

**UNITED NATIONS DEVELOPMENT CORPORATION**

Minutes of the Annual Meeting of the Board of Directors

Held at Two United Nations Plaza, 27<sup>th</sup> Floor

New York, New York

On March 27, 2019 at 2:30 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Penny Abeywardena

Robert Abrams

Jan Burman

Eric Enderlin (*ex officio*, HPD, represented by Lydon Sleeper)

Christine Falvo

Jessica Healy

Amabel James

Marisa Lago (*ex officio*, City Planning, represented by Jennifer Gravel)

David Mack

Samuel Natapoff

Joseph Rutigliano

Andy Shenoy

Joel Silverman

The following persons were also present: Robert Cole, Jorge Ortiz, Justin Handman, and Loida Diaz de Jesus (UNDC); Sander Lehrer (McLaughlin & Stern); Ross Silver (Fried Frank); Warren Ruppel (Marks Paneth); Martin Hammond (PFM Asset Management); Renee

Boicourt (Lamont Financial Services); Sonia Toledo (Frasca and Associates); Marvin Markus (Goldman Sachs); Robert Pattison (Morgan Stanley); Roger Anderson (Drexel Hamilton); John Bove (Nixon Peabody); Sarah Friedman (Mayor’s Office for International Affairs); and Jonah Havranek (Total Webcasting).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:40 p.m.

**Minutes of Meeting of September 13, 2018**

The Chairman asked the Board to consider the minutes of the meeting of September 13, 2018, as previously provided to Board members. On motion made and seconded, the minutes of the September 13, 2018 Board meeting were approved in the form previously provided.

**Election of Officers**

The Chairman reported that under the Corporation’s By-laws, officers are appointed by the Board at the annual meeting to hold office for one year and until their successors are elected and qualified. The Chairman recommended re-election of each officer named below to his or her current position, to hold office for one year and until his or her successor is elected and qualified. In addition, Mr. Cole, with concurrence by the Chairman, recommended the appointment of Mr. Ortiz as a Vice President, in addition to his position as Treasurer.

Robert Cole	Executive Vice President and General Counsel, Secretary
Kenneth Coopersmith	Vice President
Loida Diaz de Jesus	Vice President
Jorge Ortiz	Vice President, Treasurer

On motion made and seconded, the Board re-appointed Messrs. Cole, Coopersmith, Ortiz and Ms. Diaz de Jesus to his or her current position, and appointed Mr. Ortiz as a Vice President, each to hold office for one year and until his or her successor is elected and qualified.

### **2018 Measurement Report**

Mr. Cole summarized the Corporation's proposed Measurement Report for the year ended December 31, 2018, as provided to the Board and reviewed previously by the Governance and Compensation Committee. He advised that the Measurement Report, a requirement of the Public Authorities Law, measures the Corporation's annual performance as compared to the goals set forth in its Mission Statement.

On motion made and seconded, the Board approved the Corporation's 2018 Measurement Report. (see attached)

### **Audit Committee Report**

Mr. Cole reported that the Audit Committee met on March 13 with representatives of Marks Paneth LLP to review the 2018 audit and draft audited financial statements for the years ended December 31, 2018 and 2017 ("2018 Financial Statements"). Mr. Ruppel discussed the 2018 audit results, advising that Marks Paneth would issue an unqualified opinion on the 2018 Financial Statements and that there were no disagreements with the Corporation's management during the audit. Mr. Cole advised that the Board would be asked to approve the 2018 Financial Statements later during the meeting.

### **Management Report**

Mr. Cole referred to the Management Report dated March 21, 2019. He reported that the Corporation's net revenues were \$15.7 million for 2018, an increase of \$2.7 million or 21.1% over 2017 results. Mr. Cole reported that the increase in net revenues was primarily due

to scheduled rent increases, effective April 1, 2018, under the Corporation's leases with the United Nations at One and Two UN Plaza; and increases in pass-through payments for 2018 by tenants due to increases in operating expenses during 2017; an increase in fee income for managing tenant projects for UNICEF at Three UN Plaza; an increase in interest income; and a decrease in administrative office expenses.

