

**PRIVATE PLACEMENT MEMORANDUM**

**NEW ISSUE**

**NOT RATED**

In the opinion of Phillips Lytle LLP, Bond Counsel to the Nassau County Local Economic Assistance Corporation, under existing law, regulations and court decisions and assuming continuous compliance by the Nassau County Local Economic Assistance Corporation, and the Company with certain tax covenants described herein (i) interest on the Series 2013A Bonds (as defined herein) is not included in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Series 2013A Bonds is not a specific preference item under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. However, such interest is included in "adjusted current earnings" of a corporate owner in determining alternative minimum taxable income and in calculating the foreign branch profits tax under certain circumstances and to the tax on "excess net passive income" imposed on S corporations under the Code. In addition, in the opinion of Bond Counsel, under existing statutes, so long as interest on the Series 2013A Bonds is not included in gross income for federal income tax purposes, interest on the Series 2013A Bonds is exempt from personal income taxes imposed by New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or accrual or receipt of interest on the Series 2013A Bonds. Interest on the Series 2013B Bonds (as defined herein) is included in gross income for federal and New York State and local income tax purposes. See "Tax Matters" herein regarding certain other tax considerations.

\$6,765,000  
Nassau County Local Economic Assistance Corporation  
Revenue Bonds, Series 2013A  
(Barry and Florence Friedberg Jewish Community Center, Inc. Project)

\$211,000  
Nassau County Local Economic Assistance Corporation  
Taxable Revenue Bonds, Series 2013B  
(Barry and Florence Friedberg Jewish Community Center, Inc. Project)

**Dated and Delivered: Date of Delivery**

**Due: As shown below**

The above referenced Bonds (the "Bonds") are dated July 19, 2013 and are issuable in the form of physical bonds without coupons delivered to the Initial Purchaser on or about the Closing Date. The Bonds shall be issued two series as follows: (i) Nassau County Local Economic Assistance Corporation Revenue Bonds (Barry and Florence Friedberg Jewish Community Center, Inc. Project), Series 2013A in the principal amount of \$6,765,000 (the "Series 2013A Bonds"); and (ii) Nassau County Local Economic Assistance Corporation Taxable Revenue Bonds (Barry and Florence Friedberg Jewish Community Center, Inc. Project), Series 2013B in the principal amount of \$211,000 (the "Series 2013B Bonds"). The Series 2013A Bonds and the Series 2013B Bonds are collectively referred to herein as the "Bonds" or the "Series 2013 Bonds." The Series 2013A Bonds are sometimes referred to herein as the "Tax-Exempt Bonds" and the Series 2013B Bonds are sometimes referred to herein as the "Taxable Bonds".

The Bonds are issuable in minimum denominations of \$100,000 or \$100,000 plus any integral multiple of \$5,000 thereof (\$1,000 with respect to the Taxable Bonds); provided, however, smaller authorized denominations may result from redemptions in accord with the Indenture. Principal when due, premium, if any, and, if the Bonds are redeemed prior to maturity, the redemption price and interest accrued to the redemption date, are payable at the office of the hereinafter defined Trustee.

The Bonds are special obligations payable solely out of the revenues or other receipts, funds or monies of the Nassau County Local Economic Assistance Corporation (the "Issuer") pledged therefor or otherwise available to the Trustee, for the payment thereof, including those derived under a Loan Agreement, dated as of July 1, 2013 (the "Loan Agreement"), by and between the Issuer and Barry and Florence Friedberg Jewish Community Center, Inc. (the "Company"), a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

