

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given by Canton Capital Resource Corporation (the "Issuer") that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and, as required by the Issuer's certificate of incorporation, Section 859-a of the General Municipal Law of the State of New York, will be held by the Issuer on the 11th day of April, 2016 at 9:30 o'clock P.m., local time, at MUNICIPAL BUILDING in the Town of Canton, St. Lawrence County, New York in connection with the following matters:

Grasse River, LLC (the "Company"), a New York limited liability company whose sole member is Canton College Foundation, Inc. (the "Sole Member"), a not-for-profit corporation organized under the laws of the State of New York, has 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 Company, said Project consisting of the following: (A) the refunding of all or a portion of the following bonds previously issued by the Issuer on August 10, 2010: Tax-Exempt Student Housing Facility Revenue Bonds (Grasse River, LLC at SUNY Canton Project), Series 2010A in the original aggregate principal amount of \$26,935,000 (the "Prior Bonds"), which Prior Bonds were issued for the purpose of financing a portion of the costs of a project (the "Prior Project") consisting of the following: (1) the acquisition of an interest in an approximately 4.561 acre parcel of real property located on the campus of the State University of New York at Canton (the "College") in the Town of Canton, St. Lawrence County, New York (the "Initial Land"), (2) the construction on the Initial Land of a suite style student housing complex containing approximately 83 student suites for a total of 304 rental housing units, which would serve the needs of the students of the College (the "Initial Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Prior Project Facility"), all of the foregoing to constitute a student housing facility to be owned by the Company and operated by the State University of New York at Canton (the "Manager"); (B) 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 be \$28,000,000 and in any event not to exceed \$30,000,000 (the "Obligations"); (C) the payment of all or 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 (D) the making of a loan (the "Loan") of the proceeds of the Obligations to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

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 St. Lawrence 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"), unless the

issuance of the Obligations is approved by the Town Board of the Town of Canton, New York 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 Company pursuant to a loan agreement (the "Agreement") requiring that the Company 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 TOWN OF CANTON, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR TOWN OF CANTON, NEW YORK SHALL BE LIABLE THEREON.

The Issuer has determined that the Project constitutes a "Type II action", as said quoted term is defined in the regulations issued pursuant to Article 8 of the Environmental Conservation Law (the "Regulations"), and accordingly that no environmental impact statement or any other determination or procedure is required under the Regulations regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on 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 Company 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 Company. A transcript or summary report of the hearing will be made available to the members of the board of directors of the Issuer and to the Town Board of the Town of Canton, New York. Approval of the issuance of the Obligations by the Town of Canton, New York, acting through its elected Town Board, 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: Tom Coakley, Chairman, Canton Capital Resource Corporation, 60 Main Street, Canton, New York 13617; Telephone: (315) 386-2982.

Dated: March 24, 2016.

CANTON CAPITAL RESOURCE CORPORATION

BY: 

Thomas Coakley, Chairman