Mr. Cole reported that, from 2018 net revenues of \$15.7 million, the Corporation deposited \$8 million into its renewal and replacement fund to pay costs for capital improvement projects, consistent with the Corporation's approved 2018 capital budget.

Mr. Cole stated that the draft 2018 Financial Statements reflected the establishment of a reserve for 2018 of \$7,695,500 from amounts that would otherwise constitute Consolidated Surplus under the Corporation's leases with the City. He advised that management, with the concurrence of the Audit Committee, recommended establishment of the reserve to pay costs for possible needed capital improvement projects at One and Two UN Plaza, in accordance with capital budgets approved by the Board, and/or costs related to possible UN lease extensions at One and Two UN Plaza.

Mr. Cole advised that 90% of \$7,695,500, or \$6,925,950, would be payable to the City as additional City rent under the Corporation's leases with the City if the Board decided not to establish this reserve. Mr. Cole reported that the draft 2018 Financial Statements would be revised if the Board did not establish the reserve.

Mr. Cole distributed resolutions for Board consideration that had been revised to reflect recent discussions with the Deputy Mayor's office regarding the reserve and possible payment by the Corporation of \$7 million to the City on or before May 31, 2019.\*

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\* Subsequent to the Board meeting, the Corporation and the City agreed to postpone the May 31 date referred to in the resolutions to November 30, 2019.

Following discussion and on motion made and seconded, the Board unanimously approved the following resolutions:

**WHEREAS, the Corporation's Phase II Lease with the City of New York (the "Phase II Lease") requires that the Corporation pay to the City as additional rent under the Phase II Lease ninety percent (90%) of Consolidated Surplus; and**

**WHEREAS, the Phase II Lease defines Consolidated Surplus as the excess of the Corporation's revenues during a fiscal year over payments for current expenses, debt service and the performance of the Corporation's other obligations under its financing documents, and base rent to the City, less reserves approved by the Corporation's Board of Directors in accordance with the Phase II Lease.**

**NOW THEREFORE, BE IT RESOLVED, that pursuant to the Phase II Lease, establishment of a reserve of \$7,695,588 be and hereby is approved, such reserve to be available for the Corporation to pay costs related to possible needed capital improvements projects at One and Two UN Plaza in accordance with capital budgets approved by the Board of Directors, and/or costs related to possible UN lease extensions at One and Two UN Plaza, with such reserve to be established from 2018 net revenues of the Corporation that would constitute, if such reserve were not established, the Corporation's 2018 "Consolidated Surplus," as defined in the Phase II Lease.**

**RESOLVED, that the Corporation's Executive Vice President, after consultation with the Corporation's Chairman and the Corporation's counsel, be and he hereby is, authorized to set aside from funds of the Corporation not otherwise restricted, and to pay, on or before May 31, 2019 from such funds, to or at the direction of The City of New York, the sum of \$7 million.**

Mr. Cole requested approval of the 2018 Financial Statements, in the form previously provided to the Board. On motion made and seconded, the Board approved the 2018 Financial Statements as previously provided.

### **Finance Committee Report**

Mr. Cole reported that the Finance Committee met on March 13, 2019 with PFM Asset Management (“PFM”) to review the Corporation’s investment performance for 2018. Mr. Hammond summarized the Corporation’s investment performance for 2018 at the Board meeting and responded to questions.

Mr. Cole described proposed changes to the Corporation’s Investment Guidelines (see attached) that would include Fitch Ratings as a permissible rating agency (in addition to Moody’s and S&P), principally for purposes of possible future investments in commercial paper, but subject to the limitations as described at the meeting, and/or bankers’ acceptances.

After discussion and on motion made and seconded, the Board approved the above described changes to the Corporation’s Investment Guidelines.

