

RESOLUTION OF THE BABYLON L.D. CORPORATION II TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF ITS REVENUE BONDS FOR THE PURPOSE OF REFINANCING THE CONSTRUCTION AND EQUIPPING OF CERTAIN HOUSING FACILITIES IN THE TOWN OF BABYLON, SUFFOLK COUNTY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT THERETO AND REQUESTING TOWN OF BABYLON TO APPROVE THE ISSUANCE OF THE BONDS.

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**") and exempt from federal income taxation pursuant to Section 501(a) of the Code (the "**Organization**"), has requested that the Babylon L.D. Corporation II (the "**Issuer**") issue its Revenue Bonds, Series 2013A (2013 Dominican Village Project) in the aggregate principal amount of approximately \$18,300,000 (the "**Series 2013A Bonds**") and its Revenue Bonds, Series 2013B Federally Taxable (2013 Dominican Village Project) in the aggregate principal amount of approximately \$300,000 (the "**Series 2013B Bonds**" and together with the Series 2013A Bonds, the "**Series 2013 Bonds**" or the "**Initial Bonds**") for the purposes of:

(a) refinancing the outstanding New York State Housing Finance Agency ("**NYSHFA**") 2004 Phase 1 Bonds (the "**NYSHFA Series 2004 Phase 1 Bonds**"), which were issued for the purpose of refunding the 1993 NYSHA Mortgage originally issued to finance the construction and equipping of the initial 116 unit housing complex located on the Dominican Campus located in Amityville, New York (the "**Initial Facility**"); and

(b) refinancing the outstanding NYSHFA 2004 Phase 2 Bonds (the "**NYSHFA Series 2004 Phase 2 Bonds**" and, together with the NYSHFA Series 2004 Phase 1 Bonds, the "**NYSHFA Bonds**"), which were issued for the purpose of refunding the 1995 NYSHA Mortgage originally issued to finance the construction and equipping of an additional 150 housing units also located on the Dominican Campus located in Amityville, New York (the "**Additional Facility**" and, together with the Initial Facility, the "**Facility**"); the projects to be refinanced as described in Sections (a) and (b) above, are referred to collectively as the "**Project**"; and

WHEREAS, the proceeds of the Series 2013 Bonds will be loaned by the Issuer to the Organization to provide funds for the refinancing of the NYSHFA Bonds and provide funds to pay the costs and expenses of the issuance of the Series 2013 Bonds, pursuant to Section 1411 of the New York Not-For-Profit Corporation Law (collectively, the "**Act**"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its revenue bonds to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; 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 of the Project, consistent with the policies of the Issuer, to be more particularly described in a Bond Resolution to be adopted by the Issuer prior to the issuance of the Series 2013 Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Series 2013A Bonds will not be excluded from gross income for federal income tax purposes unless the issuance of the Tax-Exempt Series 2013 Bonds is approved by the “applicable elected representative” of the Town of Babylon (the “Town”) after a public hearing has been held on the Project and the issuance of the Series 2013A Bonds; and

WHEREAS, prior to the issuance of the Series 2013 Bonds, public notice of the hearing will be given as required by Section 147(f) of the Code, such notice will comply with all requirements of the Code; and

WHEREAS, a public hearing will be held to hear all persons with views in favor of or opposed to the issuance of the Series 2013 Bonds, the Project, and the other financial assistance contemplated by the Issuer, can be heard; and

WHEREAS, the Organization reasonably expects that it will pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Series 2013 Bonds for the Project; and

WHEREAS, the Organization will use funds from sources other than the proceeds of the Series 2013 Bond which are or will be available on a short-term basis to pay for a portion of the cost of the Project; and

WHEREAS, the Organization reasonably expects that it will reimburse itself for the use of such funds with proceeds of indebtedness to be issued by the Issuer to finance or refinance the costs of the Project; and

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

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

Section 1. (a) The undertaking of the Project by the Issuer, through the issuance of the Series 2013 Bonds pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote and maintain the job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;

(b) It is desirable and in the public interest for the Issuer to issue the Series 2013 Bonds for the purposes of financing the costs of the Project, together with necessary incidental expenses in connection therewith as reflected in the Organization's application to the Issuer, as amended from time to time prior to the issuance of the Series 2013 Bonds. The currently estimated aggregate principal amount of the Series 2013 Bonds to be issued is presently estimated to be approximately \$18,600,000 but not to exceed \$20,460,000.

Section 2. Subject to the approval of the issuance of the Series 2013 Bonds by the Town Supervisor of the Town of Babylon, the adoption of a final authorizing resolution by the Issuer and the compliance with any other applicable provisions of the Code, the Issuer shall (i) issue the Series 2013 Bonds in an amount and with maturities, an interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) loan the proceeds of the Series 2013 Bonds to the Organization pursuant to the terms of a Loan Agreement 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 (iii) secure the Series 2013 Bonds in such manner as the Issuer, the Organization and the Initial Purchasers of the Series 2013 Bonds mutually deem appropriate.

Section 3. The Organization is hereby authorized to undertake the financing of the Project with the Series 2013 Bonds.

Section 4. To the extent the Organization has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Project with current funds, it reasonably expects to reimburse itself with proceeds from the Series 2013 Bonds.

Section 5. The law firm of Winston & Strawn LLP is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Series 2013 Bonds.

Section 6. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Organization and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Series 2013 Bonds.

Section 7. The Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer and the Deputy Executive Director and Chief Financial Officer of the Issuer are hereby authorized and directed (i) to distribute copies of this resolution to the Organization, (ii) to request the Town Supervisor of the Town of Babylon to approve the issuance of the Series 2013 Bonds following the Public Hearing, and (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8. This resolution shall take effect immediately and shall be continuously available for inspection by the general public during normal business hours at the Issuer's office.

