5,660,069	3,126,936
Purchase of investments	(6,744,855)	(7,017,660)
Net cash used in investing activities	(1,076,387)	(3,885,330)
Non-capital financing activities		
Special projects	(53,800)	(167,378)
Net cash used in non-capital financing activities	(53,800)	(167,378)
Net decrease in cash and cash equivalents	(939,573)	(804,076)
Cash and cash equivalents at beginning of year	3,485,390	4,289,466
Cash and cash equivalents at end of year	\$ 2,545,818	\$ 3,485,390
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 179,850	\$ 3,212,360
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	(9,450)	(220)
Account payable and accrued expenses	7,685	(13,329)
Due to NYC Economic Development Corp.	2,789	15,061
Unearned revenue and other liabilities	9,740	34,760
Net cash provided by operating activities	\$ 190,614	\$ 3,248,632

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements

June 30, 2017

1. Background and Organization

Build NYC Resource Corporation (“Build NYC” or the “Corporation”), a component unit of The City of New York (“the City”), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operation in 2011. Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing. Build NYC’s primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities and to refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financial assistance. Its membership is prescribed by the Corporation’s Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations (“beneficiaries”). The bonds are secured by collateral interests in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

The total conduit debt obligations outstanding totaled \$2,933,692,586 and \$2,612,281,101 for the years ended June 30, 2017 and 2016, respectively.

Due to the fact that (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interests in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the accompanying financial statements.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

Build NYC has been classified as an “enterprise fund” as defined by the Governmental Accounting Standards Board (“GASB”) and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. In its accounting and financial reporting, Build NYC follows the pronouncements of the GASB.

Updated Pronouncements

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, postemployment benefits (pensions and other postemployment) benefits, fair value measurement and application, and goodwill. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Corporation is evaluating the impact this standard will have on the Corporation’s financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Corporation will evaluate the impact this standard will have on its financial statements.

Cash Equivalents

The Corporation considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

Investments held by Build NYC are measured at fair value pursuant to GASB issued Statement No. 72, Fair Value Measurement and Application. Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Operating revenues consist of income from application fees, financing fees, benefits of recapture, compliance monitoring fees and late fees. Application and financing fees are recognized as earned. Compliance monitoring fees are received annually, in advance, and deferred and amortized into income as earned.

Build NYC's benefits of recapture are solely based upon the mortgage recording tax waiver; this benefit eliminates the mortgage recording taxes correlated with any mortgages taken for the project. Recapture of this benefit is collected as a result of a violation of the agreement. Build NYC's operating expenses include management fees and related administration expenses. All other revenues and expenses are reported as non-operating revenues and expenses.

3. Deposits and Investments

At year-end, Build NYC's cash balance was \$2,545,818. Of this amount, \$250,000 was insured by the Federal Depository Insurance Corporation, of the remaining uncollateralized balance, \$1,545,818 was held in U.S. government backed securities.

As of June 30, 2017 and 2016, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2017.

	Fair Value		2017	
			Investment Maturities (In Years)	
	2017	2016	Less Than 1	1 to 2
Money Market Funds	\$ 4	\$ 1,088	\$ 4	\$ -
Federal Farm Credit Bank	997	-	997	-
Federal Home Loan Mort. Corp. Notes	2,802	3,811	2,802	-
Federal Home Loan Bank Notes	2,009	2,096	999	1,010
Federal National Mortgage Association	1,300	2,052	1,300	-
Commercial Paper	1,986	-	1,986	-
Subtotal Investments	9,098	9,047		
Less investments classified as cash equivalents	\$ (4)	\$ (1,088)		
Total Investments	\$ 9,094	\$ 7,959		

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates. Currently, all of the Corporation's investments have maturities of two year or less.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2017, the Corporation's investments in Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank Notes ("FHLB"), Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation Notes ("FHLMC") AA+ by Standard & Poor's ("S&P"), Aaa by Moody's and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation's federally held securities with the exception of S&P in which no rating was issued. Investments in commercial paper ("CP") were rated in the highest short-term category by at least two major rating agencies (A-1+ by Standard & Poor's, P-1 by Moody's, and F1+ by Fitch Ratings).

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2017 and 2016 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2017		June 30, 2016	
Federal Home Loan Bank	\$ 2,009	22.09%	\$ 2,096	26.33%
Federal Home Loan Mortgage Corp.	2,802	30.82	3,811	47.88
Federal National Mortgage Assoc.	1,300	14.29	2,052	25.78
Federal Farm Credit Bank	997	10.96	-	-
CP-Coca-Cola Co.	993	10.92	-	-
CP-MetLife Short Term Fund	993	10.92	-	-

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

4. Management Fee

To support the activities of Build NYC, the Corporation annually enters into a contract with the New York City Economic Development Corporation (“NYCEDC”), a not-for-profit corporation and a component unit of the City organized to administer economic development programs which foster business expansion in the City. Under the terms set forth in the contract, NYCEDC provides Build NYC with all the professional, administrative and technical assistance it needs to accomplish its objectives. These services include comprehensive financial management, processing and presentation of projects to the Board of Directors, and project compliance monitoring. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation increased to \$3,300,000 from \$2,000,000 for the years ended June 30, 2017 and 2016, respectively, due to a shift of bond financing activity and related administrative costs from the New York City Industrial Development Agency to Build NYC.

