



EDWARD A. DIANA

COUNTY EXECUTIVE

Orange County Industrial Development Agency
255-275 Main Street
County Government Center
Goshen, New York 10924

Re: Orange County Industrial Development Agency
\$4,000,000 Maximum Aggregate Principal Amount
Civic Facility Revenue Bonds (Special Needs Facilities Pooled
Program)

Ladies and Gentlemen:

In accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), you have requested that I, as the chief elected executive officer of Orange County, New York, approve the issuance of the above-referenced Bonds (the "Bonds") by the Orange County Industrial Development Agency (the "Issuer") and the facility to be financed with such Bonds.

In support of your request you have submitted to me a copy of the verified application of Crystal Run Village, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (the "Company"), wherein the Company has requested the Issuer to issue its Civic Facility Revenue Bonds in an amount not to exceed \$4,000,000 to provide funds to undertake a certain project (the "Project"). The Project shall consist of: (A) the refinancing of certain existing taxable indebtedness of the Company originally incurred to finance the costs of (i) acquiring, constructing and equipping of eight 2,000-3,000 square-foot single family homes for the treatment and habilitation of people with developmental disabilities (the "Improvements"), located in Orange County, New York, as follows: Arcadia Road, Goshen; Carter Road, Wawayanda; Depot Street, Pine Bush; Campbell Hall, Hamptonburgh; Jacobs Road, Westtown; Pine Tree Road, Monroe; and Lexington Drive, Newburgh (collectively, the "Improvements") and (ii) the acquisition of in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and together with the Land and the Improvements, the "Facility"); (B) paying certain costs incurred (and to be incurred) in connection with certain capital expenditures associated with the maintenance, upgrade and rehabilitation of portions of the Facility; (C) paying certain costs and expenses

incidental to the issuance of the Bonds (the costs associated with items (A) through (C) above being hereinafter collectively referred to as the "Project Costs"); and (D) the lease (with an obligation to purchase) or sale of the facilities financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

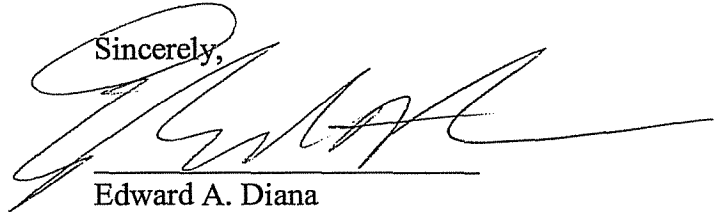
Additionally, you have provided me with the following documents in support of your request: (1) a copy of the notice of public hearing with respect to the Project which was published in the *Times Herald-Record*, a newspaper of general circulation in Goshen, New York, on April 27, 2006, and the affidavit of an employee of such newspaper regarding such publication, (2) a transcript of the public hearing held by the Issuer on May 12, 2006, at the offices of the Issuer, 255-275 Main Street, Goshen, New York, relating to the issuance of the Bonds, (3) a copy of the Initial Resolution adopted by the Issuer with respect to the Project on March 22, 2006, wherein the Issuer determined, in accordance with the State Environmental Quality Review Act ("SEQRA"), that the Project will not have a significant effect on the environment within the meaning of SEQRA, and (4) a copy of the Inducement Resolution adopted by the Issuer with respect to the Project on May 17, 2006, wherein the Issuer took official action toward the issuance for up to \$4,000,000 aggregate principal amount of Bonds for the purpose of financing all or a portion of the Project, certain incidental costs and expenses incurred by the Issuer and the Company in connection therewith and the funding of a debt service reserve bond to secure the Bonds.

After due consideration of the foregoing, as the chief elected executive officer of Orange County, New York and as the "applicable elected representative" within the meaning of Section 147(f)(2)(E) of the Code, I hereby approve the issuance of the Bonds, provided that the principal, premium, if any, and interest on the Bonds, shall be special obligations of the Issuer and shall never be a debt of the State of New York or any political subdivision thereof, including without limitation Orange County, New York, and neither the State of New York nor any political subdivision thereof, including without limitation Orange County, New York, shall be liable thereon.

This approval is given pursuant to Section 147(f) of the Code for the sole purpose of qualifying the interest payable on the Bonds for exclusion from gross income for Federal income tax purposes pursuant to the provisions of Sections 103 and 141-150 of the Code.

Dated: May 15, 2006

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Diana', written over a horizontal line.

Edward A. Diana
County Executive