

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
OCTOBER 11, 2016

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

Maria Torres-Springer, Chairman
Al De Leon
Kevin Doyle
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Barry Dinerstein, alternate for Carl Weisbrod,
Chair of the City Planning Commission of The City of New York
James McSpirtt, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York
Robert Santos
Peter Wertheim, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York

The following directors were not present:

Marlene Cintron
Andrea Feirstein
Anthony Ferreri

Also present were (1) members of New York City Economic Development Corporation (“NYCEDC”) staff and interns, (2) Sara Kim from Hawkins Delafield & Wood LLP, (3) Scott Singer from Nixon Peabody LLP, (4) Steve Adnopol from Pearlman & Miranda, LLC, (5) Patricia Mollica from Winston & Strawn LLP, (6) John Ravalli from the City’s Department of Finance, and (7) other members of the public.

Maria Torres-Springer, Chairperson of the Build NYC Resource Corporation (the “Corporation” or “Build NYC”), convened the meeting of the Board of Directors of Build NYC at 9:15 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the September 20, 2016 Board of Directors Meeting

Ms. Torres-Springer asked if there were any comments or questions relating to the minutes of the September 20, 2016 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 August 31, 2016 (Unaudited)

Christine Robinson, a Senior Accountant of NYCEDC, presented the Agency's Financial Statements for the eight month period ending August, 2016 (Unaudited). Ms. Robinson stated that for the two month period ended August 31, the Corporation recognized revenues in the amount of \$493,000, which came from project finance fees from three closings. Ms. Robinson stated that the Corporation recognized revenues derived from compliance, application, post-closing and other fees in the amount of \$57,800 for the two month period. Ms. Robinson stated that the Corporation recognized \$560,000 in expenditures, largely consisting of the monthly management fees for the two month period.

3. Yeshivat Darche Eres, Inc.

Lily Berticevich, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately \$14,265,000 tax-exempt revenue bond issuance for the benefit of Yeshivat Darche Eres, Inc. Ms. Berticevich recommended the Board adopt a SEQRA determination that the proposed project would not have a significant adverse effect on the environment. Ms. Berticevich described the project and its benefits as set forth in Exhibit A.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of Yeshivat Darche Eres, Inc. attached hereto as Exhibit B was made, seconded and unanimously approved.

4. 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 9:35 a.m.

Arthur Hausen
Assistant Secretary

Dated: 10/26/16
New York, New York

Exhibit A



Project Summary

Yeshivat Darche Eres, Inc. (the “School”) is a not-for profit New York education corporation in Brooklyn. The School is seeking approval for the issuance of approximately \$14,265,000 in tax exempt bonds (the “Bonds”). Proceeds from the Bonds, together with other funds of the School, will be used to finance or refinance (1) the acquisition, renovation and equipping of an approximately 25,560 square foot building on an approximately 37,630 square foot lot located at 2533 Coney Island Avenue in the Sheepshead Bay section of Brooklyn (the “Facility”), (2) the acquisition of a mobile classroom to be located at the Facility, and (3) certain costs related to the issuance of the Bonds ((1), (2), and (3), collectively, the “Project”). The Facility and mobile classroom will be operated by the School and used to provide educational services for high school boys.

Project Location

2533 Coney Island Avenue
 Brooklyn, New York 11223

Actions Requested

- Bond Approval and Authorizing Resolution
- Adopt a negative declaration for this Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Fourth Quarter 2016

Impact Summary

Employment		
Jobs at Application:		46
Jobs to be Created at Project Location (Year 3):		9
Total Jobs (full-time equivalents)		55
Projected Average Hourly Wage (excluding principals)	\$	53.52
Estimated City Tax Revenues		
Impact of Operations (NPV 25 years at 6.25%)	\$	2,035,486
One-Time Impact of Renovation		-
Total impact	\$	2,035,486
Estimated Cost of Benefits Requested: New York City		
MRT Benefit	\$	232,369
NYC Forgone Income Tax on Bond Interest		167,722
Corporation Financing Fee		(96,498)
Total Cost to NYC Net of Financing Fee	\$	303,593
Estimated Cost of Benefits Requested: New York State		
MRT Benefit	\$	168,020
NYS Forgone Income Tax on Bond Interest		631,006
Total Cost to NYS	\$	799,026
Overall Total Cost to NYC and NYS	\$	1,102,619

Yeshivat Darche Eres, Inc.