5. Commitments

Pursuant to approved agreements between Build NYC and NYCEDC, Build NYC was committed to fund four projects being performed by NYCEDC related to the City’s community and economic development initiatives. Total special project commitments under these agreements amounted to approximately \$525,000 with an outstanding obligation at June 30, 2017, of approximately \$77,907. The special project commitments related approval dates, original and outstanding commitment balances are as follows:

Project	Approval Date	Total Commitment	Life to Date	Current Total De-Obligate	Outstanding Commitment
Citywide Industrial Fund	4/14/2015	\$ 75,000	\$ 15,000	\$ 60,000	–
Advanced Manufacturing Technology Grant Program	5/12/2015	300,000	240,000	–	60,000
Capacity Building Workshop Consultant Agreement	10/13/2015	75,000	71,628	3,372	–
Nonprofit Real Estate Lecture Series	12/13/2016	75,000	57,093	–	17,907
		<u>\$ 525,000</u>	<u>\$ 383,721</u>	<u>\$ 63,372</u>	<u>\$ 77,907</u>

For the year ended June 30, 2017, \$222,093 has been incurred by the Corporation related to the above projects and included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC could be named a party to such litigation. Therefore, Build NYC requires all project companies to purchase and maintain commercial insurance coverage for these risks and to name Build NYC as additional insured. Build NYC is also named as an additional insured on NYCEDC's general liability policy. Build NYC has no threatened material litigations, claims or assessments as of June 30, 2017.

II. Government Auditing Standards Section

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Build NYC Resource Corporation (the “Corporation”), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2017

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$2,545,818
Investments	\$8,084,587
Receivables, net	\$12,970
Other assets	\$0
Total Current Assets	\$10,643,375
Noncurrent Assets	
Restricted cash and investments	\$1,009,423
Long-term receivables, net	\$0
Other assets	\$0
Capital Assets	
Land and other nondepreciable property	\$0
Buildings and equipment	\$0
Infrastructure	\$0
Accumulated depreciation	\$0
Net Capital Assets	\$0
Total Noncurrent Assets	\$1,009,423
Total Assets	\$11,652,798

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Liabilities

Current Liabilities

Accounts payable	\$9,853
Pension contribution payable	\$0
Other post-employment benefits	\$0
Accrued liabilities	\$31,656
Deferred revenues	\$68,600
Bonds and notes payable	\$0
Other long-term obligations due within one year	\$180,393
Total Current Liabilities	\$290,502

Noncurrent Liabilities

Pension contribution payable	\$0
Other post-employment benefits	\$0
Bonds and notes payable	\$0
Long Term Leases	\$0
Other long-term obligations	\$0
Total Noncurrent Liabilities	\$0

Total Liabilities \$290,502

Net Asset (Deficit)

Net Asset

Invested in capital assets, net of related debt	\$0
Restricted	\$0
Unrestricted	\$11,362,296
Total Net Assets	\$11,362,296

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSOperating Revenues

Charges for services	\$0
Rental & financing income	\$2,753,763
Other operating revenues	\$811,887
Total Operating Revenue	\$3,565,650

Operating Expenses

Salaries and wages	\$0
Other employee benefits	\$0
Professional services contracts	\$3,300,000
Supplies and materials	\$0
Depreciation & amortization	\$0
Other operating expenses	\$85,800
Total Operating Expenses	\$3,385,800

Operating Income (Loss) **\$179,850**

Nonoperating Revenues

Investment earnings	\$58,875
State subsidies/grants	\$0
Federal subsidies/grants	\$0
Municipal subsidies/grants	\$0
Public authority subsidies	\$0
Other nonoperating revenues	\$0
Total Nonoperating Revenue	\$58,875

Summary Financial InformationSUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETSNonoperating Expenses

Interest and other financing charges	\$0
Subsidies to other public authorities	\$0
Grants and donations	\$0
Other nonoperating expenses	\$222,092
Total Nonoperating Expenses	\$222,092
Income (Loss) Before Contributions	\$16,633

Capital Contributions

\$0

Change in net assets

\$16,633

Net assets (deficit) beginning of year

\$11,345,663

Other net assets changes

\$0

Net assets (deficit) at end of year

\$11,362,296

Exhibit B

**BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT**

Board of Directors Meeting, September 19, 2017

WHEREAS, the Public Authorities Law requires public authorities to annually prepare and approve an investment report, which shall include the public authority's comprehensive investment guidelines, amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the public authority and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the public authority since the last investment report.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Build NYC Resource Corporation hereby approves the Investment Report for the fiscal year ended June 30, 2017 annexed hereto (including all attachments, schedules and exhibits thereto).

**BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of Build NYC Resource Corporation (the “Corporation”), as approved by the Corporation’s Board of Directors on June 13, 2017 (the “Investment Policy”). The Investment Policy approved by the Corporation’s Board of Directors on June 13, 2017 did not contain any substantive amendments as compared to the Investment Policy approved by the Corporation’s Board of Directors on June 14, 2016.

Investment Objectives

By way of summary, the investment objectives set forth in the Investment Policy are as follows: preservation of capital; maintenance of liquidity; maximization of return; and compliance with law.

Annual Independent Audit

The results of the annual independent audit (including the independent accountant’s audit report) for the fiscal year ended June 30, 2017 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was \$ 58,875 for the fiscal year ended June 30, 2017.

Fees, Commissions and Other Charges

The Corporation did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2017.

SCHEDULE I
INVESTMENT POLICY

Attached.

BUILD NYC RESOURCE CORPORATION
COMPREHENSIVE INVESTMENT GUIDELINES POLICY

Adopted December 13, 2011, as amended through June 13, 2017

I. PURPOSE

The purpose of this Policy is to establish procedures and guidelines regarding the investing, monitoring and reporting of funds of Build NYC Resource Corporation (“Build NYC”).

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of Build NYC, which for purposes of this Policy and the guidelines stated herein, consist of all moneys and other financial resources available for deposit and investment by Build NYC on its own behalf and for its own account (collectively, the “Funds”). As defined herein, “Funds” shall not include the proceeds of conduit bonds issued by Build NYC as financial assistance in connection with a project.