The Bonds are being issued for the purposes of providing funds for to finance a certain project (the "Project") for the Company consisting of: (A) refunding of certain outstanding Town of Hempstead Industrial Development Agency Series 1999 Revenue Bonds, the proceeds of which, together with other funds of JCC, were used to finance or refinance JCC's acquisition, renovation and/or equipping of an approximately 60,000 square foot full-service community center located on an approximately 4.2 acre parcel of land located at 15 Neil Court, Oceanside, New York 11572; (B) refinancing of an outstanding approximately \$1,000,000 mortgage loan, the proceeds of which, together with other funds of JCC, were used to finance or refinance JCC's acquisition, renovation and/or equipping of an approximately 18,000 square foot community center located on an approximately 1.79 acre parcel of land located at 11 Neil Court, Oceanside, New York 11572; (C) financing approximately \$500,000 of interior improvements and/or acquisition of office equipment, athletic equipment, furniture, fixtures and/or other personal property for JCC's approximately 14,000 square foot community center located on an approximately 0.33 acre parcel of land located at 310 National Boulevard, Long Beach, New York 11561; and (D) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the "Project Costs") (such facilities are collectively referred to herein as the "Facility")

Capitalized terms used in this Private Placement Memorandum (including this cover page) shall have the meanings ascribed to such terms in Appendix B hereto unless otherwise specified herein. The Bonds are subject to optional, mandatory and extraordinary mandatory redemption prior to their stated maturity as described herein.

The Bonds are to bear interest at their respective Bank Rates until (i) July 1, 2024 in the case of the Tax Exempt Bonds and (ii) until maturity in the case of the Taxable Bonds. The Bank Rate for each of the Bonds is set forth in the table below. Interest on the Tax Exempt Bonds shall be payable in arrears, on the first day of each calendar month, commencing on the first day of August 1, 2013. Principal and Interest on the Taxable Bonds shall be payable monthly in arrears on the first day of each calendar month and the Maturity Date. For as long as any series of Bonds bearing interest at a Bank Rate, the Bank Rate for such series shall be determined in accordance with the Indenture. See the caption "INTEREST RATES" herein.

The Bonds will be subject to redemption prior to maturity as described herein. See "THE SERIES 2013A BONDS—Redemption" herein. Investment in the Series 2013 Bonds involves certain substantial risks. See the caption "BONDHOLDERS' RISKS" herein.

The Bonds are special obligations of the Issuer and neither the State of New York nor any political subdivision thereof (including, without limitation, Nassau County) is obligated to pay, and neither the full faith and credit nor the taxing power of the State of New York nor any political subdivision thereof including, without limitation, Nassau County, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable solely from and secured by receipts and revenues of the Issuer under the Loan Agreement and other moneys available therefor as described herein. The Issuer has no taxing power.

Investment in the Bonds involves certain risks. See "Risk Factors" herein.

<b>Subseries</b>	<b>Principal Amount</b>	<b>Maturity</b>	<b>Initial Rate</b>	<b>Price</b>	<b>CUSIP</b>
Series 2013A	\$6,765,000	November 1, 2028	3.21%*	100%	63166LBW0
Series 2013B	\$211,000	July 1, 2018	3.00%	100%	63166LBX8

\* Subject to adjustment July 1, 2024.

The Bonds are offered on a best efforts basis by the Placement Agent when, as and if issued by the Nassau County Local Economic Assistance Corporation, subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality by Phillips Lytle LLP, Garden City, New York, Bond Counsel. Certain legal matters will be passed upon for the Nassau County Local Economic Assistance Corporation by its counsel, Edward Ambrosino, Esq., Uniondale, New York. Certain legal matters will be passed upon for the Company by its counsel Moritt Hock & Hamroff LLP, Garden City, New York; for The Bank of New York Mellon, as Trustee, by its counsel, Hinckley, Allen & Snyder LLP, New York, New York; and for the Placement Agent by its counsel, Kevin Wetmore, PLLC, Rochester, New York. It is expected that delivery of the Bonds will to the Initial Bondholder on or about July 19, 2013 in New York City, New York.

### **Gates Capital Corporation**

Dated: July 19, 2013

The Bonds may not be sold nor may offers to buy be accepted prior to the time this Private Placement Memorandum is delivered in final form. Under no circumstances shall the Private Placement Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. No person has been authorized to give any information or to make any representations not contained in this Private Placement Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Company, the Trustee or the Placement Agent. This Private Placement Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer, the Company, the Trustee and other sources which are believed to be reliable but it is not guaranteed as to its accuracy or completeness and nothing contained in this Private Placement Memorandum is, or shall be relied on as, a representation by the Placement Agent. The information and expressions of opinion herein are subject to change without notice and the delivery of this Private Placement Memorandum shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Company or the Trustee since the date hereof.