### **2019 Refunding Bonds**

Mr. Cole reviewed the Board memorandum of March 22, 2019 concerning the proposed issuance of the Corporation’s 2019 Refunding Bonds (the “2019 Bonds”). He summarized the key terms of the 2019 Bonds and referred to the proposed bond purchase agreement for the Corporation’s sale of the 2019 Bonds to the underwriters, the procedures for the pricing and sale of the 2019 Bonds, and the draft Preliminary Official Statement that was previously provided to the Board for review.

Mr. Cole advised that the 2019 Bonds would be issued under and governed by the Corporation's existing 1992 Indenture, as previously amended and restated, and as further modified by a proposed Seventh Supplemental Indenture to be executed and delivered on the date of issuance of the 2019 Bonds (the "Amended and Restated Indenture").

Mr. Cole reported that interest payments under the 2019 Bonds would be exempt from federal, state and local income tax, would have a stated final maturity in July 2026 (the same maturity as the 2009 Bonds), and would not be subject to redemption prior to maturity. He advised that the Amended and Restated Indenture would not permit the issuance by the Corporation of additional bonds, meaning that any future new money financing by the Corporation, to fund capital projects or otherwise, would require a new indenture subordinate to the Amended and Restated Indenture.

Mr. Bove reported that the Amended and Restated Indenture made a significant change in the required security for bondholders. He stated that the requirement for a funded Debt Service Reserve Fund would be eliminated and replaced by a liquidity balance requirement, as described in the Amended and Restated Indenture.

Messrs. Cole and Lehrer highlighted the disclosures included in the draft Preliminary Official Statement.

After discussion, and on motion made and seconded, the Board unanimously adopted the Resolution concerning the 2019 Bonds (see attached). This Resolution (a) authorized the issuance and sale of the 2019 Bonds, (b) authorized the Executive Vice President to approve, subject to the limitations set forth in the Resolution, the specific principal amount of, interest rates on, and other terms of, the 2019 Bonds, (c) approved the form of the bond purchase agreement relating to sale of the 2019 Bonds, and authorized its execution by the Executive

Vice President on the Corporation's behalf; (d) approved the Amended and Restated Indenture and the Seventh Supplemental Indenture and authorized the execution and delivery thereof by the Executive Vice President on the Corporation's behalf, (e) approved the Preliminary Official Statement as submitted to the meeting and authorized the Executive Vice President to cause its distribution, (f) authorized the Executive Vice President to approve, sign, and authorize the distribution of the final Official Statement for the 2019 Bonds, (g) approved and ratified the engagement of Lamont Financial Services Corporation, Frasca LLC and Forsyth Street Advisors LLC as the Corporation's financial advisors for issuance of the 2019 Bonds, and authorized payment to Nixon Peabody LLP for bond counsel services in connection with the issuance of the 2019 Bonds, and (h) authorized the execution and delivery by the Executive Vice President of engagement letters or agreements with each of Moody's Investors Service and Fitch, Inc., as rating agencies with reference to the 2019 Bonds, and the payment of fees pursuant thereto, along with reasonable annual oversight fees.

#### **Board Consideration of Annual Reports**

Mr. Cole reviewed the Corporation's Annual Investment Report for 2018, Annual Report on Prompt Payment for 2018 and Annual Procurement Contract Report for 2018, each as previously provided to the Board. After discussion, the Chairman asked for a motion to approve each of the reports referred to above, and, on motion made and seconded, the following resolutions were unanimously adopted:

**RESOLVED, that the Annual Investment Report for 2018, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**



**RESOLVED, that the Annual Report on Prompt Payment for 2018, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**

**RESOLVED, that the Corporation's officers are authorized to submit, via the PARIS on-line reporting system, the Annual Procurement Contract Report for 2018, which includes the information presented to the Board of Directors at its meeting on March 27, 2019.**

At the Chairman's request and with the Board's concurrence, the meeting entered executive session to discuss office space leasing, the status concerning a notice of default given by the Corporation earlier in the year and related matters. The executive session ended after that discussion concluded, with no action being taken by the Board in executive session.

**Other Business**

There being no other business, the meeting was adjourned at 4:20 p.m.

