



May 13, 2014

Honorable Ira M. Steingart
Chairman
Ms. Jennifer Brylinski
Executive Director
Sullivan County Funding Corporation
1 Cablevision Center
Ferndale, NY 12734

\$12,860,000*

SULLIVAN COUNTY FUNDING CORPORATION

\$9,470,000 Tax-Exempt Revenue Bonds	\$90,000 Taxable Revenue Bonds	\$3,300,000 Tax-Exempt Revenue Bonds
(The Sullivan County Community College Dormitory Corporation)		(Sullivan County Community College)

Dear Mr. Steingart and Ms. Brylinski,

Sullivan County Community College (“SCCC” or the “College”), a component unit of the County of Sullivan and a community college established pursuant to the New York State Education Law in 1962 (Fed Id. No. 14-6025111), and its affiliated borrower, The Sullivan County Community College Dormitory Corporation (“SCCDC”), a New York State not-for-profit organization incorporated in 1966 (Fed Id. No. 14-1499946), collectively called the “Borrowers” herein, seek to issue two separate bond issues from two separate and distinct Borrowers (the “2014 Bonds”) for the following purposes:

Series 2014A-1 & A-2: The Sullivan County Community College Dormitory Corporation:

- (i) On a tax-exempt basis, to refinance in its entirety, SCCDC’s outstanding approximate \$7,000,000 conventional mortgage loan. The proceeds of the conventional mortgage loan were primarily utilized to refinance an original issue of Sullivan County Industrial Development Agency Series 2002 Bonds. The 2002 proceeds were used to: (i) acquire an interest in an approximately twenty-acre parcel of land adjacent to the Sullivan County Community College campus and located on County Road 104, in the Town of Fallsburg, Sullivan County New York; (ii) pay for the construction of two free-standing buildings to be used as student dormitory housing (now known as “Levine Hall”), each building consisting of four floors with approximately 40 beds per floor, with an entrance lobby, mailroom, security station, activity lounge with food service area, student study lounge, laundry and vending facilities, trash/recycling facilities and utility / maintenance facilities; (iii) acquire and install certain machinery equipment and other items of tangible personal property; (iv) pay certain costs and expenses incidental to the issuance of the 2002 Bonds; and (v) fund a capitalized interest account and a debt service reserve fund in connection therewith;
- (ii) On a tax-exempt basis, to finance SCCDC’s purchase of the EcoGreen Townhouses (the “Townhouses”) located on SCCDC’s property located on County Road 104, in the Town of Fallsburg, Sullivan County New York for the purpose of providing expanded housing for SCCC students. The expected purchase price will not exceed \$2,000,000. The Townhouses are currently operated by SCCDC pursuant to a lease agreement with a private party; and
- (iii) On a tax-exempt and taxable basis, to pay certain incidental expenses incurred in connection with the issuance of the Series 2014A Bonds.

Project Address:	112 College Road, Loch Sheldrake, NY 12759
Tax Map Number(s):	17.-1-26.2
Located in the Hamlet of:	Loch Sheldrake
Located in the Town of:	Fallsburg
Located in the School District of:	Fallsburg

Series 2014B: Sullivan County Community College:

- (i) On a tax-exempt or taxable basis, to refinance in its entirety (or such a lesser amount that is acceptable as a full payoff to the existing COP holder) SCCC’s \$3,467,000 (outstanding) Series 2007 Certificate of Participation (“COPs”) originally issued to assist in the financing of certain co-generation plant and energy management system improvements on the College’s Main Campus. The College expects that the existing holder of the COPs will accept a payoff amount of approximately \$3,100,000 or less;



(ii) On a tax-exempt or taxable basis, to pay certain incidental expenses incurred in connection with the issuance of the Series 2014B Bonds.

Project Address:	112 College Road, Loch Sheldrake NY 12759	
Tax Map Number(s):	17.-1-26.1	
Located in the Hamlet of:	Loch Sheldrake	
Located in the Town of:	Fallsburg	
Located in the School District of:	Fallsburg	(Collectively, the "2014 Project")

The 2014 Project is fully complete and operational with all utilities in place, no change in current zoning needed and no need for any variances. Furthermore, the 2014 Project will not relocate any plant or facility from one area of the State to another nor will it remove or abandon any facility in the State. Proceeds of the 2014 Bonds will permit the Borrower's to refund / refinance the aforementioned bond and credit facilities to achieve significant economic savings. These savings will benefit the Borrowers, students of the College, residents of the dormitories, and Sullivan County which provides support to the College. It is anticipated that SCCC and SCCDC will retain approximately 150 and 7 FTE employees, respectively. The estimated value of the mortgage recording tax exemption for the 2014 Bonds is approximately \$128,600.

For your reference, the contact information for the Borrowers, and their Counsel, is as follows:

Borrower

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Borrower

Steven Kaufman
Chair
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Dormitory Corporation
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Borrowers' Counsel

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The Borrower has engaged GATES Capital Corporation ("GATES") as its investment banker and bond placement agent with respect to the 2014 Project. To that end, GATES has recently completed the process of soliciting and procuring interest in purchasing the 2014 Bonds. Sterling National Bank ("SNB") has been selected by the Borrowers as its 2014 Bond Purchaser. SNB will hold the 2014 Bonds at a fixed rate of interest for varying periods depending upon the subject Series of Bonds and the ultimate preferences of the Borrowers. Please be advised that SCCC and SCCDC will not cross-guaranty the two Series of Bonds. Each of the two Borrowers will be responsible only for its own respective debt obligation.

We hereby request that the Sullivan County Funding Corporation consider this request for financing. Due to certain opportunities that presently exist in negotiations with SCCC's 2007 COPs holder with respect to payoff/redemption of the COPs, we are seeking a closing date prior to June 30th, 2014. Thank you in advance and we look forward to working with you on this exciting transaction.

Sincerely,

Gregory M. LiCalzi
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cc: Walter Garigliano, Esq.
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