

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

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by Rensselaer County Industrial Development Agency (the "Issuer") on the 10th day of June, 2014 at 10:00 o'clock a.m., local time, at Castleton Village Hall, 85 Main Street, in Village of Castleton-on-Hudson, Town of Schodack, Rensselaer County, New York in connection with the following matters:

Castleton Paperboard, LLC, a Delaware foreign limited liability company (the "Company"), has presented an amended application (the "Application") to the Issuer, a copy of which Application is on file at the office of the Issuer, requesting that the Issuer consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in portions of two parcels of land containing in the aggregate approximately 102 acres having an address of 1900 River Road (currently being Tax Map #s 198.12-1-3.1 and 198.12-2-3.1) in the Village of Castleton-on-Hudson, Town of Schodack, Rensselaer County, New York (collectively, the "Land"), together with several existing structures located thereon (collectively the "Existing Facility"), (2) the demolition and/or removal of the Existing Facility and the construction on the Land of an approximately 230,000 square foot building (the "Facility"), (3) the construction of an effluent treatment plant, the installation of railroad siding, sewer, water, power and steam lines and the making of various site and soil improvements (collectively, the "Infrastructure") and (4) the acquisition and installation therein and thereon of certain machinery and equipment, including but not limited to, furniture and fixtures (collectively the "Equipment") all of the foregoing to constitute a manufacturing and solid waste disposal facility and other directly or indirectly related activities (the Land, the Existing Facility, the Facility, the Infrastructure and the Equipment being collectively referred to as the "Project Facility"); (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 approximately \$300,000,000 (the "Obligations"); (C) paying 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; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales and use taxes, real property transfer taxes, transfer gains taxes, mortgage recording taxes and real estate taxes (collectively with the Obligations, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer. **The Project and the Financial Assistance were the subject of a previous public hearing conducted by the Issuer on February 11, 2014.**

The Issuer is considering whether (A) to undertake the Project, and (B) 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 Rensselaer County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Issuer therewith,

exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Issuer with respect to the Project is not consistent with the Issuer's uniform tax exemption policy, the Issuer will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

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"), the issuance of the Obligations is approved by the County Executive of Rensselaer County, New York after the Issuer has held a public hearing on the nature and location of the Project and the issuance of the Obligations; (B) pursuant to Section 142 and Section 144(a)(12) of the Code, at least ninety-five percent (95%) of the net proceeds of such portion of the Bonds will be used to provide a "manufacturing facility", as defined in Section 144(a)(12)(C) of the Code, and/or an "exempt facility", within the meaning of Section 142 of the Code; and (C) pursuant to Section 146 of the Code, there is allocated to the Obligations a portion of the private activity bond volume cap of the Issuer and/or the State of New York sufficient to equal the face amount of the Obligations.

If the Issuer determines to proceed with the Project and the issuance of the Obligations, (A) the Project Facility will be leased (with an obligation to purchase) or sold by the Issuer to the Company or its designee pursuant to a project 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 RENSSELAER COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR RENSSELAER COUNTY, NEW YORK SHALL BE LIABLE THEREON.

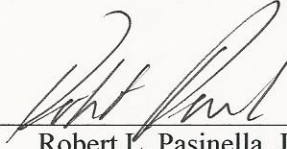
The Issuer has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Issuer will at said time and place hear all persons with views on either 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. If the Issuer determines to issue any portion of the Obligations as federally tax-exempt obligations, a transcript or summary report of the hearing will be made available to the County Executive of Rensselaer County, New York. Approval of the issuance of the Obligations by Rensselaer County, New York, acting through its elected County Executive, 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: Robert L. Pasinella, Jr., Executive Director, Rensselaer County Industrial Development Agency, c/o Rensselaer County Department of Economic Development and Planning, County Office Building, 1600 Seventh Avenue, Troy, New York 12180; Telephone: (518) 270-2914.

Dated: May 27, 2014.

RENSSELAER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: 
Robert L. Pasinella, Jr., Executive Director