

Date: November 26, 2013

At a meeting of The Town of Babylon L.D. Corporation II (the “**Issuer**”), held at 816 Deer Park Avenue, North Babylon, New York 11703, on the 26th day of November, 2013, the following members of the Issuer were:

Present: Patrick Halpin
Sandra Thomas
Ramon Accettella, Jr
John Shepard
Rosemarie Dearing
Chris Ferencsik
William Bogardt

Excused Absence: Paulette Moses

Also Present: Robert Stricoff
Nancy Engelhardt
Matthew McDonough
John Braslow

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Issuer’s proposed Tax-Exempt Revenue Bonds, Series 2013A (2013 Dominican Village, Inc. Project), in the aggregate principal amount of not to exceed \$18,500,000 and the Issuer’s proposed Taxable Revenue Bonds, Series 2013B (2013 Dominican Village, Inc. Project) in the aggregate principal amount of not to exceed \$450,000.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Patrick Halpin
Sandra Thomas
Ramon Accettella, Jr
John Shepard
Rosemarie Dearing
Chris Ferencsik
William Bogardt

Voting Nay

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S TAX-EXEMPT REVENUE BONDS, SERIES 2013A (2013 DOMINICAN VILLAGE, INC. PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT OF \$18,500,000 AND THE ISSUER'S TAXABLE REVENUE BONDS, Series 2013B (2013 DOMINICAN VILLAGE INC., PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$450,000.

WHEREAS, pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law, as amended (collectively, the "**Act**"), The Town of Babylon L.D. Corporation II (the "**Issuer**") was created with the authority and power to issue its revenue bonds for the purpose of, among other things, acquiring and refinancing certain facilities as authorized by the Act; and

WHEREAS, Dominican Village, Inc., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), which is exempt from federal income taxation pursuant to Section 501(a) of the Code (the "**Organization**"), submitted an application to the Issuer requesting the Issuer issue its Tax-Exempt Revenue Bonds, Series 2013A (2013 Dominican Village, Inc. Project) in the aggregate principal amount of not to exceed \$18,500,000 (the "**Series 2013A Bonds**") and its Taxable Revenue Bonds, Series 2013B (2013 Dominican Village, Inc. Project) in the aggregate principal amount of not to exceed \$450,000 (the "**Series 2013B Bonds**", and together with the Series 2013A Bonds, the "**Series 2013 Bonds**"), the for the benefit of the Organization for the purpose of providing funds in an amount sufficient for the purposes of

(a) refunding the portion of the outstanding principal amount of the New York State Housing Finance Agency Multi-Family Revenue Bonds (Secured Mortgage Program), Series B Refunding (the "**Refunded Bonds**") allocable to financing and refinancing a senior housing complex consisting of 6 buildings aggregating 328,000 square feet (the "**Facilities**"), (b) refunding a loan made by the New York State Housing Finance Agency (the "**HFA Loan**") for the purpose of funding a portion of the cost of renovating, expanding and equipping an existing building for use as an event hall and conference center, which is part of the Facilities, (c) funding a debt service reserve fund for the Series 2013 Bonds and (d) paying the costs of issuance of the Series 2013 Bonds (collectively, the "**Project**"). The Facilities, all of which are complete and in operation, consist of 266 residential units (200 independent living units and 66 assisted living units), together with related support facilities (including common areas for socialization, café and convenience shop, dining area, lounge/bar, laundry room, game room, library, medical suite, hair salon, event hall and conference center, gardens and patios, and off-street parking).

WHEREAS, the Issuer, by resolution duly adopted on September 24, 2013, took official action under the provisions of the Act to issue the Series 2013 Bonds for the purpose of financing and refinancing the Refunded Bonds; and

WHEREAS, the Issuer has proposed to loan the proceeds of the Series 2013 Bonds to the Organization pursuant to the terms of a Loan Agreement (as hereinafter defined), whereby the Organization will be obligated, among other things, to make loan payments to or for the account of the Issuer in amounts and at times so that such loan payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2013 Bonds; and

WHEREAS, in addition to the issuance of the Series 2013 Bonds, the Issuer contemplates that it will provide financial assistance to the Organization in connection with the Project in the form of exemptions from mortgage recording taxes in connection with the financing or subsequent refinancing of the Project, consistent with the policies of the Issuer; and

WHEREAS, a public hearing was held on November 18, 2013, to hear all persons with views in favor of and/or opposed to the issuance of the Series 2013 Bonds, the Project, and the other financial assistance contemplated by the Issuer; and

WHEREAS, public notice of the hearing was given on November 1, 2013, as required by Section 147(f) of the Code and such notice complied with all requirements of the Code; and

WHEREAS, by Certificate of Approval to be executed prior to the issuance of the Series 2013 Bonds by the Honorable Richard Schaffer, Town Supervisor of Suffolk County, New York, the "applicable elected representative" as required under Section 147(f) of the Code will have approved the issuance of the Series 2013A Bonds; and

WHEREAS, the Organization has received a commitment from Gates Capital Corporation (the "**Placement Agent**") to privately place the Series 2013 Bonds, in one or more series, with one or more purchasers; and

WHEREAS, the Organization has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the issuance of the Series 2013 Bonds and the financing of the Project.

