

MINUTES OF THE AUDIT COMMITTEE
OF
BUILD NYC RESOURCE CORPORATION

January 9, 2017

A meeting of the Audit Committee of the Board of Directors (the "Committee") of Build NYC Resource Corporation ("Build NYC" or the "Corporation") was held on Monday, January 9, 2017 pursuant to notice from the Deputy Executive Director of the Agency, at the New York City Economic Development Corporation ("NYCEDC"), 110 William Street, Conference Room 4A/B, New York, New York 10038.

The following members of the Committee were present in person at the above-indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- Albert V. De Leon, Chair
- Kevin Doyle

In addition, the following members of NYCEDC staff were present in person or by means of a conference call:

- Finance: Kim Vaccari – CFO, Spencer Hobson – Treasurer, Fred D'Ascoli – Controller, Raafat Osman – Deputy Controller, Carol Ann Butler – AVP
- Internal Audit: David Price – SVP
- Compliance Department ("Compliance"): Shin Mitsugi – (attended by phone) SVP, Daniel Kane – AVP, Desiree Valdes – Senior Project Manager, David Atlas – Senior Project Manager
- Strategic Investments Group: Jeffrey Lee – SVP, Johan Salen – VP

Also present was a representative from Ernst & Young LLP ("E&Y"):

- Louis Roberts – Engagement Partner

The Meeting was convened at 9:16 a.m.

Approval of the Minutes of the September 14, 2016 Audit Committee meeting

Mr. De Leon asked if there were any questions or comments relating to the minutes of the September 14, 2016 meeting. There being no questions or comments, Mr. Doyle motioned to approve and Mr. De Leon seconded and the motion was approved.

Ms. Vaccari explained that the only items on the agenda for Build NYC Resource Corporation (the "Corporation") are the approval of the September 14, 2016 Audit Committee minutes and the Compliance update from Mr. Mitsugi.

1. Compliance Activity Update

Mr. Mitsugi stated that there is no sales tax exemption associated with the Corporation's projects (which is one of the primary reasons that New York City Industrial Development Agency (the "Agency") commercial projects are subject to audits). Additionally, the Corporation's projects do not have strict employment thresholds that are required under the Commercial Retention/Growth projects of the Agency. Mr. De Leon referenced the September 14, 2016 Committee meeting minutes and said that it appeared that Build NYC projects are largely in good standing, however, this creates the question of whether some of the projects are not in good standing. Mr. Mitsugi stated that certain projects are taking longer than anticipated to complete construction so the Compliance team has been communicating with all of the companies to make sure they meet the project completion deadlines. If projects do not meet the deadlines, Compliance often makes necessary arrangements to amend the agreements in order to extend the completion date.

Mr. Lee commented that the Agency has Corporate Retention deals that involve a lot of complicated documentation for sales tax exemption, while the Corporation is not authorized to provide sales tax benefits to projects. The Corporation's ability to provide tax exempt bonds to eligible projects is primarily governed by the federal statutory tax code which is the reason that tax counsel is actively involved to ensure the validity of tax benefits on all of the Corporation's projects. Ms. Vaccari mentioned that the Corporation's portfolio is monitored by Compliance as is the Agency's portfolio.

2. Session with Management

Session with Management was not required by the Committee

3. Session with Auditors

Session with Auditors was not required by the Committee

6. Adjournment

There being no further business, the Meeting was adjourned at 9:22 a.m.