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS.**

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## PRIVATE PLACEMENT MEMORANDUM

\$6,765,000  
Nassau County Local Economic Assistance Corporation  
Revenue Bonds, Series 2013A  
(Barry and Florence Friedberg Jewish Community Center, Inc. Project)

\$211,000  
Nassau County Local Economic Assistance Corporation  
Taxable Revenue Bonds, Series 2013B  
(Barry and Florence Friedberg Jewish Community Center, Inc. Project)

### INTRODUCTION

The purpose of this Private Placement Memorandum, including the cover page, the Table of Contents page and the Appendices hereto, is to set forth certain information in connection with the issuance of the Issuer's (i) Nassau County Local Economic Assistance Corporation Revenue Bonds (Barry and Florence Friedberg Jewish Community Center, Inc. Project), Series 2013A in the principal amount of \$6,765,000 (the "Series 2013A Bonds"); and (ii) Nassau County Local Economic Assistance Corporation Taxable Revenue Bonds (Barry and Florence Friedberg Jewish Community Center, Inc. Project), Series 2013B, in the principal amount of \$211,000 (the "Series 2013B Bonds"). The Series 2013A Bonds and the Series 2013B Bonds are collectively referred to herein as the "Bonds" or the "Series 2013 Bonds." The Series 2013A Bonds are sometimes referred to herein as the "Tax-Exempt Bonds" and the Series 2013B Bonds are sometimes referred to herein as the "Taxable Bonds".

The Bonds are being issued pursuant to a certain Indenture of Trust, dated as of July 1, 2013 (the "Indenture"), by and between the Nassau County Local Economic Assistance Corporation (the "Issuer") and The Bank of New York Mellon, as trustee (the "Trustee").

Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Bonds issued thereunder, the provisions, among others, with respect to the nature and extent of the security for the Bonds issued thereunder, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds, and the terms upon which the Bonds are, and additional bonds on a parity therewith may be, issued and secured. Capitalized terms used in this Private Placement Memorandum and not otherwise defined shall have the meanings assigned thereto in APPENDIX B Schedule of Definitions.

The Series 2013A Bonds are authorized to be issued pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law (collectively, the "Act"), and a resolution of the Issuer duly adopted on June 14, 2013.

The Bonds are being issued for the purposes of providing funds for to finance a certain project (the "Project") for the Company consisting of: (A) refunding of certain outstanding Town of Hempstead Industrial Development Agency Series 1999 Revenue Bonds, the proceeds of which, together with other funds of the JCC, were used to finance or refinance JCC's acquisition, renovation and/or equipping of an approximately 60,000 square foot full-service community center located on an approximately 4.2 acre parcel of land located at 15 Neil Court, Oceanside, New York 11572; (B) refinancing of an outstanding approximately \$1,000,000 mortgage loan, the proceeds of which, together with other funds of JCC, were used to finance or refinance JCC's acquisition, renovation and/or equipping of an approximately 18,000 square foot community center located on an approximately 1.79 acre parcel of land located at 11 Neil Court, Oceanside, New York 11572; (C) financing approximately \$500,000 of interior improvements and/or acquisition of office equipment, athletic equipment, furniture, fixtures and/or other personal property for JCC's approximately 14,000 square foot community center located on an approximately 0.33 acre parcel of land located at 310 National Boulevard, Long Beach, New York 11561; and (D) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the "Project Costs") (such facilities are collectively referred to herein as the "Facility")

Concurrently with the issuance of the Bonds, the Issuer will loan the proceeds of the Bonds to the Company pursuant to a Loan Agreement, dated as of July 1, 2013 (the "Loan Agreement"). The Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the Loan by the Issuer to the Company pursuant to the Loan Agreement and pledged to the Trustee under the terms of the Indenture and the Pledge and Assignment between the Issuer and the Trustee, dated as of July 1, 2013 (the "Pledge and Assignment").