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Loida Diaz de Jesus  
Acting Secretary

**UNITED NATIONS DEVELOPMENT CORPORATION**

**Measurement Report for the year ended December 31, 2018**

The New York State Public Authorities Law requires that each public authority, such as the United Nations Development Corporation (the “Corporation”), adopt a mission statement (“Mission Statement”) and performance goals to assist in evaluating its mission and how well it is performing that mission. Each public authority is required to review its Mission Statement and performance goals annually and to prepare a measurement report evaluating its progress towards achieving its mission and performance goals (the “Measurement Report”). The Corporation’s Mission Statement is provided below, followed by the Corporation’s proposed Measurement Report for 2018. The Measurement Report restates the Corporation’s performance goals and evaluates the Corporation’s 2018 performance in meeting these goals. The Mission Statement and Measurement Report for 2018 are available on the Corporation’s website at [www.undc.org](http://www.undc.org).

**MISSION STATEMENT**

The mission of the United Nations Development Corporation is (a) to provide office and other facilities that help meet the current and future needs of the United Nations (the “U.N.”), missions to the U.N. and U.N.-related programs (together, the “U.N. Community”), and (b) otherwise to assist the U.N. Community in meeting its current and future real estate needs. To accomplish its mission and help the City and State of New York fulfill their responsibilities as hosts to the U.N. Community, the Corporation develops and operates office and other facilities for the benefit of the U.N. Community. The Corporation also provides advice and services, including studies, with respect to real estate needs and development within the State of New York as requested by the State or City of New York, the United States or the U.N.

Under its enabling statute, the Corporation is currently permitted to develop and operate real estate only within a prescribed area (the “Development District”) in the vicinity of U.N. headquarters in Manhattan. The boundaries of the Development District and other powers of the Corporation are subject

to change to the extent provided by additional legislation. The Corporation has from time to time sought the enactment of such additional legislation, and may do so in the future, consistent with its mission and at the request of the U.N. or the City or State of New York, and in order to respond to and help meet changing real estate needs of the U.N. Community.

## **MEASUREMENT REPORT -- 2018**

### **Performance Goal #1**

Meeting the real estate needs of the UN Community in the City and State of New York by providing office and other facilities at rental rates and on other terms that encourage the UN Community to remain and continue its activities in New York City, as measured by long-term occupancy, minimal tenant turnover, timely compliance by tenants with rent and other obligations, and absence of disputes with tenants.

### **Evaluation #1**

The Corporation continued to meet the real estate needs of the UN Community in 2018. During 2018, all office tenants in the Corporation's buildings at One, Two and Three UN Plaza (almost exclusively the UN and others in the UN Community) continued their long-term occupancy. There were no disputes between the Corporation and its office tenants during 2018, and to the best of the Corporation's knowledge, all of the Corporation's office tenants complied with their lease obligations.

### **Performance Goal #2**

Responsiveness to the other real estate needs of the UN Community and the UN-related needs of the City and State of New York, as measured by projects and studies undertaken by the Corporation as requested by the UN, the City or the State without any start-up or other funds provided by the City or the State.

## **Evaluation #2**

The Corporation from time to time undertakes projects and studies, or provide advice or services, requested by the UN, the City or the State in response to the real estate needs of the UN Community or the needs of the City or State of New York. Though no such requests were made during 2018 by the UN, the City or the State, the Corporation remains available to undertake projects and studies, or provide advice or services, in the future.

## **Performance Goal #3**

Enhancing the long-term value of the Corporation's properties, maintaining the competitiveness of the Corporation's properties in their relevant submarkets, and operating and maintaining the Corporation's properties safely, efficiently and in accordance with Class A standards, as measured by: increases in the relative value of the Corporation's properties, consistently low vacancy rates, and building and capital improvements, including security enhancements, energy efficiency and sustainability projects and preventive maintenance programs, all in accordance with approved budgets.

## **Evaluation #3**

The Corporation continually works to enhance the long-term value of its properties, maintain the competitiveness of the properties in their submarkets in close proximity to the UN Headquarters, and operate and maintain its properties safely, efficiently and in accordance with Class A standards. All of the Corporation's office space was occupied and under lease for the entirety of 2018.

