

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing in accordance with Section 859-a(2) of the General Municipal Law of the State of New York and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Otsego County Capital Resource Corporation (the "Issuer") on the 10th day of May, 2016 at 4:00 o'clock p.m., local time, in the Events Room at the Springbrook Oneonta Campus locate at 5588 State Highway 7 in the Town of Oneonta, Otsego County, New York, in connection with the following matters:

Springbrook NY, Inc., a not-for-profit corporation duly organized and existing under the laws of the State of New York (the "Borrower"), submitted an application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") for the benefit of the Borrower, said Project consisting of the following:

(A) the financing of a portion of the costs of

(1) with respect to the Borrower's main campus located at 105 Campus Drive (tax map no. 242.00-1-21.01 and 242.00-1-22.00) in the Town of Milford, Otsego County, New York (the "Main Campus Land"),

(a) the construction of four (4) buildings containing in the aggregate approximately 25,700 square feet of space (collectively, the "Main Campus New Facility") and

(b) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Main Campus Existing Facility" and sometimes with the Main Campus New Facility, referred to as the "Main Campus Facility") and

(2) with respect to the Borrower's campus located at 5588 State Highway 7, Southside Drive and 6 Spencer Drive (tax map nos. 289.00-1-42.01, 289.00-1-44.04, 300.00-3-43.00 and 287.19-1-58.00, respectively) in the Town of Oneonta, Otsego County, New York (collectively, the "Oneonta Land") (the Main Campus Land and the Oneonta Land being sometimes referred to as the "Land"),

(a) the construction of an approximately 5,600 square foot building (the "Oneonta New Facility"),

(b) the construction of two (2) additions to contain approximately 700 square feet and approximately 5,500 square feet, respectively, to the buildings constituting a part of the Oneonta Existing Facility (collectively, the "Oneonta Addition," and sometimes with the Oneonta New Facility and the Oneonta Existing Facility, referred to as the "Oneonta Facility"), and

(c) the renovation and reconstruction of various existing buildings and facilities (collectively, the "Oneonta Existing Facility"),

(3) the expansion and the making of improvements to the network infrastructure (collectively, the “Improvements”) of the Main Campus Facility and the Oneonta Facility (collectively, the “Facility”) and

(4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Equipment”) (the Land, the Facility, the Improvements and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute an expansion of the Borrower’s facilities for the provision of educational, residential and clinical services for children and adults diagnosed with intellectual and/or developmental disabilities and related activities;

(B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$10,500,000, and, in any event, not to exceed \$12,500,000 (the “Obligations”);

(C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and

(D) the making of a loan (the “Loan”) of the proceeds of the Obligations to the Borrower or such other person as may be designated by the Borrower and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Issuer with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, and (2) exemption from deed transfer taxes on any real estate transfers with respect to the Project, if any.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the Board of Representatives of Otsego County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and (B) pursuant to Section 145(a) of the Code, all property which is to be provided by the net proceeds of the Obligations is to be owned by a Section 501(c)(3) organization or a governmental unit and at least ninety-five percent (95%) of the net proceeds of the Obligations are used with respect to (1) governmental units and/or (2) the activities of Section 501(c)(3) organizations which do not constitute “unrelated trades or businesses” (as defined in Section 513(a) of the Code) with respect to such Section 501(c)(3) organizations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the proceeds of the Obligations will be loaned by the Issuer to the Institution pursuant to a loan agreement (the “Agreement”) requiring that the Institution or its designee make payments equal to debt service on the Obligations and make certain other payments to the Issuer and (B) the Obligations will be a special obligation of the Issuer payable solely out of certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OTSEGO COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR OTSEGO COUNTY, NEW YORK SHALL BE LIABLE THEREON.**

The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either the location or nature of the proposed Project, the financial assistance being contemplated by the Issuer in connection with the proposed Project or the proposed plan of financing the proposed Project by the issuance from time to time of the Obligations. A copy of the Application filed by the Institution with the Issuer with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Institution. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through its elected Board of Representatives, is necessary in order for the interest on the Obligations to qualify for exemption from federal income taxation.

Additional information can be obtained from, and written comments may be addressed to: Sandy Mathes, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: April 20, 2016.

OTSEGO COUNTY CAPITAL RESOURCE
CORPORATION

BY: /s/ Sandy Mathes
Sandy Mathes, Chief Executive Officer