Costs of Benefits Per Job ¹		
Estimated Total Cost of Benefits per Job	\$	23,970
Estimated City Tax Revenue per Job	\$	44,250

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	\$11,040,000	77%
Company Funds	\$3,259,600	23%
Total	\$14,299,600	100%

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	\$13,800,000	97%
Costs of Issuance	\$499,600	3%
Total	\$14,299,600	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Corporation Fee	\$ 96,498	
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	3,000	
Total	236,748	23,458
Total Fees	260,206	

Financing and Benefits Summary

Israel Discount Bank of New York (the "Bank") will directly purchase the Bonds, which will have an approximately 10-year term with a 25-year amortization period. The interest rate will be fixed with an indicative rate of 2.99%. The Bonds will be secured by a first mortgage lien on real and personal property owned by the School and a pledge of its gross revenues.

Applicant Summary

Opened on September 7, 2011, the School currently operates a pre-school as part of its early childhood division, two elementary schools, and an all-boys high school in facilities spread across the Sheepshead Bay and Gravesend neighborhoods in Brooklyn. The School follows the New York State curriculum standards and attempts to maintain small student to teacher ratios. The School offers a general studies curriculum and a host of other offerings. Proceeds of the Bonds will be used to acquire and improve the building that houses the all-boys high school, and savings from the tax-exempt financing structure will allow the School to further invest in its facilities and educational programs.

Employee Benefits

The School is compliant with the Affordable Care Act and offers health benefits to qualifying full-time employees. The School contributes to a group health plan and offers group dental/vision (no employer contribution), a 403(b) retirement plan with 50% match for up to 3% of gross salary, and parsonage pay for religious studies instructors.

¹ Because this is an operating company, the number of jobs at application and to be created at year three were used in the following calculations.

Yeshivat Darche Eres, Inc.

Recapture

Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination

No significant adverse environmental impacts, Corporation staff recommends the Board adopt a Negative Declaration for the Project. 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 (non-profit)
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Private School Policy:	Compliant
Bank Account:	Capital One
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Not Applicable
Vendex Check:	Compliant
Attorney:	Steven Polivy, Esq. Akerman LLP 666 Fifth Ave., 20th Fl. New York, NY 10103
Accountant:	David Sompolinsky Roth & Co. 1428 36th St. #200 Brooklyn, NY 11218
Consultant/Advisor:	Rochelle Powell Prager & Co., LLC 60 East 42nd Street Ste. 1620 New York, NY 10165
Community Board:	Brooklyn, CB # 15

Yeshivat Darche Eres, Inc.

Board of Directors

Michael Jemal	W. Appliance Center
Morris Dwech	DII Enterprises
Jacob Hidary	M. Hidary & Sons
Ezra Zaafarani	DGL Group
Steven Balasiano	Sills Cummins & Gross

Exhibit B

Resolution approving financing of a facility for Yeshivat Darche Eres, Inc. and authorizing the issuance and sale of approximately \$14,262,990 of Tax-Exempt Revenue Bonds (Yeshivat Darche Eres, Inc. Project), Series 2016 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 (the “N-PCL”), 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 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 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, lessening the burdens of government and acting in the public interest; and

WHEREAS, Yeshivat Darche Eres, Inc, a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Applicant”) has entered into negotiations with officials of the Issuer for the Issuer’s assistance with a tax-exempt revenue bond transaction, the proceeds of which, together with other funds of the Applicant, will be used by the Applicant to finance or refinance: (i) the acquisition, renovation and equipping of an approximately 25,560 square foot building on an approximately 37,630 square foot lot located at 2533 Coney Island Avenue, Brooklyn, New York (the “Facility”), (2) the acquisition of a mobile trailer to be located at the Facility, and (3) certain costs related to the issuance of the bonds (collectively, the “Project”), all to be owned and operated by the Applicant and used to provide educational services for boys; 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 not-for-profit corporation that provides educational services in the City; that there are approximately 46 full-time equivalent employees employed 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 provide educational services and continue its programs with a greater measure of financial security; and that, therefore the Issuer’s assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, the Issuer desires to further encourage the Applicant with respect to the financing and/or refinancing of the Facility, if by so doing it is able to induce the Applicant to proceed with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its Tax-Exempt Revenue Bonds (Yeshivat Darche Eres, Inc. Project), Series 2016 in one or more series, in the aggregate principal amount of approximately \$14,262,990, or such greater amount (not to exceed 10% more than such stated amount) (the “Bonds”) each 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 (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 one or more promissory notes in favor of the Issuer and endorsed to the Trustee (collectively, 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 one or more mortgage liens on and security interest in the Facility granted by the Applicant, as mortgagor, to the Issuer and the Trustee, pursuant to one or more Mortgages (collectively, 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

WHEREAS, the Bonds will be further secured by a pledge and security interest in certain assets of the Applicant pursuant to a Pledge and Security Agreement from the Applicant to the Trustee (the “Pledge and Security Agreement”); and

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

Section 1. The Issuer hereby determines that the financing of a portion 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 Project will be financed 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 of the Issuer is hereby authorized subject to the provisions of this Resolution and the Indenture hereinafter authorized.