The Corporation implemented building and capital improvement projects in 2018 in accordance with approved budgets, including the following:

- Replacement of original façade maintenance systems at One and Two UN Plaza with new, state-of-the-art equipment for window cleaning and façade maintenance.
- Replacement and refurbishment of mechanical and electrical systems at One, Two and Three UN Plaza to improve performance and increase energy efficiency, consistent with New York State and City initiatives.

- Restroom upgrades on all office floors at Two UN Plaza, including new water and energy saving fixtures and ADA-adapted facilities.

#### **Performance Goal #4**

Complying with all obligations under the Corporation's bond financing and real estate agreements, as measured by the Corporation exceeding thresholds for compliance with revenue covenants, timely payment of rent under its leases from the City of New York, and the absence of defaults by the Corporation in performing its obligations.

#### **Evaluation #4**

The Corporation complied with all obligations under its bond financing and real estate agreements in 2018. The Corporation's buildings produced net revenues after payment of operating expenses with coverage of over two times debt service requirements in 2018, exceeding the coverage of 1.25 times debt service required under revenue covenants in the Corporation's bond indenture. The Corporation paid rent under its leases with the City of New York on a timely basis and there were no defaults by the Corporation under its bond financing and real estate agreements.

#### **Performance Goal #5**

Implementing policies and procedures to ensure that the Corporation complies with its enabling statute, by-laws, corporate governance guidelines, applicable federal, State and City laws, rules and regulations, and financial and other obligations, as measured by absence of violation notices, penalties or other sanctions, or defaults under contracts or other agreements.

#### **Evaluation #5**

The Corporation has policies and procedures in place to ensure such compliance. The Corporation was not in default under contracts or other agreements and was not subject to any penalties or other sanctions in 2018.

**Performance Goal #6:**

Take appropriate action to have the State Legislature approve and the Governor sign additional legislation that permits the Corporation to develop and operate real estate outside the current boundaries of the Development District and/or changes of other powers of the Corporation, as appropriate, to permit the Corporation, consistent with its mission and at the request of the U.N. or the City or State of New York, to respond to and help meet changing real estate needs of the U.N. Community, as measured by the enactment of such legislation and by the Corporation responding to and helping to meet changing real estate needs of the U.N. Community.

**Evaluation #6:**

In the past, the Corporation proposed to the UN the financing and construction by the Corporation of a new build-to-suit office building, for exclusive UN use, that would be located on First Avenue and across 42nd Street from the UN Headquarters. For purposes of this project, State legislation was enacted in 2011 and a Memorandum of Understanding, with a current expiration of December 31, 2019, was signed by the Mayor of the City of New York and State legislative leaders. Although in 2015 and previously, the UN actively considered the new building as an option to accommodate its long-term space needs in the City of New York, the UN has not at this time given its approval for the Corporation to proceed with the new building. The Corporation continues to work with the UN and the City and State of New York to help meet the real estate needs of the UN Community, which could include extensions by the UN of its current leases at the Corporation's buildings or could include development of the new building or other alternatives, for which additional legislation may be needed as referred to in Performance Goal #6.

**Performance Goal #7**

Stability in management and operations, as measured by consistency in annual revenues and expenses without any City or State funding, absence of financial emergencies or unplanned financial demands, and longevity of service by key managers and others.

### **Evaluation #7**

The Corporation's management and operations were stable during 2018. Annual revenues, which are derived primarily from long-term leases with office tenants at the Corporation's buildings, were consistent and revenues and expenses were in-line with approved budgets. The Corporation experienced no financial emergencies or unplanned financial demands in 2018 and, as has been the case since its establishment in 1968, received no City or State funding.