The Bonds will bear interest payable on each Interest Payment Date to the owner in whose name each Bond is registered at the close of business on the Record Date with respect to such Interest Payment Date; provided,

however that, payment of interest on redemption of any Bond shall be made only upon presentation and surrender of such Bond as provided in the Indenture, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date. (See "THE BONDS.")

Pursuant to the Indenture, all payments due from the Company to the Issuer under its Loan Agreement (except for moneys and investments from time to time in the applicable Rebate Fund) established under the Indenture are assigned to the Trustee to secure the payment of the principal of, Redemption Price of, or interest on the applicable series of Bonds.

Payments under the Loan Agreement are to be made by the Company to the Trustee, under the Indenture in amounts sufficient, together with any moneys then held by the Trustee and available for such purpose, to pay the principal of, Redemption Price of, and interest on the applicable series of Bonds as the same become due, whether at maturity, upon redemption or by acceleration or otherwise.

Mortgage liens on and security interest in the Facility will be given by the Company to the Issuer and the Issuer shall assign their interests thereunder to the Trustee pursuant to an Assignment of Mortgage (the "Assignment") as additional security for the Bonds. See "THE MORTGAGE" herein below.

Brief descriptions follow of the Issuer, the Bonds, Debt Service Requirements on the Bonds, Security and Sources of Payment for the Bonds, the Company, Application of Bond Proceeds, Risk Factors, Tax Matters, Litigation, the Placement Agent, Legality for Investment, and Approval of Legal Proceedings. Appendix A contains an overview of the Company together with the Company's audited financial statements for fiscal years ended June 30, 2012 and 2011. Appendix B contains a Schedule of Definitions which relate to the Series 2013 Bonds. Appendix C contains a form of the opinion of Bond Counsel which Bond Counsel proposes to render upon the delivery of the Bonds. Appendix D contains a form of the Indenture. Appendix E contains a form of the Loan Agreement. The descriptions and summaries previously listed do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the respective documents and to "APPENDIX B-Schedule of Definitions." All such descriptions and summaries are further qualified in their entirety by reference to bankruptcy laws, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States relating to or affecting generally the enforcement of creditor's rights and the availability of equitable remedies, and to the extent, if any, that enforceability of the indemnification and contribution provisions of the Bond Documents may be limited by law. Copies of the Bond Documents may be obtained, upon written request, from the Placement Agent during the offering period and, after the initial delivery of the Bonds, at the office of the Trustee, 101 Barclay Street, Floor 7W, New York, New York 10286.

## THE ISSUER

### NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION

The Issuer was created pursuant to and in accordance with the provisions of Section 1411 of Not-for-Profit Corporation Law of the State of New York (“Act”) for the purpose of promoting the economic welfare of the inhabitants of Nassau County and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration. Nassau County, New York (the “County”) is the sole member of the Issuer and the County as the sole member of the Issuer, acting through the County Legislature, appoints the Board of Directors of the Issuer.

As provided in the Act, the Issuer is authorized and empowered to make a loan to the Company pursuant to the Loan Agreement; to issue, execute and deliver the Bonds; to secure the Bonds by a pledge of the moneys payable by the Borrower under the Loan Agreement; and to enter into the other Bond Documents.

The Board of Directors of the Issuer is presently composed of members appointed by the County. The names and positions of the current directors of the Issuer are as follows:

<u>Position</u>	<u>Name</u>
Chairman	Jeffrey Seltzer
Treasurer	Bruce Ungar
Secretary	Gary Weiss
Assistant Secretary	Christopher Fusco

The Chief Executive Officer and the Chief Financial Officer of the Issuer are appointed by the Board of Directors of the Issuer. The Chief Executive Officer of the Issuer is Joseph Kearney and the Chief Financial Officer is Joseph Foarile.