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of Build NYC’s investment program is the preservation of the principal of the Funds.
2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of Build NYC.
3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.

III. IMPLEMENTATION OF GUIDELINES

The Chief Financial Officer of Build NYC or, if under the direction of the Chief Financial Officer of Build NYC, the Treasurer of Build NYC or an Assistant Treasurer of Build NYC (respectively, the “Chief Financial Officer”, “the “Treasurer,” and an “Assistant Treasurer”) is each hereby authorized to invest the Funds. The Treasurer or an Assistant Treasurer shall be responsible for the prudent investment of the Funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy.

IV. AUTHORIZED INVESTMENTS

A. The Treasurer or an Assistant Treasurer may invest the Funds in the following securities (collectively, the “Securities”):

1. *U.S.A.* Obligations or securities issued by the United States.
2. *Federal Agency Obligations.* Obligations or securities issued by any agency or instrumentality of the United States if guaranteed, as to principal and interest, by the United States.
3. *Commercial Paper.* Debt obligations with a maturity of no greater than 270 days and with ratings that are the highest ratings issued by at least two rating agencies approved by the Comptroller of the State of New York.
4. *Bankers’ Acceptances* of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
5. *Certificates of Deposit and Time Deposits* with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation (“FDIC”) insured; *provided, however,* if and to the extent such certificates of deposits or time deposits are not FDIC insured, such Securities shall comply with all other applicable requirements of the General Municipal Law of the State of New York, including, but not limited to, requirements as to the collateralization of deposits of funds in excess of the amounts insured by the FDIC.
6. *Other investments* approved by the Comptroller of New York City for the investment of City funds.

B. Build NYC shall instruct its Agents (as such term is defined in Subdivision X of this Policy) to obtain competitive quotes for each purchase or sale of Securities, other than governmental Securities, when such transaction equals or exceeds \$2,500,000 in amount.

The Treasurer shall maintain, or cause to be maintained, proper books and records of all Securities held by or for Build NYC and for all transactions pertinent thereto. Such books and records shall at least identify the Security, the fund for which held, and the place where kept; and the entries made therein shall show the competitive quotes obtained therefor, the date of sale or other disposition, and the amount realized therefrom.

C. In addition to investments in Securities, Build NYC may deposit Funds in the following (“Deposit Accounts”), with respect to Funds needed for operational expenses and Funds awaiting investment or disbursement:

1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.
2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Economic Development or his successor in function.

V. WRITTEN CONTRACTS

Build NYC shall enter into written contracts pursuant to which investments are made which conform with the requirements of this Policy and Section 2925.3(c) of the Public Authorities Law unless the Board of Directors determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction, in which case the Board of Directors shall adopt procedures covering such investment or transaction.

VI. DIVERSIFICATION

The investment portfolio for the Funds shall be structured diversely to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

REFERENCE	SECURITY	MAXIMUM
IV.A.1	U.S.A.	100% maximum
IV.A.2	Federal Agency	100% maximum
IV.A.3	Commercial Paper	40% maximum
IV.A.4	Bankers Acceptances	25% maximum
IV.A.5	Certificates of Deposit; Time Deposits	45% maximum
IV.A.6	Other Investments Approved by NYC Comptroller for City Funds	A percentage deemed prudent by CFO

VII. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of Build NYC is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this Policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash equivalents will be invested in permitted investments maturing in ninety (90) days or less or in Deposit Accounts. Assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase.

VIII. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

IX. INTERNAL CONTROLS

The Chief Financial Officer or, if under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

X. ELIGIBLE BROKERS, AGENTS, DEALERS, INVESTMENT ADVISORS, INVESTMENT BANKERS AND CUSTODIANS

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. BROKERS, AGENTS, DEALERS

The categories of firms listed below are the categories from which Build NYC may select firms to purchase and sell Securities (as selected an “Agent”). Factors to be considered by Build NYC in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with Build NYC specifically; and level of expertise for the transactions contemplated.

1. any bank or trust company organized and/or licensed under the laws of the USA which is authorized to do business in NYS;
2. any bank or trust company organized and/or licensed under the laws of any state of the USA which is authorized to do business in NYS;
3. any broker-dealer licensed and/or permitted to provide services under federal law and, when necessary, qualified to do business in NYS.

B. INVESTMENT ADVISORS

In addition to the requirements set forth in “A” preceding, any Agent selected by Build NYC to be an investment advisor shall be registered with the SEC under the Investment Advisors Act of 1940.

C. INVESTMENT BANKERS

In addition to the requirements set forth in “A” preceding, any Agent selected by Build NYC to serve as a senior managing underwriter for negotiated sales must be registered with the SEC.

D. CUSTODIANS

In addition to the requirements set forth in “A” preceding, any Agent selected by Build NYC to be a custodian shall have capital and surplus of not less than \$50,000,000.

XI. REPORTING

A. Quarterly

The Chief Financial Officer or, if under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall prepare and deliver to the Board of Directors once for each quarter of Build NYC’s fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Audit* – Build NYC’s independent accountants shall conduct an annual audit of Build NYC’s investments for each fiscal year of Build NYC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. *Investment Report* – Annually, the Treasurer or, if under the direction of the Treasurer, an Assistant Treasurer shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

- a. This Policy and amendments thereto since the last report;
- b. An explanation of this Policy and any amendments made since the last report;
- c. The independent audit report required by paragraph 1 above;
- d. The investment income record of Build NYC for the fiscal year; and
- e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to Build NYC since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XII. APPLICABILITY

Nothing contained in this Policy shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement for investment of the Funds, made or entered into in violation of, or without compliance with, the provisions of this policy.

