

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD REMOTELY PURSUANT TO EXECUTIVE ORDER
ISSUED BY THE GOVERNOR OF THE STATE OF NEW YORK
January 19, 2021

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

James Patchett, Chairman
HeeWon Brindle-Khym
Marlene Cintron
Khary Cuffe
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Albert De Leon
Pedram Mahdavi, alternate for Vicki Been,
Deputy Mayor for Housing and Economic Development
Anthony Del Vecchio
Barry Dinerstein, alternate for Marisa Lago,
Chair of the City Planning Commission of The City of New York
Andrea Feirstein
Jacques-Philippe Piverger
James Prendamano
Shanel Thomas
Betty Woo, alternate for James Johnson,
Corporation Counsel of The City of New York

The following directors and alternates were not present:

James E. Johnson
Robert Santos

James Patchett, President of New York City Economic Development Corporation (“NYCEDC”) and chairperson of the Build NYC Resource Corporation (“Build NYC” or the “Corporation”), convened the meeting of the Board of Directors of the Corporation at 9:55 a.m., at which point a quorum was present. The meeting was held pursuant to Executive Order 202.1 extended by Executive Order by 202.55 and subsequently further extended by Executive Order 202.60, Executive Order 202.73, Executive Order 202.79 and Executive Order 202.91 issued by the Governor of the State of New York, remotely by conference call, during which interested members of the public were invited to listen in by dialing 1 - 866 868-1282 and entering the Passcode: 7399 153#.

1. Adoption of the Minutes of the November 17, 2020 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the November 17, 2020 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for November 30, 2020 (Unaudited)

Christine Robinson, Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the five-month period ended November 30, 2020. Build NYC recognized \$114,000 in revenue derived from post-closing, application, compliance, and other fees and \$926,000 in expenditures were recorded for the five-month period ended, which consisted of the monthly management fee.

3. Appointment of Emily Marcus as Deputy Executive Director

Krishna Omolade, a Vice President for NYCEDC and Executive Director of the Agency, presented for review and adoption a resolution to appoint Emily Marcus as Deputy Executive Director of the Corporation. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

4. Shefa School, Inc. & Shefa LLC

Emily Marcus, a Senior Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately \$60,000,000 in tax-exempt and taxable revenue bond issuance for the benefit of Shefa School, Inc. & Shefa LLC and recommended the Board adopt a SEQRA determination that the project will not have a significant adverse effect on the environment and to approve a waiver of the Section 7 of the Corporation's Private School Policy. Ms. Marcus described the project and its benefits as set forth in Exhibit A.

Ms. Feirstein thanked Ms. Marcus and Corporation staff for following up to questions from the Finance Committee. Ms. Feirstein stated that the Finance Committee believes this is an ambitious project given the relative newness of the school and its small size at this point. Ms. Feirstein stated that additionally the school only recently started a capital campaign which hasn't been fully realized yet so the waiver of the Corporation's private school policy is appropriate especially given that the Board has approved such a waiver to other schools similar to this one. Ms. Feirstein stated that after much discussion the Finance Committee is supportive of this transaction. Ms. Feirstein stated that the school serves a very important purpose and received many letters of support but the Finance Committee acknowledges that the low debt-service coverage poses a challenge which the school can overcome given their projections for growth. On behalf of the Finance Committee, Ms. Feirstein recommended approval of this project.

In response to a question from Mr. De Leon, Ms. Marcus stated that the school specifically serves and specializes in educating students with language-based learning disabilities which encompasses the spectrum of difficulties related to understanding and using both spoken and written languages including dyslexia, dysgraphia, language processing difficulties and rhythm. Ms. Marcus stated that she would be happy to share more information with the Board after the meeting.

In response to a question from Mr. Cook, Ms. Marcus stated that nearly 97% of families who have gone through this process have been successful and that for the remaining families the Shefa school does provide limited financial aid in these special cases as well as assisting families throughout the reimbursement process by offering technical support and by offering the option of a tuition deferment plan that is helpful for families who may need extra time while they settle their cases.

There being no further comments or questions, a motion to approve the tax-exempt and taxable revenue bond issuance and authorizing resolution, SEQRA determination and waiver of Section 7 of the Corporation's Private School Policy attached hereto as Exhibit B for the benefit of Shefa School, Inc. & Shefa LLC was made, seconded and unanimously approved.