No covenant or agreement contained in the Indenture, the Loan Agreement or the Bonds shall be deemed to be a covenant or agreement of any member, officer, director, agent, attorney or employee of the Issuer, nor shall any member, officer, director, agent, attorney or employee be liable personally on the Bonds or any other of the aforementioned documents. Moreover, the Issuer has relied on representations of the Borrower regarding the Project and will not independently monitor the Project. Except for information concerning the Issuer in the sections of this Private Placement Memorandum under the captions “THE ISSUER,” and “LITIGATION,” none of the information in this Private Placement Memorandum has been supplied or verified by the Issuer and the Issuer makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

THE BONDS ARE NEITHER A GENERAL OBLIGATION OF THE ISSUER, NOR A DEBT OR INDEBTEDNESS OF NASSAU COUNTY OR THE STATE OF NEW YORK AND NEITHER NASSAU COUNTY NOR THE STATE OF NEW YORK SHALL BE LIABLE THEREON. THE SERIES 2013 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE BY THE ISSUER SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT UNDER AND PURSUANT TO THE INDENTURE. THE ISSUER HAS NOT VERIFIED, REVIEWED OR APPROVED, AND DOES NOT REPRESENT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH HEREIN OTHER THAN INFORMATION SET FORTH UNDER THIS HEADING AND THE INFORMATION CONCERNING THE ISSUER UNDER THE HEADINGS “THE ISSUER” AND “LITIGATION—THE ISSUER”.

## THE BONDS

The following is a summary of certain provisions of the Bonds and should not be considered a full statement thereof. Reference is made to the Indenture (including the forms of Bonds) for the detailed provisions thereof and the discussion herein is qualified by such reference. In the event of any inconsistency between this description and the Indenture, the Indenture shall be deemed to control.

### **The Series 2013 Bonds**

#### **General Provisions**

The Bonds are dated July 19, 2013. The Tax-Exempt Bonds are issuable in the physical form of fully registered bonds in the minimum denomination of \$100,000 or \$100,000 plus any integral multiple of \$5,000 and in the case of the Taxable Bonds, the minimum denomination of \$100,000 or any integral multiple of \$1,000 in excess thereof.

The Bonds will bear interest from July 19, 2013.

Interest on the Tax-Exempt Bonds shall be payable to the Person appearing on the registration books of the Registrar as the Holder thereof on the Record Date (1) by check mailed on the Interest Payment Date to the Holder, or (2) by wire transfer on the Interest Payment Date to any Holder of at least \$500,000 in aggregate principal amount of Tax-Exempt Bonds upon written notice provided by the Holder to the Registrar not later than fifteen (15) days prior to the Record Date for such Interest Payment Date; except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the Holders in whose names the Tax-Exempt Bonds are registered at the close of business on the fifth (5<sup>th</sup>) Business Day next preceding the date of payment of the defaulted interest.

Interest on the Taxable Bonds shall be payable to the Person appearing on the registration books of the Registrar as the registered owner thereof on the Record Date (1) by check mailed on the Interest Payment Date to the registered owner, or (2) by wire transfer on the Interest Payment Date to any owner of at least \$100,000 in aggregate principal amount of Taxable Bonds upon written notice provided by the owner to the Registrar not later than fifteen (15) days prior to the Record Date for such interest payment; except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Taxable Bonds are registered at the close of business on the fifth (5<sup>th</sup>) Business Day next preceding the date of payment of the defaulted interest.

Interest payments made by check shall be mailed to each owner at his address as it appears on the registration books of the Registrar on the applicable Record Date or at such other address as he may have filed with the Registrar for that purpose. Wire transfer payments of interest shall be made at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

Subject to the foregoing provisions, each Initial Bond delivered under the Indenture upon transfer of or in exchange for or in lieu of any other Initial Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Initial Bond and each such Initial Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

The principal of or Redemption Price of the Bonds shall be payable at the Office of the Trustee, or such other address as the Trustee shall designate, or at the corporate trust office of any successor Trustee under the Indenture.

#### **Interest Rates**

The Bonds are to bear interest at their respective Bank Rates until (i) July 1, 2024 in the case of the Tax Exempt Bonds and (ii) until maturity in the case of the Taxable Bonds. The Bank Rate for each of the Bonds is set forth in the table below. Interest on the Tax Exempt Bonds shall be payable in arrears, on the first day of each calendar month, commencing on the first day of August 1, 2013. Principal and Interest on the Taxable Bonds shall be payable monthly in arrears on the first day of each calendar month and the Maturity Date. For as long as any series of Bonds bearing interest at a Bank Rate, the Bank Rate for such series shall be determined in accordance with the Indenture.