NOW, THEREFORE, BE IT RESOLVED by The Town of Babylon L.D. Corporation II (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Issuer hereby finds and determines:

(a) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The (i) the financing and refinancing of the Project, and (ii) the lending of the proceeds of the Series 2013 Bonds pursuant to the Loan Agreement will promote and

maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Babylon and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) It approves of the location of the site of the Facility; and

(d) Based upon representations and warranties of the Organization, the Facility conforms with the local zoning laws and planning regulations of the Town of Babylon, Suffolk County and all regional and local land use plans for the area in which the Facility is located; and

(e) The financing of the Project is reasonably necessary to induce the Organization to maintain its operations within the State of New York; and

(f) The Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, Suffolk County or the Town of Babylon; and

(g) It is desirable and in the public interest for the Issuer to issue and sell the Series 2013A Bonds, in one or more series, in an aggregate principal amount not to exceed \$18,500,000 and the Series 2013B Bonds, in one or more series in an aggregate principal amount not to exceed \$450,000, upon the terms and conditions set forth in a certain Bond Placement Agreement, to be dated a date to be determined (the "**Bond Placement Agreement**"), by and among the Issuer, the Placement Agent and the Organization for the purpose of (i) financing the Project, (ii) funding the Debt Service Account within the Debt Service Reserve Fund equal to the Debt Service Reserve Requirement with respect to the Series 2013 Bonds, and (iii) financing necessary incidental expenses in connection therewith; and

(i) The Indenture of Trust, dated as of December 1, 2013, or such other date as the Chairman and Bond Counsel agree (the "**Indenture**"), between the Issuer and The Bank of New York, Mellon, as trustee (the "**Trustee**"), will be an effective instrument which, among other things, secures the Series 2013 Bonds, assigns to the Trustee certain rights and remedies of the Issuer under the Loan Agreement, and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(j) The Loan Agreement, dated as of December 1, 2013 (the "**Loan Agreement**"), by and between the Organization and the Issuer, will be an effective instrument whereby the Issuer will loan the proceeds of the Series 2013 Bonds to the Organization; and

(k) The Leasehold Mortgage and Security Agreement, dated as of December 1, 2013 (the "**Mortgage**"), from the Organization to the Issuer and the Trustee, will be an effective instrument whereby the Issuer will secure the loan of the proceeds of the Series 2013 Bonds to the Organization; and

(l) The Assignment of Mortgage and Security Agreement, dated as of December 1, 2013 (the "**Mortgage Assignment**"), from the Issuer to the Trustee, will be

an effective instrument whereby the Issuer assigns to the Trustee certain of the Issuer's rights and remedies under the Mortgage; and

(m) One or more Promissory Notes, dated the Closing Date (collectively, the "**Series 2013 Note**"), from the Organization to the Issuer, and endorsed by the Issuer to the Trustee, will be an effective instrument evidencing the Organization's obligation to make loan payments to the Issuer; and

(n) The Bond Purchase and Continuing Covenants Agreement, dated as of December 1, 2013, or such other date as the Chairman and Bond Counsel agree (the "**Bond Purchase and Continuing Covenants Agreement**"), by and among the Organization and the Israel Discount Bank of New York, as an initial purchaser of the Series 2013 Bonds ("**IDB Bank**"), will be an effective instrument whereby the parties agree upon the sale of the Series 2013 Bonds to IDB Bank and certain covenants and obligation of the Organization to IDB Bank; and

(o) The Tax Certificate as to Arbitrage, dated the Closing Date, by and between the Organization and the Issuer (the "**Tax Certificate**"), will be an effective instrument whereby the Organization and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, the Project, the activities of the Organization, the Series 2013 Bonds issued on a tax-exempt basis and the application of bond proceeds of such Series 2013 Bonds; and