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5. 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 10:06 a.m.

Assistant Secretary

Dated: _____
New York, New York

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Exhibit A

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Project Summary

Shefa School, Inc. (“Shefa”), a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and an affiliated real estate limited liability company (the “Shefa LLC”), are seeking approximately \$60,000,000 in tax-exempt and taxable revenue bonds (the “Bonds”). Proceeds of the Bonds, which are to be issued as qualified 501(c)(3) bonds, together with other funds contributed by Shefa, will be used, as part of a plan of financing, to: (1) finance acquisition costs and the leasehold renovation, furnishing and equipping, of an approximately 76,511 square foot building that will be leased to Shefa, or leased to the Shefa LLC and subleased to Shefa, under a long-term lease, or for which Shefa or the Shefa LLC will own two or more leasehold condominium units, in an existing building located on an approximately 7,330 square foot parcel of land located at 17 West 60th Street, New York, New York (the “Facility”); (2) fund capitalized interest, other capitalizable costs and one or more debt service reserve funds; and (3) pay for certain costs related to the issuance of the Bonds. The Facility will be used by Shefa as a private Jewish day school and will provide educational services for special need students from first grade through grade eight.

Current Location

40 East 29th Street
New York, New York 10016

Project Location

17 West 60th Street
New York, New York 10023

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.
- Approval of waiver of Section 7 of the Build NYC Resource Corporation Private School Policy.

Anticipated Closing

Spring 2021

Impact Summary

Employment	
Jobs at Application:	95
Jobs to be Created at Project Location (Year 3):	40
Total Jobs (full-time equivalents)	135
Projected Average Hourly Wage (excluding principals)	\$41.04
Highest Wage/Lowest Wage	\$70.32/\$17.07

Estimated City Tax Revenues	
Impact of Operations (NPV 30 years at 6.25%)	\$15,098,914
One-Time Impact of Renovation	\$1,218,280
Total impact of operations and renovation	\$16,317,194
Additional benefit from jobs to be created	\$5,461,243

Shefa School, Inc.

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$975,000
NYC Forgone Income Tax on Bond Interest	\$570,530
Corporation Financing Fee	(\$462,500)
Total Cost to NYC Net of Financing Fee	\$1,083,030

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Job in Year 3	\$8,022
Estimated City Tax Revenue per Job in Year 3	\$161,321

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$705,000
NYS Forgone Income Tax on Bond Interest	\$2,146,454
Total Cost to NYS	\$2,851,454
Overall Total Cost to NYC and NYS	\$3,934,484

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	\$60,000,000	95%
Equity	\$3,000,000	5%
Total	\$63,000,000	100%

Uses	Total Amount	Percent of Total Costs
Leasehold	\$8,000,000	13%
Hard Costs	\$35,000,000	56%
Soft Costs	\$4,000,000	6%
Furnishings & Equipment	\$3,000,000	5%
Debt Service Reserve Funds	\$4,000,000	6%
Capitalized Interest	\$4,000,000	6%
Costs of Issuance	\$5,000,000	8%
Total	\$63,000,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	\$462,500	
Bond Counsel	Hourly	
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	\$469,750	\$23,457
Total Fees	\$493,207	

Shefa School, Inc.

Financing and Benefits Summary

Citigroup Global Markets Inc. will serve as underwriter for the Bonds, which will be sold through a limited public offering and will consist of a tax-exempt and a taxable series. The Bonds will have a fixed interest rate and will have an anticipated maturity of not more than 30 years. The Bonds will be secured by a first mortgage on the lease of the Facility, a pledge of net revenues and two debt service reserve funds. Based on an analysis of Shefa's financial statements, there is an expected debt service coverage ratio of 1.25x in 2024.

Applicant Summary

Shefa is a private Jewish day school in Manhattan serving students in grades 1-8 who benefit from a specialized educational environment in order to develop their strengths while addressing their learning challenges. Shefa specifically serves students with language-based learning disabilities who have not yet reached their potential levels of success in traditional classroom settings. Shefa is a pluralistic community school serving families across the range of Jewish involvement and observance. Shefa is a New York institution which opened in 2014 with 24 students. The original location was the Lincoln Square Synagogue on Manhattan's Upper West Side and then Shefa moved to its current location on East 29th Street in 2016 (where it has grown to 172 students) and with continued growth will be moving to its new and permanent location at 17 West 60th Street. Shefa is committed to providing a specialized education to a diverse community.