XIII. CONFLICT OF LAW

In the event that any portion of this Policy is in conflict with any State, City or Federal law, that law will prevail.

XIV. PRIOR AUTHORIZATIONS NOT SUPERSEDED

This Policy does not supersede or replace the following authorizations: (i) powers and other authorizations provided to the Treasurer of Build NYC in the By-Laws of Build NYC and (ii) the powers and other authorizations provided in resolutions adopted by Build NYC's Board of Directors at its meeting held on December 13, 2011, which resolutions, among other matters, authorized and resolved that empowered officers of Build NYC be authorized to (x) enter into banking or other depository accounts and otherwise conduct banking business, (ii) sign checks, notes, drafts and other negotiable instruments, and (iii) open checking accounts.

XV. MWBEs

Build NYC shall seek to encourage participation by minority and women-owned business enterprises (i.e., "MWBEs") in providing financial services to Build NYC.

SCHEDULE II
RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

SCHEDULE OF INVESTMENTS

Build NYC Resource Corporation
(A Component Unit of The City of New York)
Years Ended June 30, 2017 and 2016
With Report of Independent Auditors

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Schedule of Investments

Years Ended June 30, 2017 and 2016

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Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the Build NYC Resource Corporation (the “Corporation”), a component unit of The City of New York, as of June 30, 2017, and the related notes.

Management’s Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the Schedule of Investments in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule of Investments that is free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Schedule of Investments based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Investments is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Investments. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Schedule of Investments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Schedule of Investments 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 entity’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 Schedule of Investments.

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 Schedule of Investments referred to above presents fairly, in all material respects, the investments of the Corporation as of June 30, 2017, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2017 and 2016

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of the Corporation as of and for the years ended June 30, 2017 and 2016, and our report thereon dated _____, 2017, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated _____, 2017, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule of Investments. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance with respect to the Schedule of Investments.

_____, 2017

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2017	2016
Investments		
Unrestricted	\$ 9,098	\$ 9,047
Total investments	\$ 9,098	\$ 9,047

The accompanying notes are an integral part of this statement.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Schedule of Investments

June 30, 2017

1. Background and Organization

Build NYC Resource Corporation (“Build NYC” or the “Corporation”), a component unit of The City of New York (“the City”), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operation in 2011. Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt bond and taxable bond financing. Build NYC’s primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities as well as refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by the Corporation’s Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations (“beneficiaries”). The bonds are secured by collateral interest in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

Because (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interest in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the financial statements.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

2. Summary of Significant Accounting Policies

Cash Equivalents

The Corporation considers all liquid investments purchased with original maturities of 90 days or less to be cash equivalent

Investments

Investments held by Build NYC are measured at fair value pursuant to GASB issued Statement No. 72, Fair Value Measurement and Application. Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

3. Investments

As of June 30, 2017 and 2016, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2017.

	Fair Value		2017	
			Investment Maturities (In Years)	
	2017	2016	Less Than 1	1 to 2
Money Market Funds	\$ 4	\$ 1,088	\$ 4	\$ -
Federal Farm Credit Bank	997	-	997	-
Federal Home Loan Mort. Corp. Notes	2,802	3,811	2,802	-
Federal Home Loan Bank Notes	2,009	2,096	999	1,010
Federal National Mortgage Association	1,300	2,052	1,300	-
Commercial Paper	1,986	-	1,986	-
Subtotal Investments	9,098	9,047		
Less investments classified as cash equivalents	\$ (4)	\$ (1,088)		
Total Investments	\$ 9,094	\$ 7,959		

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

3. Investments (continued)

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates. Currently, all of the Corporation's investments have maturities of two year or less.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2017, the Corporation's investments in Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank Notes ("FHLB"), Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation Notes ("FHLMC") AA+ by Standard & Poor's ("S&P"), Aaa by Moody's and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation's federally held securities with the exception of S&P in which no rating was issued. Investments in commercial paper were rated in the highest short-term category by at least two major rating agencies (A-1+ by Standard & Poor's, P-1 by Moody's, and F1+ by Fitch Ratings).

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

3. Investments (continued)

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2017 and 2016 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2017		June 30, 2016	
Federal Home Loan Bank	\$ 2,009	22.09%	\$ 2,096	26.33%
Federal Home Loan Mortgage Corp.	2,802	30.82	3,811	47.88
Federal National Mortgage Assoc.	1,300	14.29	2,052	25.78
Federal Farm Credit Bank	997	10.97	-	-
CP-Coca-Cola Co.	993	10.92	-	-
CP-MetLife Short Term Fund	993	10.92	-	-

Report of Independent Auditors on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of the
Schedule of Investments Performed in Accordance
with *Government Auditing Standards*

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Investments of the Build NYC Resource Corporation (the “Corporation”), a component unit of The City of New York, as of June 30, 2017, and the related notes to the Schedule of Investments, and have issued our report thereon dated _____, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered the Corporation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Investments, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s Schedule of Investments will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's Schedule of Investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of Schedule of Investments amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2017

Exhibit C

BUILD NYC RESOURCE CORPORATION
Performance Measurements Report
Board of Directors Meeting
September 19, 2017

WHEREAS, the Public Authorities Law requires Build NYC Resource Corporation (“B NYC” or the “Corporation”) to publish a self-evaluation report based on performance measurements adopted by the Board of Directors of the Corporation (the “Board”) and to submit such report to the New York State Authorities Budget Office (the “ABO”).

WHEREAS, on June 13, 2017, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2017 (attached as Attachment A) (the “Performance Measurements Report”).