*Suggested Changes from September 13, 2018  
Board of Directors Meeting*

**Performance Goal #6:**

~~Having Take appropriate action to have~~ the State Legislature approve and ~~the~~ Governor sign additional legislation that permits the Corporation to develop and operate real estate outside the current boundaries of the Development District and/or changes ~~of~~ other powers of the Corporation, as appropriate, to permit the Corporation, consistent with its mission and at the request of the ~~UNU.N.~~ or the City or State of New York, to respond to and help meet changing real estate needs of the ~~UNU.N.~~ Community, as measured by the enactment of such legislation and by the Corporation responding to and helping to meet changing real estate needs of the ~~UNU.N.~~ Community.

**Evaluation #6:**

In the past, the Corporation proposed to the UN the financing and construction by the Corporation of a new build-to-suit office building, for exclusive UN use, that would be located on First Avenue and across 42nd Street from the UN Headquarters. For purposes of this project, State legislation was enacted in 2011 and a Memorandum of Understanding, with a current expiration of December 31, 2019, was signed by the Mayor of the City of New York and State legislative leaders. Although in 2015 and previously, the UN actively considered the new building as an option to accommodate its long-term space needs in the City of New York, the UN has not ~~approved at this time given its approval for~~ the Corporation ~~proceeding to~~ ~~proceed~~ with the new building. ~~.\_~~ The Corporation continues to work with the UN and the City and State of New York to help meet the real estate needs of the UN Community, which could include extensions by the UN of its current leases at the Corporation's buildings or could include development of the new building or other alternatives, for which additional legislation may be needed ~~for the purposes as~~ referred to in Performance Goal #6.



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**UNITED NATIONS DEVELOPMENT CORPORATION**

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**2019 REFUNDING BONDS, SERIES A**

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**Authorizing Resolution**

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**Adopted March 27, 2019**

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**UNITED NATIONS DEVELOPMENT CORPORATION  
2019 REFUNDING BONDS, SERIES A**

**A Resolution Authorizing the Issuance and Sale of the 2019 Refunding Bonds,  
Series A of the United Nations Development Corporation, the Approval of  
Various Documents and the Delegation of Authority to Authorized Officers in  
Connection with Such Bonds and the Transactions Related Thereto**

**WHEREAS**, on October 29, 2009 the Corporation issued its 2009 Refunding Bonds, Series A (Senior Lien) (the “**2009 Bonds**”) for the purpose of refunding the then outstanding Bonds of the Corporation; and

**WHEREAS**, in connection with the issuance of the 2009 Bonds the Corporation amended and restated the Indenture of Trust, dated December 1, 1992, by and between the Corporation and the Trustee (said Indenture of Trust, as amended and restated, the “**Original Indenture**”); and

**WHEREAS**, the Corporation now desires to refund the outstanding 2009 Bonds through the issuance of its Bonds entitled “United Nations Development Corporation 2019 Refunding Bonds, Series A” (the “**2019 Bonds**”); and

**WHEREAS**, the Corporation desires to amend and restate the Original Indenture (the Original Indenture, as so amended and restated, the “**Indenture**”) and to enter into the Seventh Supplemental Indenture of Trust by and between the Corporation and the Trustee (the “**Seventh Supplement**”) pursuant to which the 2019 Bonds will be authorized to be issued;

**WHEREAS**, the Corporation desires to approve the issuance and sale of the 2019 Bonds, the Indenture, the Seventh Supplement and the taking of other action in connection therewith all pursuant to this Resolution;

**BE IT RESOLVED by the Corporation, as follows:**

**ARTICLE I.**

**DEFINITIONS**

**SECTION 1.01. Definitions** (a) As used in this Resolution, unless the context otherwise requires, the following terms have the following respective meanings:

“*2009 Bonds*” has the meaning given to such term in the recitals hereto.

“*2019 Bonds*” has the meaning given to such term in the recitals hereto.

“*Act*” means Chapter 345, Laws of New York, 1968, as amended.

“*Authorized Officer*” means the Executive Vice President and General Counsel of the Corporation and any other person authorized by (i) resolution of the Corporation or (ii) written designation of the Executive Vice President and General

Counsel to act as an Authorized Officer under the Indenture, provided such authorization is filed with the Trustee.

“*Bonds*” means all “Bonds,” as such term is defined in the Indenture.