Not only is Shefa filling a need for these students, but The Shefa Center ("the Center"), which was recently established, focuses on training teachers to better serve their students' struggles. The Center's mission is to make a significant impact on the field by training hundreds of teachers, who will impact thousands of students with learning disabilities enabling them to grow and flourish in their local mainstream Jewish day schools. The Center will be a hub for professional development, consultation, partnership, and training designed to empower and equip Jewish educators and catalyze change in Jewish day schools. The Center will not only function as a "lab school," but also as a training ground for Jewish special educators, who can serve students at Shefa and elsewhere, creating a much-needed talent pipeline. With the Center permanently ensconced in its own dedicated space in the new Facility, programming will be expanded to serve more educators and administrators, offering more opportunities for convenings, and adding a resource library. The Center will also utilize technology to share programming more broadly.

Shefa plans to grow enrollment to 325 students over the next few years and will exclusively occupy the Facility. It will be a "vertical campus" with the Lower School situated on the lower floors and the Middle School on the upper floors. The Shefa Center and a combined gymnasium and auditorium will also be housed within the Facility. Administrative offices and conference rooms will be housed on the ground floor, whose look and feel reflects the building's historic pedigree. The cafeteria, which will feature a full catering kitchen capable of feeding all students and faculty, will be located in the basement. The Facility will feature state-of-the-art technology to best serve students' needs. The Facility will have sufficient space for 25 homerooms which will each have a separate breakout room for smaller group instruction. There will also be six specialized classrooms for science, art and musical instruction and a rooftop playground.

Simon Shemia, Chairman of Board of Trustees

Mr. Shemia has served as Board Chairman for Shefa since July 2018 and has been a member of the Board of Trustees since 2016. He is also the proud parent of a student from Shefa's inaugural graduating class. Mr. Shemia serves as the CEO of Honor Health Network, a company that owns and operates home care companies throughout the Northeast. Prior to joining Honor Health Network, Mr. Shemia served as the Chief Operating Officer & Executive VP for Girling Health Care of NY, a provider of home care services. In addition, Mr. Shemia previously served as Executive Vice President for Business and Legal Affairs at Home Health Care Services of New York. Mr. Shemia holds a B.S. degree from Brooklyn College.

Shefa School, Inc.

Ilana Ruskay-Kidd, Founder and Head of School

Ms. Ruskay-Kidd founded Shefa in 2013. As Head of School, she serves as the leader to the Shefa community, including former and current parents; students; faculty and administration; and all community constituencies. She oversees the administrative team including daily operations of the School's educational mission. Ms. Ruskay-Kidd oversees the development of curriculum, leads the team around School growth and serves as the direct liaison between the School and the School board. She works to attract and support teachers who are committed to the educational standards that the School maintains and provide opportunities for teachers to engage in professional development. She also is the principal fundraiser engaged in work to fund the School's financial needs.

Previously, Ms. Ruskay-Kidd served as the Director of The Saul and Carol Zabar Nursery School at the Jewish Community Center (JCC) in Manhattan. Prior to being named to this position, she served first as Director of Young Families and then as the Senior Director of Family Life, both at the JCC. Ms. Ruskay-Kidd began her teaching career at Central Park East School in Harlem and then became a founding teacher of the Ella Baker School in Manhattan. She went on to develop Early Childhood curricula for the Children's Aid Society, Head Start and private nursery schools throughout New York City. Ms. Ruskay-Kidd holds a master's degree in education from Bank Street College and a B.A. degree from Harvard College.

James Halliday, Chief Financial Officer

Mr. Halliday joined Shefa in 2016 as Director of Finance and Operations and was promoted to Chief Financial Officer in 2020. He oversees the School's financial operations including budget planning, financial reporting, treasury and audit functions. Previously, he served as the Assistant Business Director for the Eagle Hill School in Greenwich, Connecticut and has held various investment research and finance positions prior to his work in school business management. Mr. Halliday holds an M.B.A. from the University of Notre Dame and a B.A. degree from Fordham University.

Employee Benefits

Employee benefits include healthcare, employer contributions for retirement plans, professional development stipends, workers compensation, short & long-term disability insurance, flexible spending accounts and paid family leave.

