

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

Notice is hereby given by Otsego County Capital Resource Corporation (the “Issuer”) that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and, as required by the Issuer’s certificate of incorporation, Section 859-a of the General Municipal Law of the State of New York, will be held by the Issuer on the 3rd day of March, 2015 at 11:30 o’clock a.m., local time, in the Klinger Board Room on the fourth floor of Yager Hall at Hartwick College, One Hartwick Drive in the City of Oneonta, Otsego County, New York in connection with the following matters:

Hartwick College, a New York not-for-profit education corporation (the “Institution”), has 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 “Initial Project”) for the benefit of the Institution, said Initial Project consisting of the following: (A)(1) the refinancing and/or refunding of the Issuer’s Tax-Exempt Multi-Mode Revenue Bonds (Hartwick College Refunding Project), Series 2012A in the original aggregate principal amount of \$17,870,000 (the “Series 2012A Bonds”) issued on May 31, 2012, which Series 2012A Bonds were issued to refinance a portion of the following project (the “2012 Project”): (a) the refinancing and/or refunding of the County of Otsego Industrial Development Agency’s (the “Prior Issuer”) Tax-Exempt Civic Facility Revenue Bonds (Hartwick College Project), Series 2002A in the original aggregate principal amount of \$24,590,000 (the “Prior Bonds”) issued on June 24, 2002, which Prior Bonds were issued to finance a portion of the following project (the “Prior Project”): (i) the acquisition of an interest or interests in all or portions of the Institution’s approximately 400 acre campus located on One Hartwick Drive in the City of Oneonta, Otsego County, New York (the “Land”), together with the 28 buildings containing in the aggregate approximately 760,000 square feet of space located thereon (collectively, the “Facility”) and the machinery and equipment located thereon and therein (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), and (ii) the refinancing of certain existing indebtedness incurred by the Institution in connection with the acquisition, construction, reconstruction, renovation and equipping of the Facility and the Equipment, and (b) the refinancing and/or refunding of certain existing indebtedness incurred by or on behalf of the Institution to finance the construction, renovation and equipping of previously completed projects; all of the foregoing constituting an educational facility and other directly and indirectly related activities for use by the Institution; (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, including, without limitation, a restructuring and remarketing of the Prior Bonds, in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Project, together with necessary incidental costs in connection therewith, presently estimated to be approximately \$18,000,000, but in any event not to exceed \$23,000,000 (the “Obligations”); (C) the payment of 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 Institution or such other person as may be designated by the Institution and agreed upon by the Issuer.

The Issuer is considering whether (A) to undertake the Initial Project, (B) to finance the Initial Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Initial Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Initial Project, including exemption from mortgage recording taxes with respect to any documents, if any, recorded by

the Issuer with respect to the Initial Project in the office of the County Clerk of Otsego County, New York or elsewhere.

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 Initial 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 (the "SEQR Act") regarding the potential environmental impact of the Initial Project.

The Issuer will at said time and place hear all persons with views on the location and nature of the proposed Initial Project, the Financial Assistance being contemplated by the Issuer in connection with the proposed Initial Project or the proposed plan of financing the proposed Initial 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 Initial Project, including an analysis of the costs and benefits of the Initial Project, is available for public inspection during business hours at the offices of the Issuer. A transcript or summary report of the hearing will be made available to the directors of the Issuer and to the Board of Representatives of Otsego County, New York. Approval of the issuance of the Obligations by Otsego County, 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: February 11, 2015.

OTSEGO COUNTY CAPITAL RESOURCE
CORPORATION

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