

NOTICE OF PUBLIC HEARING

Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and its certificate of incorporation, the Chemung County Capital Resource Corporation (the "Issuer") will hold a public hearing on September 26, 2017 at 2:00 p.m. in the City of Elmira at the Issuer's offices located at 400 E. Church St., 2nd Floor, Elmira, New York 14901, regarding the following matter:

Bethany Retirement Home, Inc., a not-for-profit corporation organized under the laws of the State of New York (the "Institution"), has requested the Issuer provide an exemption from mortgage recording tax and issue its Tax-Exempt Revenue Bonds (Bethany Retirement Home, Inc. Project), Series 2017A (the "2017A Bonds") and its incidental Taxable Revenue Bonds (Bethany Retirement Home, Inc. Project), Series 2017B (the "2017B Bonds" and together with the 2017A Bonds, collectively the "2017 Bonds"), in an aggregate principal amount not to exceed \$15,000,000. The 2017 Bonds will be used to: (a) refund the outstanding principal balance of the Bethany Retirement Home, Inc. Mortgage Revenue Refunding Bonds (GNMA Collateralized Mortgage Loan – Bethany Retirement Home, Inc. Project) Series 2007A issued in the original aggregate principal amount of \$6,760,000 (the "Series 2007A Bonds") (the "Refunding"); (b) finance the costs of (i) the rehabilitation and renovation of the 2007A Project Facility (as defined below) located on the Land (as defined below); (ii) the construction by the Institution of an approximately 3,000 square foot one story building for use as an activity center located on the Land (the "New Facility"); and (iii) the acquisition and installation in and around the Land, the New Facility and the 2007A Project Facility of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "Equipment" and with the Land, the New Facility and the 2007A Project Facility, collectively, the "Project Facility"); and (c) pay costs incidental to the issuance of the 2017 Bonds, including issuance costs of the 2017 Bonds, redemption costs of the Series 2007A Bonds and any reserve funds as may be required with respect to the 2017 Bonds. The Institution will be the initial owner and operator of the Project Facility.

The proceeds of the Series 2007A Bonds were used to finance all or a portion of the costs of: (A) the current refunding of prior bonds issued in 1994 (the "Prior Bonds"); (B)(i) the renovation of the Manor (as defined below) and the Courtyards (as defined below) (the Manor and the Courtyard together, the "Existing Facility"), all located on the Land (as defined below), (ii) the acquisition and installation in the Existing Facility of certain machinery and equipment (the "Existing Equipment") (the Land, the Existing Facility, and the Existing Equipment being collectively referred to as the "2007A Project Facility"); and (C) the costs incidental to the issuance of the 2007A Bonds, including issuance costs of and a debt service reserve fund for the 2007A Bonds, and a collateral fund and redemption costs relating to the Series 2007A Bonds.

The proceeds of the Prior Bonds were used to finance all or a portion of the costs of: (a) (i) the purchase of the then 80 bed skilled nursing facility (the "Original Manor") located on a portion of an approximately ten (10) acre parcel of real property located at 3005 Watkins Road, Horseheads, Chemung County, New York (the "Land"); (ii) the renovation of the Original Manor including the construction of a 42 bed addition to the Original Manor (the "Manor Addition" and with the Original Manor, the "Manor"); (iii) the refinancing of debt used to finance the acquisition, construction and equipping of a two story, 144 bed adult care facility (the "Courtyards"); and (iv) the acquisition and installation in the Manor and the Courtyards of certain machinery and equipment (the "Prior Equipment" and with the Land, the Manor and the

Courtyards being collectively referred to herein as the "1994 Project Facility") and (b) to fund a debt service reserve fund and a collateral fund relating to the Prior Bonds; and (c) to pay costs of issuance of the Prior Bonds.

It is expected that the interest on the 2017A Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 145 of the Code.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to the issuance of the 2017A Bonds. At said public hearing, interested parties will be provided reasonable opportunity to present their views, both orally and in writing, with respect to the issuance of the 2017A Bonds.

Under the Code, approval of the issuance of the 2017A Bonds by the County Executive of Chemung County is necessary in order for the interest on the 2017A Bonds to be excluded from the gross income for federal income tax purposes.

THE 2017 BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHEMUNG COUNTY, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHEMUNG COUNTY, SHALL BE LIABLE THEREON.

Dated: September 8, 2017