(p) The proposed form of the Private Placement Memorandum (the "**Private Placement Memorandum**"), to be distributed by the Placement Agent in connection with the sale and issuance of the Series 2013 Bonds, contains true and accurate information regarding the ability of the Issuer to issue the Series 2013 Bonds, and the information contained therein regarding the Issuer, the Series 2013 Bonds, the Bond Placement Agreement, the Indenture, the Mortgage, the Mortgage Assignment, the Series 2013 Note, the Bond Purchase and Continuing Covenants Agreement, and the Loan Agreement, is hereby approved; and

Section 3. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2013 Bonds to the Initial Purchasers, pursuant to and in accordance with the Bond Placement Agreement and the Bond Purchase and Continuing Covenants Agreement (ii) use the proceeds of the Series 2013 Bonds to refinance the Refunded Bonds and the HFA Loan, the proceeds of which were used to, among other things, construct, reconstruct, renovate, expand, equip and furnish the Facility, (iii) fund, with respect to the Series 2013 Bonds, the Debt Service Reserve Account within the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement, (iv) pay a portion of the costs of issuance for the Series 2013 Bonds to the extent allowable under the Code, (v) loan the proceeds of the Series 2013 Bonds to the Organization pursuant to the Loan Agreement, (vi) secure the proceeds of the Series 2013 Bonds pursuant to the Mortgage and the Mortgage Assignment and grant a mortgage recording tax exemption with respect thereto, (vii) secure the Series 2013 Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by

assigning to the Trustee certain of the Issuer's rights and remedies under the Loan Agreement, the Mortgage, and the Promissory Note, and (viii) file the Information Return for Private Activity Bond Issues, Form 8038 (the "**Information Return**") in the manner and at the places provided in the Code.

Section 4. The Issuer is hereby authorized to loan the proceeds of the Series 2013 Bonds pursuant to the terms of the Loan Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such loan are hereby approved, ratified and confirmed.

Section 5. The form and substance of the Series 2013 Bonds, the Bond Placement Agreement, the Indenture, the Loan Agreement, the Mortgage, the Mortgage Assignment, the Tax Certificate, the Private Placement Memorandum and the Information Return (each in substantially the form presented to the Issuer and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 6. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2013 Bonds in one or more series, pursuant to the Act and in accordance with the Bond Placement Agreement and the Indenture; provided that:

(a) The Series 2013 Bonds shall (i) be issued, executed and delivered at such time as the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer or the Deputy Executive Director and Chief Financial Officer of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as set forth in the Series 2013 Bonds, the Bond Placement Agreement and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein and provided further that the Series 2013A Bonds and the Series 2013B Bonds shall mature not later than December 31, 2033 and the interest rate on the Series 2013A Bonds shall not exceed 6.0% per annum and the interest rate on the Series 2013B Bonds shall not exceed 7.5% per annum.

(b) The Series 2013 Bonds shall be issued solely for the purpose of providing funds to finance, the costs of the Project (as defined in the Indenture), funding, the Debt Service Reserve Account within the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement for any Series 2013 Bonds, and to pay certain costs of issuance, including without limitation the administrative, legal, financial and other expenses of the Issuer incurred in connection with financing of the Project and which are incidental to the issuance of the Series 2013 Bonds.

(c) The Series 2013 Bonds and the interest thereon are not and shall never be a debt of the State of New York or the Town of Babylon, New York, and neither the State of New York nor the Town of Babylon, New York, shall be liable thereon.

(d) The Series 2013 Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived

from the Organization or from the enforcement of the security provided by the Loan Agreement and the Mortgage.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2013A Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the such Series 2013A Bonds, would cause the Series 2013A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 7.

(a) The Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer and all members of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Bond Placement Agreement, the Indenture, the Loan Agreement, the Mortgage, the Mortgage Assignment, the Tax Certificate and the Series 2013 Bonds (hereinafter collectively called the "**Financing Documents**") and the Information Return, and, where appropriate, the Secretary or any assistant secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Series 2013 Bonds, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer or any member of the Issuer shall approve. The execution thereof by the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer or any member of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer and all members of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in the Indenture).

(c) The Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer are each hereby authorized on behalf of the Issuer to deem the Private Placement Memorandum final for purposes of Rule 15c-2-12 under the Securities Exchange Act of 1934, as amended, with such changes therein as shall be approved by such officers upon the advice of counsel to the Issuer and Bond Counsel, and such officers shall on behalf of the Issuer authorize and approve the execution, delivery and distribution of the Private Placement Memorandum in connection with the offer and sale of the Series 2013 Bonds.

Section 8. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional agreements, certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting,

desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 9. This resolution shall take effect immediately and the Series 2013 Bonds are hereby ordered to be issued in accordance with this resolution.