Recapture

The Mortgage Recording Tax benefit is subject to a ten-year recapture period.

SEQRA Determination

Unlisted action which, if implemented, will not potentially result in significant environmental impacts. Staff recommends the Board adopt a Negative Declaration for this project. The completed Environmental Assessment Form for this project has been reviewed and signed by Corporation staff.

Waiver from Section 7 of Build NYC Private School Policy

Shefa is requesting a waiver from Section 7 of the Build NYC Private School Policy requiring that Private Schools with maximum tuition greater than the Build NYC Tuition Threshold (currently \$16,150) meet certain financial aid requirements. The Corporation's Private School Policy provides that the Board may approve a waiver of Section 7 of the Policy in the case of higher tuition rates for special needs students due to higher expenses to serve such students. The highly specialized nature of education and the low student to teacher ratio (3:1) means that student tuition is \$66,000 per year, which is in line with other independent schools in our area that serve students with language-based learning disabilities. Tuition is set annually by the Board of Trustees and typically increases 3-5% per year. There are no additional required fees on an annual basis other than tuition.

Regarding tuition reimbursement, the Individuals with Disabilities Education Act (IDEA) gives parents the right to obtain funding for special education if their local school district fails to offer their child an appropriate public-school program. Every child is entitled to a "free and appropriate public education." In order to be eligible for

Shefa School, Inc.

reimbursement, a family must successfully argue that the school district has failed to provide this for their child and so the family had to place the student at Shefa. Virtually all families are successful at securing tuition funding, usually by settling with the New York City Department of Education (“NYCDOE”). Over the last seven years, nearly 100% of Shefa families who sought reimbursement through the Impartial Hearing Process have been successful. Shefa works closely with each family's educational attorney to provide all required documents in a timely fashion, to report on the child's special education needs at Individualized Education Program meetings, and, when needed, to testify at impartial hearings

Due Diligence

The Corporation conducted a background investigation of Shefa and its principals and found no derogatory information.

Compliance Check:	N/A
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Private School Policy:	To be compliant with Facilities Sharing, seeking exemption from scholarship requirements.
Affordable Care Act:	ACA Coverage Offered
Bank Account:	Bank Leumi JPMorgan Chase
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	N/A
Unions:	N/A
Background Check:	No derogatory information was found.
Attorney:	Patrick O’Sullivan, Esq. Herrick Feinstein LLP Two Park Avenue New York, New York 10016
Accountant:	Jonathon Spero Billet, Feit & Preis, PC 42 Broadway, Suite 1815 New York, New York 1004
Community Board:	Manhattan, CB 7



November 10, 2020

Mr. Krishna Omolade
Deputy Executive Director
NYCIDA and Build NYC Resource Corporation
New York City Economic Development Corporation
One Liberty Plaza
New York, NY 10006

Re: Application for refinancing / new money through the Build NYC Resource Corp. / Not-For-Profit Bond Program on behalf of The Shefa School

Dear Mr. Omolade:

The Shefa School is a Jewish community day school in Manhattan serving students in grades 1-8 who benefit from a specialized educational environment in order to develop their strengths while addressing their learning challenges. The School specifically serves students with language-based learning disabilities who have not yet reached their potential levels of success in traditional classroom settings. Shefa is a pluralistic community school serving families across the range of Jewish involvement and observance.

At its heart, The Shefa School is a New York institution which opened in 2014 with 24 students. The original location was the Lincoln Square Synagogue on Manhattan's Upper West Side and then Shefa moved to a location on East 29th Street in 2016 (where it has grown to 172 students) and with continued growth will be moving to its new and permanent location at 17 West 60th Street. The School is committed to providing a specialized education to a diverse community. Not only is Shefa filling a need for these students, but The Shefa Center also focuses on training teachers to better serve their students' struggles. The trained teachers work not only at Shefa, but throughout the New York metropolitan area as well.

In the application plan of finance, The Shefa School proposes the issuance of Series 2021 tax-exempt bonds in the estimated amount of \$54 million and not to exceed an amount of \$60 million to finance the renovation, furnishing and up to three years of pre-paid rent for the new facility, which will be subject to a 99-year ground lease.