“*Corporation*” means the United Nations Development Corporation, a body corporate and politic constituting a public benefit corporation, organized and existing under the Act, located in the Borough of Manhattan, City and State of New York, and its successors and assigns.

“*Indenture*” has the meaning given to such term in the recitals hereto.

“*Original Indenture*” has the meaning given to such term in the recitals hereto.

“*Seventh Supplement*” has the meaning given to such term in the recitals hereto.

“*Resolution*” means this United Nations Development Corporation Authorizing Resolution relating to the issuance of the Corporation’s 2019 Bonds and authorizing the execution of the Indenture, the Seventh Supplement and all other documents and instruments in connection therewith.

“*Trustee*” means The Bank of New York Mellon, in its capacity as trustee under the Indenture.

(b) Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number include the plural number and vice versa, and words importing persons include firms, associations and corporations, including public bodies, as well as natural persons.

(c) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Resolution, refer to the Resolution.

## ARTICLE II.

### APPROVAL/AUTHORIZATION OF DOCUMENTS

**SECTION 2.01. Indenture.** The form of the Indenture by and between the Corporation and the Trustee, substantially in the form submitted to the Board of Directors at this meeting, is hereby approved. Any Authorized Officer of the Corporation is hereby authorized to execute the Indenture in the name and on behalf of the Corporation substantially in such form and upon such terms and conditions as may be approved by said Authorized Officer, said execution being conclusive proof of such approval.

**SECTION 2.02. Seventh Supplement.** The form of the Seventh Supplement by and between the Corporation and the Trustee, substantially in the form submitted to the Board of Directors at this meeting, is hereby approved. Any Authorized Officer of the Corporation is hereby

authorized to execute the Seventh Supplement in the name and on behalf of the Corporation substantially in such form and upon such terms and conditions as may be approved by said Authorized Officer, said execution being conclusive proof of such approval.

**SECTION 2.03. Bond Purchase Agreement.** The form of the Bond Purchase Agreement relating to sale of the 2019 Bonds to the Underwriters (defined in said Agreement as Goldman Sachs & Co., as Representative, together with Morgan Stanley & Co. LLC, as co-manager, and Drexel Hamilton, LLC and Ramirez & Co., Inc.), substantially in the form submitted to the Board of Directors at this meeting, is hereby approved. Any Authorized Officer of the Corporation is hereby authorized to execute in the name and on behalf of the Corporation such Bond Purchase Agreement substantially in such form and upon such terms and conditions as may be approved by said Authorized Officer, said execution being conclusive proof of such approval; *provided, however*, in addition to reimbursement by the Corporation to the underwriters of certain expenses they incur, the total underwriting compensation shall not exceed \$5.50 per \$1,000 of Bonds in the aggregate.

**SECTION 2.04. Application of Funds.** Any Authorized Officer of the Corporation is hereby authorized to apply any funds of the Corporation as may be necessary or appropriate for payment of the 2009 Bonds and any costs of issuance in connection with the 2019 Bonds.

**SECTION 2.05. Bond Counsel.** Payment to Nixon Peabody LLP for bond counsel services in connection with the issuance of the 2019 Bonds is hereby authorized and approved.

**SECTION 2.06. Approval of the Preliminary Official Statement.** The preparation and distribution in the name and on behalf of the Corporation of a Preliminary Official Statement relating to the offering of the 2019 Bonds is hereby approved, and any Authorized Officer of the Corporation is hereby authorized to cause the completion and distribution of said Preliminary Official Statement in such form and upon such terms and conditions, and with such changes, insertions and omissions as said Authorized Officer deems advisable and to distribute or cause the distribution of said Preliminary Official Statement.

**SECTION 2.07. Approval of the Official Statement.** The execution and delivery of an Official Statement in connection with the offer, sale and issuance of the 2019 Bonds is hereby authorized and approved, and any Authorized Officer of the Corporation is hereby authorized to execute the same in the name and on behalf of the Corporation, in such form and upon such terms and conditions, and with such changes, insertions and omissions as said Authorized Officer deems advisable, said execution being conclusive proof of such approval, and to distribute or cause the distribution of said Official Statement.