Series	Principal Amount	Maturity	Initial Rate
Series 2013A	\$6,765,000	November 1, 2028	3.21%*
Series 2013B	\$211,000	July 1, 2018	3.00%

\*Subject to adjustment July 1, 2024.

### Redemption of Bonds Before Maturity

The Bonds are subject to redemption prior to the respective maturities thereof on the terms and at the prices set forth below.

### Optional Redemption

General Optional Redemption. The Series 2013 Bonds are subject to redemption, at the option of the Issuer exercised at the written direction of the Company (which option shall be exercised upon the giving of notice by the Company to the Issuer and the Trustee of its intention to prepay Loan Payments due under the Loan Agreement), in whole or in part (in the minimum principal amount of \$100,000 plus integral multiples of \$5,000 in excess thereof), on any Interest Payment Date at the redemption price of 100%, plus, in each case, accrued interest to the Redemption Date.

### Extraordinary Redemption.

The Series 2013 Bonds are subject to redemption prior to maturity, at the direction of the Company, as a whole on any date, upon written notice or waiver of notice as provided in this Indenture, at one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date (but in the case of subsections (i) and (ii) below from property insurance proceeds or condemnation awards only) if one or more of the following events shall have occurred:

(i) The Facility (or any discrete functional component portion thereof) shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed, at the direction of the Company, with the Issuer, the Purchaser and the Trustee (A) the Facility (or any discrete functional component portion thereof) cannot be reasonably restored within a period of one (1) year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Company is thereby prevented or likely to be prevented from carrying on its normal operation of the Facility (or any discrete functional component portion thereof) for a period of one (1) year from the date of such damage or destruction, or (C) the restoration cost of the Facility (or any discrete functional component portion thereof) would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Company being thereby prevented or likely to be prevented from carrying on its normal operation of the Facility for a period of nine (9) months from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Purchaser and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Company, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Company by reason of the operation of the Facility.

If the Bonds are to be redeemed in whole as a result of the occurrence of any of the events described clauses (i), (ii) or (iii) above, the Company shall deliver to the Issuer, the Purchaser and the Trustee a certificate of an Authorized Representative of the Company stating that, as a result of the occurrence of the event giving rise to such redemption, the Company has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

### **Mandatory Redemption from Excess Proceeds**

The Bonds shall be redeemed on any date in whole or in part prior to maturity (if in part in inverse order of maturity and within a maturity by lot) in the event and to the extent (i) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and this Indenture, or (ii) excess proceeds shall remain after the release or substitution of the Facility in accordance with the terms of the Loan Agreement, in each case at the Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

### **Mandatory Sinking Fund Installment Redemption**

The Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to the principal amount thereof, together with accrued interest to the Sinking Fund Redemption Date, from mandatory Sinking Fund Installments in accordance with the repayment schedule set forth annexed hereto as Appendix F.

### **Mandatory Taxability Redemption**

Upon the receipt by the Trustee of written notice of the occurrence of an Event of Taxability, the Trustee shall have ten (10) Business Days to distribute notice to Holders of the Tax-Exempt Bonds that the Tax-Exempt Bonds shall be redeemed prior to maturity on any date not later than thirty (30) days following receipt of such notice by the Trustee of an Event of Taxability, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the Redemption Date. The Tax-Exempt Bonds shall be redeemed in whole unless the Trustee has received an opinion of Bond Counsel to the effect that the redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in gross income of any Holder of a Tax-Exempt Bond. In such event, the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the written opinion of Bond Counsel to accomplish that result.

### **Mandatory Redemption Upon Failure to Set a New Bank Rate**

The Bonds shall be redeemed in whole on the Call Date at the Redemption Price equal to one hundred (100%) percent of the principal amount of the Bonds Outstanding, together with interest accrued thereon to the Redemption Date, unless at least ten (10) days prior to the Call Date, the Company shall deliver to the Issuer and the Trustee (i) a notice of the Bank Rate to be in effect from the Call Date through the Maturity Date, and (ii) an opinion of Bond Counsel to the effect that such reset in interest rate will not in and of itself have an adverse effect (1) on any exclusion of the interest payable on the Tax-Exempt Bonds from the gross income of the Holders of such Bonds for purposes of federal income taxation pursuant to Section 103 of the Code, and (2) the exemption of the interest on the Bonds from the taxes imposed by the State.