But for lower tax-exempt interest rate and other ancillary benefits offered by a Build NYC financing, the School would not be in a position to affordably finance the renovation of its new space. Further, the tax-exempt bond structure allows other cashflow to be used to grow and ensure the School's mission and results in the maintenance of existing full- and part-time jobs and future sustainable workforce growth to match student headcount growth.

Thank you for your time and consideration in reviewing The Shefa School's application. The team looks forward to working with you.

Very truly yours,

Ilana Buskay-Kidd

Founder and Head of School
The Shefa School

James Halliday

Chief Financial Officer
The Shefa School

Exhibit B

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Resolution approving the financing and refinancing of a certain facility for Shefa School, Inc. and, if created, a related limited liability company, and authorizing the issuance and sale of approximately \$60,000,000 Revenue Bonds (Shefa School, Inc. Project), Series 2021A and Series 2021B (Taxable) 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, Shefa School, Inc., a New York not-for-profit education corporation (the “School”), and, if created, a related New York limited liability company of whom the School is the sole member (the “Shefa LLC”), entered into negotiations with officials of the Issuer with respect to the financing of acquisition costs and the leasehold renovation, and the furnishing and equipping, of an approximately 76,511 square foot building to be leased to the School (or leased to Shefa LLC and subleased to the School) under a long-term lease, or for which the School or Shefa LLC will own two or more leasehold condominium units, located on an approximately 7,330 square foot parcel of land located at 17 West 60th Street, New York, New York (the “Facility”), to be used by the School as a private Jewish day school and for the School to provide educational services for special need students from first grade through grade eight (the “Project”); and

WHEREAS, the School 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 School, including the following: that the School is a Jewish community day school in Manhattan serving students in grades first through eighth who benefit from a specialized educational environment in order to develop their strengths while addressing their language-based learning disabilities; that the School is a pluralistic community school serving families across the range of Jewish involvement and observance; that the School first opened in 2014 with 24 students, and now serves 172 students and employs 84 faculty and staff; that the School also trains teachers who teach throughout the City to assist students with language-based learning disabilities; that

the School is currently leasing its location at 340 East 29th Street, New York, New York; that in order to expand and grow, the School desires to enter into a 99-year lease (either directly or through Shefa LLC) of the Facility from the owner thereof, to subject the lease to a leasehold condominium regime, and to renovate, furnish and equip the Facility and thereby provide a permanent home for the School; that the School anticipates employing at the Facility within the first three years after completion of the Project approximately 131 full-time equivalent employees and 8 part-time employees; that, but for the lower tax-exempt interest rate and other financial assistance of the Issuer, the School would not be in a position to affordably finance the renovation of its new space; that the Issuer's financial assistance will free cashflow of the School to be used to grow and ensure the School's mission and result in the maintenance of existing jobs and future sustainable workforce growth to match student headcount growth; and that, therefore, the Issuer's financing assistance is necessary to assist the School and the Shefa LLC 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 (Shefa School, Inc. Project), Series 2021A and Series 2021B (Taxable) in the aggregate principal amount of approximately \$60,000,000 (or such greater principal amount not to exceed \$66,000,000) (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 U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Issuer intends to loan the proceeds of the Bonds to the School and/or Shefa LLC, if created (to be finally determined by Certificate of Determination), pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and each of the School and Shefa LLC (if created), and the School and/or Shefa LLC will execute one or more promissory notes in favor of the Issuer (and endorsed by the Issuer to the Trustee) (collectively, the "Promissory Notes") to evidence the obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by (i) one or more mortgages from Shefa LLC and/or the School, as mortgagors, to the Issuer and the Trustee, as mortgagees, pursuant to which (y) Shefa LLC, if created, will mortgage the lease from the landlord of the Facility building (the "Landlord") to Shefa LLC, and the lease from Shefa LLC, if created, to the School, and (z) the School will mortgage its lease from Shefa LLC or the Landlord, as applicable, to the School (collectively, the "Mortgage and Security Agreements"), which Mortgage and Security Agreements will be assigned by the Issuer to the Trustee pursuant to one or more assignments of mortgage and security agreements (the "Assignments of Mortgage and Security Agreements"), (ii) one or more assignment of leases and rents from Shefa LLC, if created, and the School, as assignors, to the Issuer and the Trustee, as assignees (the "Assignments of Leases and Rents"), which Assignments of Leases and Rents will be assigned by the Issuer to the Trustee pursuant to one or more assignments of assignments of leases and rents (the "Assignments of ALR"), and (iii) a general revenue pledge by the School and, if created, Shefa LLC, pursuant to a Pledge and Security Agreement from the School and Shefa LLC to the Trustee (the "Pledge and 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 School and, if created, Shefa LLC, 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 Notes.

