

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 25th day of September, 2018 at 10:00 o'clock a.m., local time at 197 Main Street, 2nd Floor of the County Office Building in the Village of Cooperstown, Otsego County, New York in connection with the following matters:

The Mary Imogene Bassett Hospital, a New York not-for-profit corporation (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 refinancing of a commercial loan, the proceeds of which were used for (1) the refunding of the Issuer's Multi-Mode Refunding Revenue Bonds (The Mary Imogene Bassett Hospital Project), Series 2011B in the original aggregate principal amount of \$19,200,000 (the "Series 2011B Bonds") issued on November 2, 2011, which Series 2011B Bonds were issued to finance a portion of the following project: (a) the refinancing and/or refunding of the County of Otsego Industrial Development Agency Multi-Mode Variable Rate Civic Facility Revenue Bonds (The Mary Imogene Bassett Hospital Project – Letter of Credit Secured), Series 2007A in the aggregate principal amount of \$20,000,000 (the "Series 2007A Bonds"), which Series 2007A Bonds were issued for the purpose of: (i) the acquisition of an interest in a parcel of land located at One Atwell Road, in the Village of Cooperstown, Otsego County, New York (the "Series 2007A Land"), together with a portion of two existing buildings located thereon and more particularly described as follows: (A) an interest in approximately 46,420 square feet of a building commonly referred to as Building 6, and (B) an interest in approximately 200,250 square feet of a building commonly referred to as Building 9 (collectively, the "Series 2007A Facility"); (ii) the renovation and reconstruction of the Series 2007A Facility; (iii) the acquisition and installation therein and thereon of machinery and equipment (the "Series 2007A Equipment") (the Series 2007A Land, the Series 2007A Facility and the Series 2007A Equipment hereinafter collectively referred to as the "Series 2007A Project Facility"); and (iv) payment of issuance costs relating to the Series 2007A Bonds; and (b) the payment of issuance costs relating to the Series 2011B Bonds; (2) the refunding of the Issuer's Tax-Exempt Multi-Mode Revenue Bonds (The Mary Imogene Bassett Hospital Project), Series 2015A in the original aggregate principal amount of \$23,600,000 (the "Series 2015A Bonds") issued on August 21, 2015, which Series 2015A Bonds were issued to finance a portion of the following project: (a) the refinancing and/or refunding, in whole, of the County of Otsego Industrial Development Agency Civic Facility Revenue Bonds (Bassett Healthcare Obligated Group – Outpatient Clinic Project), Series 1998A in the original aggregate principal amount of \$15,000,000 (the "Series 1998A Bonds") and Civic Facility Revenue Bonds (Bassett Healthcare Obligated Group Project), Series 1998B in the original aggregate principal amount of \$14,900,000 (the "Series 1998B Bonds") (collectively, the "Series 1998 Bonds"), which Series 1998 Bonds were issued for the purpose of: (i) the financing and/or refinancing various capital projects located at One Atwell Road in the Village of Cooperstown, Otsego County, New York (the "Series 1998 Facility"), said Series 1998 Facility being operated by the Borrower as an acute care hospital facility, an outpatient clinic and other directly and indirectly related uses; (ii) the acquisition and installation of an electronic medical records system at the Borrower's campus located at One Atwell Road in the Village of Cooperstown, Otsego County, New York (the "Campus") and at an additional facility of the Borrower located at 4773 State Highway 28 in the Town of Hartwick, Otsego County, New York, including, among other things, the replacement of and installation of various computer equipment, computer software systems, software licenses and maintenance/support, special project capability and programming services (collectively, the "Series 1998 Improvements") (the Series 1998 Improvements and

the Series 1998 Facility hereinafter collectively referred to as the “Series 1998 Project Facility”); and (iii) the payment of issuance costs relating to the Series 1998 Bonds; and (b) the payment of issuance costs relating to the Series 2015A Bonds; (B) the acquisition and installation of certain machinery and equipment at the Campus (the “Series 2018 Improvements”) (the Series 2007A Project Facility, the Series 1998 Project Facility and the Series 2018 Improvements hereinafter referred to as the “Project Facility”); (C) 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 not exceed \$65,000,000 but in any event not to exceed \$69,500,000 (the “Obligations”); (D) 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 (E) 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; and

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 (the “Board of Representatives”) 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 Borrower pursuant to a loan agreement (the “Agreement”) requiring that the Borrower 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 and 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 Borrower 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 Borrower. A transcript or summary report of the hearing will be made available to the members of the Issuer and to the Board of Representatives. Approval of the issuance of the Obligations by the County of Otsego, New York, acting through the 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: Jody Zakrevsky, Chief Executive Officer, Otsego County Capital Resource Corporation, 189 Main Street, Oneonta, New York 13820; Telephone: (607) 267-4010.

Dated: August 28, 2018.

OTSEGO COUNTY CAPITAL  
RESOURCE CORPORATION

BY: /s/ Jody Zakrevsky  
Jody Zakrevsky  
Chief Executive Officer