RESOLVED, that the Board hereby acknowledges that it has reviewed the Performance Measurements Report and hereby approves the Performance Measurements Report.

RESOLVED, that the Board hereby directs the Officers of the Agency to publish the Performance Measurements Report on the Agency’s website and to submit the Performance Measurements Report to the ABO and to any other required persons or entities in accordance with the Public Authorities Law.

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2017

Name of Public Authority:

Build NYC Resource Corporation (BNYC)

Public Authority's Mission Statement:

The mission of the Build NYC Resource Corporation (BNYC) is to encourage community and economic development and job creation and retention throughout New York City by providing lower-cost financing programs to qualified not for-profit institutions and manufacturing, industrial, and other businesses for their eligible capital projects.

List of Performance Measurements:

Performance Measurements	FY17 7/1/16-6/30/17	FY16 7/1/15-6/30/16
Number of Contracts Closed	15	28
Amount of Private Investment Leveraged	\$564,047,409	\$1,404,267,598
Total net City tax revenues generated in connection with closed contracts	\$168,832,366	\$411,154,587
Projected three-year job growth in connection with closed contracts	419	321
Current total jobs reported by projects closed in FY2014*, compared to total jobs reported at time of application for such projects	3,066/2,499 (+567.5)	3,994/2,384 (+1,610)
Current total jobs reported by projects closed in FY2014*, compared to three-year total job growth projections stated in the applications for such projects	3,066/2,600 (+466.5)	3,994/2,943 (+1,051)
Square footage of buildings/improvements receiving benefits	2,271,555	3,524,888
Number of projects that received a field visit	27	22
% of projects that received a field visit	24.54%	24.37%
% of projects in good standing	100%	100%

* Does not include projects which terminated prior to FY2017.

Exhibit D



Project Summary

Hyde Leadership Charter School (the “School”) is a New York not-for-profit education corporation that operates a charter school in the Bronx, New York. The School is seeking approximately \$17,000,000 in tax-exempt revenue bonds (the “Bonds”). The Bonds will be used to (1) finance the acquisition, renovation, equipping and any costs related thereto of an approximately 31,500 square foot building located on an approximately 13,388 square foot parcel of land located at 830 Hunts Point Avenue, Bronx, New York (the “Facility”), (2) fund a debt service reserve fund and (3) pay for certain costs related to the issuance of the Bonds. The School currently leases and operates the Facility as a charter high school serving students in grades 9 through 12.

Project Location

830 Hunts Point Avenue
Bronx, New York 10474

Action Requested

- Bond Approval and Authorizing Resolution
- Adopt a SEQRA determination that the proposed project is an Unlisted Action

Anticipated Closing

Fall 2017

Impact Summary

Jobs at Application:	46
Jobs to be Created at Project Location (Year 3):	0
Total Jobs (full-time equivalents)	46
Projected Average Hourly Wage (excluding principals)	\$ 29.55
Highest Wage/Lowest Wage	\$105.00/\$12.00

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	3,335,994
Total impact of operations and renovation	\$ 3,335,994

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	273,000
NYC Forgone Income Tax on Bond Interest	89,646
Corporation Financing Fee	(109,000)
Total Cost to NYC Net of Financing Fee	\$ 253,646
Estimated Cost of Benefits per Retained Job	\$ 5,514

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$ 5,514
Estimated City Tax Revenue per Job	\$ 72,522

Hyde Leadership Charter School

Estimated Cost of Benefits Requested: New York State		
MRT Benefit	\$	197,400
NYS Forgone Income Tax on Bond Interest		337,269
Total Cost to NYS	\$	534,669
Overall Total Cost to NYC and NYS	\$	788,315

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	16,800,000	100%
Total	\$16,800,000	100%

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	15,000,000	89%
Debt Service Reserve Fund	1,090,000	7%
Cost of Issuance	710,000	4%
Total	\$16,800,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	109,500	
Bond Counsel	135,000	
Annual Corporation Fee	1,250	16,755
Bond Trustee Acceptance Fee	500	
Annual Bond Trustee Fee	500	6,702
Trustee Counsel Fee	5,000	
Total	224,750	23,458
Total Fees	\$248,208	

Financing and Benefits Summary

The Bonds will be directly purchased by Compass Mortgage Corporation. The Bonds will have an anticipated variable interest rate of 1.25% plus 65% of 30 Day LIBOR (1.23% as of September 8, 2017) for 10 years. The Bonds will be secured by a mortgage on the Facility and by certain assets, including pledged revenues, of the School. Based on an analysis of the School's financial statements, it is expected to have a debt service coverage ratio of 2.38 times. The school expects save \$1,148,989 each year as a result of the acquisition.

Applicant Summary

The School is a K-12 college-preparatory charter school serving the South Bronx area of New York City. The School is named and modeled after the original Hyde School – a boarding school founded 44 years ago in Bath, Maine, on the idea that character development and family involvement are critical components of a student's education.

In September 2006, the School opened for its first academic year with 193 students in grades K through 6. As the School's enrollment grew, the need for additional space became a priority. Consequently, in 2009, the School entered into an agreement with Civic Builders for the development and leasing of a new home for its high school. Civic Builders is a nonprofit developer of buildings for high performing charter schools in New York City and Newark. In June 2010, Civic Builders broke ground on a new 31,500 square foot facility, the first new school to be built in Hunts Point in more than three decades.

Hyde Leadership Charter School

The School added two grades per year until achieving its authorized grade span of K-12 in the 2012-2013 school year. The School now has approximately 955 students (including 273 high school students in 2016-2017). In June 2013, Hyde celebrated its first high school graduation from that location.