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 fully registered bonds in one or more tax-exempt and taxable series, 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 semi-annually as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest at annual fixed rates (such final rates to be determined by the Certificate of Determination), shall be subject to optional and mandatory redemption and tender as provided in the Indenture and shall be payable as provided in the Indenture until the payment in full of the principal amount thereof, all as set forth in the Bonds. The Tax-Exempt Bonds shall bear interest payable semi-annually at annual rates of interest not to exceed 8%, and shall mature approximately 30 years following their date of issuance (such final interest rates, principal amount and maturity to be determined by the Certificate of Determination). The Taxable Bonds shall bear interest payable semi-annually at annual rates of interest not to exceed 10%, and shall mature approximately 30 years following their date of issuance (such final interest rates, principal amount and maturity to be determined by the Certificate of Determination).

The provisions for signatures, authentication, payment, delivery, redemption 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 Notes 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 Funds, the Debt Service Reserve Funds, the Project Funds, the Renewal 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 Security Agreements, the Assignments of Leases and Rents and the Pledge and Security Agreement.

Section 5. The Bonds are authorized to be sold to Citigroup Global Markets Inc. or an affiliate thereof, as underwriter or placement agent (or such other or additional banking firm or firms as shall be approved by Certificate of Determination) (the “Investment Bank”), or placed by the Investment Bank with such institution(s) as shall be approved by the Certificate of Determination, in each case at such purchase price as shall be approved by the Certificate of Determination.

Section 6. The execution, as applicable, and delivery of the Indenture, the Loan Agreement, the endorsement of the Promissory Notes to the Trustee, a Preliminary Official Statement or Preliminary Limited Offering Memorandum with respect to the Bonds (the “Preliminary Offering Statement”), a final Official Statement or Limited Offering Memorandum with respect to the Bonds (the “Offering Statement”), a Bond Purchase Agreement or Bond Placement Agreement among the School, Shefa LLC (if created), the Issuer and the Investment Bank, a Letter of Representation and Indemnity Agreement from the School and Shefa LLC (if created) to the Issuer, the Trustee and the Investment Bank, the Assignment of Mortgage and Security Agreements, the Assignments of ALR, and a Tax Regulatory Agreement from the Issuer, the School and, if created, Shefa LLC, 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. The Issuer hereby authorizes the distribution of the Preliminary Offering Statement and the Offering Statement with respect to the Bonds to prospective purchasers of the Bonds.

Section 8. 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 9. 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 10. The Issuer is hereby authorized to cause the School and, if created, Shefa LLC, 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 School and Shefa LLC are authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the School 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 School for such purpose or for any other purpose.

Section 11. 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 School. By accepting this Resolution, the School agrees to pay such expenses and further agree 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 12. In connection with the Project, the Issuer intends to grant the School and Shefa LLC (if created) financing assistance in the form of the issuance of the Bonds and exemptions or deferrals of mortgage recording tax.

Section 13. Any qualified costs incurred by the School or Shefa LLC (if created) 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 14. 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 School and such other information as the Issuer has deemed necessary and appropriate to make this determination.

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 would not result in a substantial adverse change in existing traffic, air quality or noise levels. The School population and employees are expected to use public transit to travel to and from the proposed Facility.

2. The proposed Project would not result in significant adverse impacts on cultural, archeological, 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 use would be as-of-right under zoning.

5. A Phase 1 Environmental Site Assessment dated November 6, 2020 identified no Recognized Environmental Conditions. Furthermore, the Project will not involve soil disturbance and therefore there is no expected environmental impact from the Project.

No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 15. This Resolution is subject to the approval of a private investigative report with respect to the School and, if created, Shefa LLC, 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 11 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 School shall be continuing to take affirmative steps to secure financing and refinancing for the Project.

Section 16. 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 17. 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 (including, without limitation, the elimination of Shefa LLC from the financing structure) 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 18. This Resolution shall take effect immediately.

ADOPTED: January 19, 2021

SHEFA SCHOOL, INC.

By: _____

Name:

Title:

Accepted: _____, 2021