The Bonds shall be issued as fully registered bonds in one or more tax exempt series, shall be dated as provided in the Indenture, shall be issued as one or more serial and/or term bonds and with respect to the Bonds in an aggregate amount not to exceed \$14,262,990, or such greater amount (not to exceed 10% more than such stated amount), and the Bonds 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 at such rate(s) as determined by the Certificate of Determination, shall be subject to

optional redemption and mandatory redemption 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 not later than December 31, 2046 (or as determined by the Certificate of Determination), all as set forth in the Bonds.

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

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 by the Issuer of revenues and receipts of the Issuer, including loan payments made by the Applicant, to the extent set forth in the Loan Agreement and Indenture hereinafter authorized. The Bonds will be secured by the Mortgage, which Mortgage will be assigned by the Issuer to the Trustee pursuant to the Assignment of Mortgage. The Bonds will be further secured by the Pledge and Security Assignment. 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, 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.

Section 5. The Bonds may be purchased by Israel Discount Bank of New York or a purchaser not yet determined (the "Purchaser"). The determination as to the Purchaser and the purchase price of the Bonds shall be approved by Certificate of Determination.

Section 6. The execution and delivery of the Indenture, the Loan Agreement, a Letter of Representation and Indemnity Agreement from the Applicant, and a Tax Regulatory Agreement from the Issuer and the Applicant to the Trustee, the Mortgage and the Assignment of Mortgage (the documents referenced in this Section 6 being, collectively, the "Issuer Documents") 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 Documents. The execution and delivery of each such Issuer Documents 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 or directors thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, directors, 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 or directors 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, 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 exemption 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. 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 date 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 14. This Resolution constitutes “other similar action” under the provisions of Treasure 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 15. The Issuer has determined that the proposed 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 proposed Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. The school will continue to operate its building as is, with no plans to renovate.
2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.
4. The proposed Project would not result in a change in existing zoning or land use. The proposed Project would continue a use appropriate to the existing zoning.
5. The proposed Project would not result in any adverse effects related to hazardous materials or contamination.
6. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

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 of the Issuer 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: October 11, 2016

YESHIVAT DARCHE ERES, INC.

Name:
Title:

Accepted: _____, 2016

MEMORANDUM

TO: Lily Berticevich (SIG)

FROM: Dina Rybak (Planning)

RE: Project #6690 – Yeshiva Darche Eres
(SEQRA Project #16-037)

DATE: September 28, 2016

The proposed action comprises financial assistance to Yeshiva Darche Eres, a boys and girls religious day-school for children from pre-school through high school. The school currently operates out of an approximately 37,630 square-foot leased lot at 2533 Coney Island Avenue in Brooklyn, NY (Block 7371, Lot 72). The school proposes to purchase its leased building to ensure the long term viability of the school.

The financial assistance proposed to be conferred by the Build NYC Resource Corporation (the Corporation) will comprise tax-exempt bond financing in the amount of approximately \$14,262,990 and exemption from City and State mortgage recording taxes. Proceeds from the bonds would be used to purchase the aforementioned building and mobile classroom to pay certain costs associated with the issuance of the bonds.

I have reviewed the Environmental Assessment Form (EAF) and other materials related to this proposed project. The proposed project is an Unlisted action. I have determined that the proposed project will not result in potential significant adverse impacts and therefore, I recommend the issuance of a Negative Declaration. The following language is suggested for the Corporation's resolution:

"The Corporation has determined that the proposed 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 proposed project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. The school will continue to operate its building as is, with no plans to renovate.
2. The proposed project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.
4. The proposed project would not result in a change in existing zoning or land use. The proposed project would continue a use appropriate to the existing zoning.
5. The proposed project would not result in any adverse effects related to hazardous materials or contamination.
6. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable."

cc: Hardy Adasko
Jill Braverman