The School has an average class size of 24 students and a 90% graduation rate, which exceeds the district rate of 47%. Furthermore, the School has an 89% average graduation rate for students with disabilities, which exceeds the district average of 27% and the New York City average of 41%. 90.8% of students receive free or reduced lunch meals.

Herbert Fixler, Board Chair

Herbert Fixler, a trusts and estates attorney in Cozen O'Connor's Private Client Services Group, is a resident in the firm's midtown New York office. Mr. Fixler received a bachelor's degree in Political Science from Villanova University and his J.D. from the Washington College of Law of the American University where he served as Director of the Legal Aid Society. Upon graduation from law school, he served as a VISTA volunteer and then entered private practice in New York.

Tom Sturtevant, Executive Director

As Executive Director, Mr. Sturtevant oversees the Senior Leadership Team and is responsible for the School overall. Before coming to the School, Mr. Sturtevant served as Founding Head of School at the SEED Foundation in Washington, D.C. The SEED Foundation supports a network of urban, public boarding schools, including campuses in Washington, D.C., Baltimore, and Miami. Before working at SEED, Mr. Sturtevant helped found Keystone Academy, a K-12 school in Beijing, China, and worked for an educational technology start-up in California called StudySync. Over the course of his career, Mr. Sturtevant has held many leadership and teaching positions, including Head of School, Associate Head of School, High School Principal, Director of College Counseling, English teacher, environmental science teacher, and Math teacher. Mr. Sturtevant has a BA from Tufts University and an MA from Stanford University.

Stephen Trowbridge, Chief Operating Officer

As Chief Operating Officer, Mr. Trowbridge has responsibility for all non-instructional operations of the School, and is a member of the Senior Leadership Team. Prior to joining the School, Mr. Trowbridge was Chief Operating Officer of TurtleBay Advisory Services LLC, a business advisory firm in New York City, which provided project management and business transformation expertise to the financial services industry. At TurtleBay, Mr. Trowbridge was the senior financial officer and oversaw human resources, vendor and contract management, and customer experience. Mr. Trowbridge has held senior executive positions at both banks and asset management firms, including The Capital Group Companies, Mellon Financial Corp., and Bankers Trust Co. Mr. Trowbridge is a graduate of Connecticut College, where he majored in government and English.

Employee Benefits

The School offers medical, dental, vision, retirement, short-term and long-term disability benefits, and reimburses educational expenses.

Recapture

Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination

Unlisted Action, which, if implemented, will not potentially result in significant environmental impacts. The completed Environmental Assessment Form for this project has been reviewed and signed by Corporation staff.

Due Diligence

The Corporation conducted a background investigation of the School and found no derogatory information.

Compliance Check: Not applicable

Living Wage: Exempt

Hyde Leadership Charter School

Paid Sick Leave: Compliant

Affordable Care Act: ACA Coverage Offered

Private School Policy: Not applicable

Bank Account: Bank of America

Bank Check: Relationships are reported to be satisfactory.

Supplier Checks: Relationships are reported to be satisfactory.

Customer Checks: Relationships are reported to be satisfactory.

Unions: Not applicable

Vendex Check: No derogatory information was found.

Attorney: Alison Radecki
Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, New York 10019

Account: Adam B. Cole, CPA
BDO
100 Park Ave
New York, NY 10017

Consultant/Advisor: Kevin Quinn
Wye River Capital
522 Chesapeake Ave
Annapolis, Maryland 21403

Community Board: Bronx, CB 2

Board of Trustees

Herbert Fixler
Maureen Signer
Deborah Dumont

Dennis Mehiel
Herb Kaplan
Jeanette Melendez

Vincent Hanley
Ruth Jarmul
Tony Stoupas



HYDE LEADERSHIP CHARTER SCHOOL

May 25, 2017

Build NYC Resource Corporation
c/o New York City Economic Development Corporation
110 William Street
New York, NY 10038

Ladies and Gentlemen:

Hyde Leadership Charter School is a K-12 college-preparatory charter school serving the South Bronx area of New York City. A New York State corporation formed in 2006 as a 501(c)(3) organization, Hyde has approximately 955 students and is one of the most successful charter schools in New York City. Each year, over 90% of Hyde students graduate which consistently exceeds comparable School District, City, and State graduation rates.

The School's Board of Trustees has determined that it is in the best interest of the School to acquire the high school facility located at 830 Hunts Point Avenue, Bronx, New York, which it currently leases from Civic Hunts Point Charter Corporation. As part of this plan, the School is seeking a loan for up to \$17,000,000 through the issuance of tax-exempt bonds by Build NYC Resource Corporation. The proceeds of the bonds will be used to acquire its leased facility and fund all related transaction costs.

The loan will enable the School to reduce its cost of occupancy of the high school facility, improve the learning environment for its students and better serve the South Bronx community.

Sincerely yours,

A handwritten signature in black ink that reads "Thomas K. Sturtevant". The signature is written in a cursive style with a large initial "T" and a stylized "S".

Thomas K. Sturtevant

Exhibit E

Resolution approving the financing of a certain facility for Hyde Leadership Charter School and authorizing the issuance and sale of approximately \$17,000,000 Revenue Bonds (Hyde Leadership Charter School Project), Series 2017 and the taking of other action in connection therewith

WHEREAS, Build NYC Resource Corporation (the “Issuer”) is authorized pursuant to Section 1411(a) of the Not-for-Profit Corporation Law of the State of New York, as amended, and its Certificate of Incorporation and By-laws, (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the “City”) by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, Hyde Leadership Charter School, a New York not-for-profit education corporation, authorized as a charter school by the New York City Department of Education (the “Applicant”), entered into negotiations with officials of the Issuer with respect to financing the acquisition, renovation and equipping, as applicable, of an approximately 31,500 square foot building located on an approximately 13,388 square foot parcel of land located at 830 Hunts Point Avenue, Bronx, NY (the “Facility”), which the Applicant is currently leasing and operating as a high school serving students in grades 9 through 12 (the “Project”); and