**SECTION 2.08. Engagement of Financial Advisors.** The engagement of Lamont Financial Services Corporation, Frasca LLC and Forsyth Street Advisors LLC (together, the "Financial Advisors") for the issuance of the 2019 Bonds, is approved and ratified, and the payment to the Financial Advisors of fees upon such terms and conditions as may be approved by any Authorized Officer of the Corporation is hereby authorized and approved.

**SECTION 2.09. Engagement of Rating Agencies.** The execution and delivery by the Corporation of engagement letters or agreements with each of Moody's Investors Service and Fitch, Inc. (together, the "Rating Agencies") and the Corporation, and the payment of fees pursuant thereto, along with such annual oversight fees as are deemed reasonable by the Board of Directors of the Corporation, is hereby authorized, any Authorized Officer of the Corporation is hereby authorized to execute in the name and on behalf of the Corporation each such engagement letter or agreement, in such form and upon such terms and conditions as may be approved by said Authorized Officer, said execution being conclusive proof of such approval.

### **ARTICLE III.**

#### **DELEGATION OF AUTHORITY**

**SECTION 3.01. Delegation of Authority** There is hereby delegated to any Authorized Officer of the Corporation, subject to the limitations contained herein and in the Corporation's by-laws, the power with respect to the 2019 Bonds and to the refunding of the 2009 Bonds to determine and carry out the following:

- (a) The sale of the 2019 Bonds at public or private sale at such price or prices as is determined by an Authorized Officer;
- (b) The aggregate principal amount of 2019 Bonds to be issued; *provided, however*, that the principal amount of 2019 Bonds may not exceed \$55,000,000;
- (c) The date or dates, maturity date or dates and principal amount of each maturity of the 2019 Bonds; *provided, however*, that no 2019 Bonds is permitted to mature later than July 1, 2026;
- (d) The interest rate or rates of the 2019 Bonds; *provided, however*, the aggregate true interest cost to the Corporation shall not exceed either 3.00% or such higher rate as permits a refunding of the 2009 Bonds with debt service savings having a net present value to the Corporation of no less than \$3,000,000, as determined by an Authorized Officer, which determination shall be conclusive absent manifest error;
- (e) the date from which interest on the 2019 Bonds accrues and the first interest payment date therefor;
- (f) The denomination or denominations of and the manner of numbering and lettering the 2019 Bonds;
- (g) The 2019 Bonds which are Book Entry Bonds, if any, and the Depository therefor;
- (h) Provisions for the sale or exchange of the 2019 Bonds and for the delivery thereof;
- (i) The forms of the 2019 Bonds and the forms of the Trustee's certificate of authentication thereon;

(j) Provisions with respect to funds and accounts and subaccounts therein, if applicable, and the revenues and application thereof;

(k) Directions for the application of the proceeds of the 2019 Bonds;

(l) The obtaining of Defeasance Obligations (as defined in the Original Indenture) in connection with the defeasance and refunding of the 2009 Bonds, including, if necessary, the solicitation of bids for open market securities to be deposited into an escrow account therefor;

(m) The selection of a verification agent in connection with the refunding of the 2009 Bonds;

(n) Any other actions deemed advisable by an Authorized Officer, not in conflict with the provisions hereof or the Original Indenture.

**SECTION 3.02. Execution of Documents.** Any Authorized Officer of the Corporation is hereby authorized to execute and deliver, in the name and on behalf of the Corporation, any and all documents and instruments, and to do and cause to be done any and all acts and things said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the 2019 Bonds, the disbursement of the proceeds thereof, including to pay vendors not otherwise specified herein for work performed in connection with the issuance of the 2019 Bonds as the Board of Directors deems reasonable and necessary, the refunding of the 2009 Bonds, and carrying out the transactions contemplated by this Resolution.

#### **ARTICLE IV.**

#### **MISCELLANEOUS**

**SECTION 4.01. When Effective.** This Resolution will be effective immediately upon adoption by the Corporation.