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PO Box 840, Harris, NY 12742 | 845.794.1400

November 23, 2016

Edward Sykes
Chairman
Sullivan County Funding Corporation
1 Cablevision Center
Ferndale, NY 12734

\$28,190,000*
Sullivan County Funding Corporation
Consisting of

\$21,375,000*
Tax-Exempt Revenue Bonds

\$6,815,000*
Taxable Revenue Bonds

Series 2016 Tax-Exempt and Taxable Revenue Bonds
(The Center for Discovery, Inc.)

Dear Mr. Sykes,

The Center for Discovery, Inc. (the “Center” or the “Borrower”) is a not-for-profit organization incorporated under the laws of the State of New York. The Borrower’s primary purpose is to provide educational training, housing accommodations and specially designed facilities, equipped and operated to meet the physical, mental, intellectual, emotional and social needs of developmentally disabled children and adults. The Center is headquartered in Harris, NY and currently employs over 1,500 individuals and provides services to hundreds of children and adults with severe disabilities from more than twenty (20) counties in the State of New York.

The Borrower is formally applying to the Sullivan County Funding Corporation to be the Issuer for Series 2016 bond issue in which the proceeds will be used for the following purposes:

- 1) Financing, on a tax-exempt and taxable basis, of ~\$25,000,000 for forty-four (44) residential, educational, retail, and administrative projects as further detailed in attached Project Listing;
- 2) refinancing, on a taxable basis, of an ~\$1,800,000 existing commercial lending facility;
- 3) funding, on a tax-exempt basis, of ~\$990,000 for working capital; and
- 4) payment of the costs of issuance related to the bonds (together the “2016 Project”).

The 2016 Project encapsulates the innovation and growth of the Center over the past several years. Projects include a performing arts center, makers lab, bakery & market, residential facilities for Individuals with developmental disabilities, community supported agriculture programs, among others. The proposed financing will benefit the individuals served by the Center as well as residents of Sullivan County who are either employed by the Center or an active user of one of the Center’s facilities. It is anticipated that the Center will add approximately 140 FTE employees from the proposed projects. The estimated value of the mortgage recording tax exemption for the 2016 Bond financing is approximately \$200,000.

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

Borrower

Patrick Dollard
President & CEO
Center for Discovery
PO Box 840
Benmosche Road
Harris NY 12742
P: 845-707-8899
phdollard@tcfcd.org

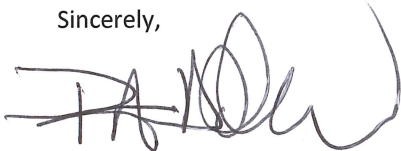
Borrowers' Counsel

Seth Stein, Esq.
Partner
Moritt Hock & Hamroff LLP
400 Garden City Plaza
Suite 202
Garden City, NY 11530
P: 516-542-0088
sstein@moritthock.com

The Borrower has engaged GATES Capital Corporation ("GATES") as its investment banker and bond placement agent with respect to the 2016 Project. To that end, GATES is currently in the process of soliciting and procuring interest in purchasers for the 2016 Bonds.

We hereby request that the Sullivan County Funding Corporation consider this request for financing. We are seeking a closing date prior to December 31st, 2016. Thank you in advance and we look forward to working with you on this exciting transaction.

Sincerely,



Patrick Dollard
Executive Director

cc:

Walter Garigliano, Esq.
Claude D'Alessandro
Seth Stein, Esq.
Gregory LiCalzi
David Barr
Greg LiCalzi Jr.