

December 22, 2016

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**Joel Kleiman**  
- CHIEF FINANCIAL OFFICER

**Kevin T. Dowd**  
- ATTORNEY

To: The Chief Executive Officers of Affected Tax Jurisdictions

Re: **Orange County Industrial Development Agency and The Orange County Funding Corporation – The Sentinel Realty at Port Jervis, LLC Lease/Leaseback Transaction and Bond Issuance (respectively)**

Ladies and Gentlemen:

On Tuesday, January 10, 2017 at 11:00 a.m. local time, in the Meeting Room at the Deerpark Town Hall, 420 Rt. 209, Huguenot, New York 12746, the Orange County Industrial Development Agency (the "Agency") and The Orange County Funding Corporation (the "Issuer") will conduct a joint public hearing regarding the above-referenced project. Attached is a copy of the Notice of Public Hearing describing the project(s) and the financial assistance contemplated by the Agency and the Issuer. The Notice has been submitted to the *Times Herald Record* for publication.

You are welcome to attend such hearing at which time you will have an opportunity to review the project applications and present your views, both orally and in writing, with respect to the project. We are providing this notice to you, pursuant to General Municipal Law Section 859-(a), as the chief executive officer of an affected tax jurisdiction within which the project is located.

By: **ORANGE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY AND  
THE ORANGE COUNTY FUNDING  
CORPORATION**

## AFFECTED TAX JURISDICTION OFFICIALS

### Orange County

Orange County Legislature  
Attn: Chairman  
Orange County Government Center  
15 Matthews Street, Suite 203  
Goshen, New York 10924  
CERTIFIED MAIL RECEIPT #  
7016 0750 0000 1817 4302

Orange County Executive  
Orange County Government Center  
40 Matthews Street  
Goshen, New York 10924  
CERTIFIED MAIL RECEIPT #  
7016 0750 0000 1817 4319

### Town of Deerpark

Town of Deerpark  
Attn: Town Supervisor  
420 Rt. 209  
Huguenot, New York 12746  
CERTIFIED MAIL RECEIPT #  
7016 0750 0000 1817 4326

### Port Jervis City School District

Port Jervis City School District  
Attn: Superintendent  
9 Thompson Street  
Port Jervis, New York 12771  
CERTIFIED MAIL RECEIPT #  
7016 0750 0000 1817 4333

Port Jervis City School District  
Attn: Board President  
9 Thompson Street  
Port Jervis, New York 12771  
CERTIFIED MAIL RECEIPT #  
7016 0750 0000 1817 4340

## **NOTICE OF PUBLIC HEARING ON PROPOSED ISSUANCE OF BONDS**

NOTICE IS HEREBY GIVEN that a joint public hearing pursuant to Article 18-A of the New York General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Orange County Industrial Development Agency (the "Agency") and The Orange County Funding Corporation (the "Issuer") on Tuesday, January 10, 2017, at 11:00 A.M., in the Meeting Room at the Deerpark Town Hall, 420 Rt. 209, Huguenot, New York 12746, in connection with the following matter:

**THE SENTINEL REALTY AT PORT JERVIS, LLC**, on behalf of itself or an entity formed or to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Issuer and the Agency, a copy of which is on file at the offices of the Agency/Issuer, requesting that the Agency/Issuer consider undertaking a project (the "Project") for the benefit of the Company consisting of: (A) the acquisition of an aggregate approximately 7±-acre parcel of land located at 2247 and 40 Greenville Turnpike in the Town of Deerpark, Orange County, New York [TMID Nos.: 57-2-19 and 57-2-20, respectively] (collectively, the "Land") and the existing improvements located thereon consisting principally of an approximately 60,000 square-foot hotel building (the "Existing Improvements"); (B) the renovation of the Existing Improvements and the construction of an approximately 5,000 square-foot addition thereto (collectively, the "Improvements"); (C) the acquisition and installation in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); all to be used by the Company as an assisted living facility; (D) the paying of certain costs and expenses incidental to the issuance of the Bonds (as defined below) (the costs associated with items (A) through (D) above being hereinafter referred to as the "Project Costs"); (E) the financing of all or a portion of the costs of the foregoing by the issuance of its tax-exempt and/or taxable revenue bonds in one or more series in a maximum aggregate principal amount not to exceed \$14,000,000 (the "Bonds"); and (F) the lease or sale of the Agency's interest in the Facility back to the Company.

The Issuer and Agency are contemplating providing financial assistance to the Company with respect to the Project (the "Financial Assistance") in the form of: (1) the issuance by the Issuer of the Bonds in a principal amount not to exceed the lesser of the Project Costs or \$14,000,000; (2) an exemption from all state and local sales and use taxes with respect to the qualifying personal property incorporated into the Facility or used in the acquisition, construction or equipping of the Facility; (3) an exemption from all mortgage recording taxes imposed by the State of New York with respect to any qualifying mortgage on the Facility (or such interest therein as is conveyed to the Issuer) to secure the Bonds to secure the Bonds and/or any other indebtedness incurred by or for the benefit of the Company in connection with the Project; and (4) a partial real property tax abatement, consistent with the policies of the Agency.

If the issuance of the Bonds is approved by the Issuer, the Issuer will loan the proceeds of the Bonds to the Company pursuant to a loan or other similar agreement (the "Agreement") and the Company will operate and manage the Facility during the term of the Agreement.

If the issuance of the Bonds is approved (i) it is intended that interest on any tax-exempt Bonds will be excluded from gross income for Federal income tax purposes, pursuant to Section 103(a) of the Code, (ii) the Agreement shall require the Company to make payments equal to debt service on the Bonds and make certain other payments, and (iii) the Bonds will be special obligations of the Issuer payable solely from certain of the proceeds of the Agreement and certain other assets of the Issuer pledged to the repayment of the Bonds. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ORANGE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ORANGE COUNTY, NEW YORK, SHALL BE LIABLE THEREON.

The Issuer and the Agency will at said time and place provide a reasonable opportunity to all interested persons to present their views, either orally or in writing, on the location and nature of the Facility, the proposed plan of financing for the Facility by the issuance from time to time of the Bonds, or the proposed tax benefits to be afforded the Company in connection with the Project.

This public hearing is being conducted in accordance with Section 147(f) of the Code and subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: December 23, 2016

ORANGE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

THE ORANGE COUNTY FUNDING  
CORPORATION