WHEREAS, the Applicant has submitted an Application (the “Application”) to the Issuer to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a public New York City High School operating as a charter school since 2006 and has been leasing and operating at the Facility since 2011; that the Applicant currently serves students from kindergarten through grade 12 and that the Applicant will retain approximately 46 full-time equivalent employees at the Facility; that the financing of the Project costs with the Issuer’s financing assistance will provide savings to the Applicant which will allow it to redirect financial resources to improve educational services; and that, therefore, the Issuer’s financing assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its Revenue Bonds (Hyde Leadership Charter School Project), Series 2017 in the aggregate principal amount of approximately \$17,000,000 (or such greater principal amount not

to exceed \$18,700,000) (the “Bonds”), as may be determined by a certificate of determination of an authorized officer of the Issuer (the “Certificate of Determination”), all pursuant to an Indenture of Trust (the “Indenture”) to be entered into between the Issuer and The Bank of New York Mellon, as trustee (the “Trustee”); and

WHEREAS, the Issuer intends to loan the proceeds of the Bonds to the Applicant pursuant to a Loan Agreement (the “Loan Agreement”) to be entered into between the Issuer and the Applicant, and the Applicant will execute a promissory note in favor of the Issuer (and endorsed by the Issuer to the Trustee) (the “Promissory Note”) to evidence the Applicant’s obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by: (i) a mortgage lien on and security interest in the Facility granted by the Applicant, as mortgagor, to the Issuer and the Trustee, as mortgagees, pursuant to a Mortgage and Security Agreement (the “Mortgage”), which Mortgage will be assigned by the Issuer to the Trustee pursuant to an Assignment of Mortgage and Security Agreement from the Issuer to the Trustee (the “Assignment of Mortgage”); and (ii) a pledge and security interest in certain gross revenues of the Applicant pursuant to a Pledge and Security Agreement from the Applicant to the Trustee (the “Security Agreement”);

NOW, THEREFORE, BE IT RESOLVED BY BUILD NYC RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby determines that the financing of the costs of the Project by the Issuer will promote and is authorized by and will be in furtherance of the corporate purposes of the Issuer.

Section 2. The Issuer hereby approves the Project and authorizes the Applicant to proceed with the Project as set forth herein, which financing will be effected in part through the issuance of the Bonds of the Issuer, which Bonds will be special limited revenue obligations of the Issuer payable solely from the revenues and other amounts derived pursuant to the Loan Agreement and the Promissory Note.

Section 3. To provide for the financing of the Project, the issuance of the Bonds by the Issuer is hereby authorized subject to the provisions of this Resolution and the Indenture hereinafter authorized.

The Bonds shall be issued as one or more serial and/or term bonds and in an aggregate amount not to exceed \$18,700,000, shall be dated as provided in the Indenture, shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest from their date at variable interest rate(s) based on LIBOR, shall be subject to optional and mandatory redemption and tender as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount thereof and shall mature approximately 25 years following their date of issuance (as determined by the Certificate of Determination), all as set forth in the Bonds.

The provisions for signatures, authentication, payment, delivery, redemption, tender and number of Bonds shall be set forth in the Indenture hereinafter authorized.

Section 4. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable solely from and secured by a pledge of the loan payments, revenues and receipts payable under the Loan Agreement and the Promissory Note to the extent set forth in the Loan Agreement and the Indenture hereinafter authorized. The Bonds, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Indenture, including from moneys deposited in the Bond Fund, the Project Fund, the Renewal Fund, the Debt Service Reserve Fund and such other funds as established under the Indenture (subject to disbursements therefrom in accordance with the Loan Agreement and the Indenture), and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor. The payment of the principal of, redemption premium, if any, and interest on the Bonds will be secured pursuant to the Mortgage and the Security Agreement.

Section 5. The Bonds are hereby authorized to be sold to Compass Mortgage Corporation (or such other financial institution as shall be approved by the Certificate of Determination), at a purchase price equal to the principal amount thereof.

Section 6. The execution and delivery of the Indenture, the Loan Agreement, the endorsement of the Promissory Note to the Trustee, the Assignment of Mortgage, and a Tax Regulatory Agreement from the Issuer and the Applicant to the Trustee (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Issuer Documents and the issuance of the Bonds.

Section 9. The Issuer is hereby authorized to cause the Applicant to proceed with the Project, the agreed costs thereof to be paid by the Issuer by the application of the proceeds of the Bonds, all as particularly authorized by the terms and provisions of the Loan Agreement. The Applicant is authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the Applicant that neither the Issuer nor any of its members, directors, officers, employees, agents or servants shall have any personal liability for any action taken by the Applicant for such purpose or for any other purpose.

Section 10. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Bonds or, in the event such proceeds are insufficient after payment of other costs of the Project or the Bonds are not issued by the Issuer due to inability to consummate the transactions herein contemplated, shall be paid by the Applicant. By accepting this Resolution, the Applicant agrees to pay such expenses and further agrees to indemnify the Issuer, its members, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer in good faith with respect to the Project and the financing thereof.

Section 11. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of the issuance of the Bonds and exemptions or deferrals of mortgage recording tax.

Section 12. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Bonds; provided that the Issuer incurs no liability with respect thereto except as otherwise provided in this Resolution.

Section 13. The Issuer, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act (“SEQRA”) (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 NYCRR Part 617. This determination is based upon the Issuer’s review of information provided by the Applicant and such other information as the Issuer has deemed necessary and appropriate to make this determination.

The Issuer has determined that the Project, an Unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

1. The Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. The Applicant currently operates in the building and the Project would not result in a significant increase in the school population or the number of employees.

2. The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality.
4. The Project will not result in a change in existing zoning or land use. The continued use of the building as a school would be consistent with zoning and existing land use.
5. The Project does not require any new subsurface disturbance and therefore the Project will not be expected to result in any adverse effects related to hazardous materials.
6. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 14. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 10 hereof) unless (i) prior to the expiration of such year the Issuer shall (x) have issued the Bonds for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant shall be continuing to take affirmative steps to secure financing for the Project.

Section 15. This Resolution constitutes “other similar official action” under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the Internal Revenue Code of 1986, as amended (the “Code”). This Resolution is subject to further compliance with the provisions of Sections 141 through 150 and related provisions of the Code, including, without limitation, the obtaining of public approval for the Project and the Bonds.

Section 16. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 17. This Resolution shall take effect immediately.

ADOPTED: September 19, 2017

HYDE LEADERSHIP CHARTER SCHOOL

By: _____

Name:

Title:

Accepted: _____, 2017

Exhibit F



POST-CLOSING AMENDMENT
ALPHAPOINTE
MEETING OF SEPTEMBER 19, 2017

Project Summary

Alphapointe is the third largest single employer of visually impaired individuals in the U.S. Alphapointe employs blind and visually impaired people at a light manufacturing, warehousing and administrative facility.

On June 16, 2017, the Build NYC Resource Corporation issued \$18,850,000 in tax-exempt bonds, the proceeds from which were used to acquire and renovate a 138,000 square foot three floor industrial facility located 87-46 123rd Street, Queens, New York.

Project Location

- 87-46 123rd Street Richmond Hill, NY 11418

Action Requested

Approve a Post-Closing Resolution to amend the bond documents to update the bond amortization schedule.

Prior Actions

- Bond Approval and Authorization Resolution approved February 14, 2017
- Transaction closed on June 16, 2017

Fees Paid for Amendment

A Post-Closing Fee of \$2,500 has been paid.

Due Diligence

A review of Alphapointe's compliance requirements with its project documents revealed no outstanding issues.

Anticipated Transaction Date

September 2017

Exhibit G

Resolution approving amendments to the \$18,850,000 Adjustable Rate Revenue Bonds (Alphapointe Project), Series 2017 for Alphapointe and related financing documents and the taking of other action in connection therewith

WHEREAS, Build NYC Resource Corporation (the “Issuer”) is authorized pursuant to Section 1411(a) of the Not-for-Profit Corporation Law of the State of New York, as amended, and its Certificate of Incorporation and By-laws, (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the “City”) by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects within the City that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, Alphapointe, a non-profit corporation organized and existing under the laws of the State of Missouri (“Alphapointe”), entered into negotiations with officials of the Issuer with respect to financing the acquisition of an existing approximately 138,000 square foot three-floor industrial building located on an approximately 95,123 square foot parcel of land located at 87-46 123rd Street, Queens, New York, to provide Alphapointe a facility (the “Facility”) for use as light manufacturing, warehousing and administration in the providing of employment to blind and visually impaired employees in manufacturing various products (the “Project”); and

WHEREAS, on June 16, 2017 the Issuer issued its \$18,850,000 aggregate principal amount of Adjustable Rate Revenue Bonds (Alphapointe Project), Series 2017 (the “Series 2017 Bonds”), which Series 2017 Bonds were purchased by Bank Midwest, a division of NBH Bank (the “Bond Purchaser”), all pursuant to an Indenture of Trust, dated as of June 1, 2017 (the “Indenture”), between the Issuer and U.S. Bank National Association, as Trustee (the “Trustee”), which Series 2017 Bonds were secured by mortgage liens of varying priorities on and security interests in the Facility, and other related documents (the Indenture and each such agreement or document entered into in connection with the issuance and securing of the Series 2017 Bonds being collectively called the “Financing Documents”); and

WHEREAS, Alphapointe has advised the Issuer that it desires to amend the Series 2017 Bonds by amending the Amortization Schedule attached to the Series 2017 Bonds (as so amended, the “Amended Bonds”), and to effect related amendments to the Financing Documents (the amendments to the Financing Documents being referred to as the “Amended Financing Documents”), and has confirmed that the Bond Purchaser has consented to receive the Amended Bonds and to the execution and delivery of the Amended Financing Documents; and

WHEREAS, the Issuer desires to accommodate the request of Alphapointe:

NOW, THEREFORE, BE IT RESOLVED BY BUILD NYC RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby authorizes the execution and delivery of the Amended Bonds to amend the Series 2017 Bonds.

Section 2. The execution and delivery of the Amended Financing Documents are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel and Vice President for Legal Affairs of the Issuer are hereby authorized to execute, acknowledge and deliver the Amended Bonds and each such Amended Financing Document. The execution and delivery of each such Amended Financing Document by said officer shall be conclusive evidence of due authorization and approval.

Section 3. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Amended Financing Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Amended Financing Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Amended Financing Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any officer executing the Amended Bonds shall be liable personally on the Amended Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 4. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Amended Financing Documents and the execution and delivery of the Amended Bonds.

Section 5. Any expenses incurred by the Issuer with respect to the Amended Bonds and Amended Financing Documents shall be paid by Alphapointe. By accepting this Resolution, Alphapointe agrees to pay such expenses and further agrees to indemnify the Issuer, its members, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer in good faith with respect to the Project and the financing thereof.

Section 6. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination of an Issuer officer.

Section 7. This Resolution shall take effect immediately.

ADOPTED: September 19, 2017

ALPHAPOINTE

By: _____
Name:
Title:

Accepted: _____, 2017