### **Notice of Redemption**

The Trustee shall call the Bonds for redemption as provided under the headings above entitled "Optional Redemption" and "Extraordinary Optional Redemption" upon receipt of notice from the Issuer and the Company directing such redemption, which notice shall be sent to the Trustee at least sixty (60) days prior to the Redemption Date and shall specify (i) the principal amount of Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions pursuant to which such Bonds are to be called for redemption. The Trustee shall call the Bonds for redemption as provided under the headings above entitled and "Mandatory Redemption" as soon as practicable (but in no event more than one hundred twenty (120) days following an Event of Taxability) without the need for further direction from the Issuer or the Company.

When Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of the Bonds in the name of the Issuer stating: (i) the Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the

Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Notice required by the Indenture shall be given by mail at least thirty (30) days and not more than sixty (60) days prior to said redemption to the Owner of each Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of Bonds.

### **Partial Redemption**

In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) Bonds of a Series to be redeemed from Sinking Fund Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select Bonds of a Series for redemption such that no Bond of such Series shall be of a denomination of less than the Authorized Denomination for such Series of Bonds. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied in inverse order of maturity of the Outstanding Series of Bonds to be redeemed and by lot within a maturity. The portion of Bonds of any Series to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Bonds of a particular Series for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such registered Bond by the minimum Authorized Denomination thereof (referred to as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination.

### **Mutilated, Lost, Stolen or Destroyed Bonds**

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Authenticating Agent shall authenticate and deliver, a new Bond of like Series, maturity and unpaid principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Registrar evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Issuer and the Registrar with indemnity (an undertaking from an insurance company acceptable to the Registrar) satisfactory to the Registrar and complying with such other reasonable regulations as the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered to the Registrar shall be canceled by it. Every new Bond issued pursuant to the provisions of this Section 3.07 of the Indenture by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured or been redeemed, or be about to mature or to be redeemed, the Issuer may, instead of issuing a new Bond, cause the Paying Agent to pay the same without surrender thereof upon compliance with the condition in the first sentence of Section 3.07 of the Indenture out of moneys held by the Paying Agent and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

### **Interchangeability, Transfer and Registry**

Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Issuer, which shall be kept for the purpose at the principal office of the Registrar, by the registered Owner thereof in person or by his duly authorized attorney-in-fact with signature guaranteed, upon presentation thereof together with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered Owner or his duly authorized attorney-in-fact with signature guaranteed. Upon the transfer of any Bond the Registrar and the Authenticating Agent shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

Any Bond, upon surrender thereof at the corporate trust office of the Registrar, with a written instrument of

transfer in the form appearing on such Bond, duly executed by the registered Owner or his duly authorized attorney-in-fact with signature guaranteed may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity of any other authorized denominations. However, except for the Bonds that have been tendered or deemed tendered for purchase by the Holders thereof pursuant to the terms hereof, the Registrar will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding the day of mailing or other Notice of Redemption of Bonds to be redeemed, (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part, or (iii) register any transfer or exchange of any Bond which is subject to mandatory purchase.

The Issuer, the Company, the Trustee and any Paying Agent may deem and treat the person in whose name any Bond shall be registered as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all payments made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Company, the Tender Agent, the Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

### **DEBT SERVICE REQUIREMENTS ON THE BONDS**

The following table sets forth, for each of the periods indicated, the total amounts required in such period to be made available for payment of scheduled principal and interest of the Bonds.

<i>Twelve Month Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
12/31/2013	56,000	83,614.27	139,614.27
12/31/2014	361,000	223,430.10	584,430.10
12/31/2015	366,000	211,744.33	577,744.33
12/31/2016	387,000	200,293.70	587,293.70
12/31/2017	398,000	187,193.04	585,193.04
12/31/2018	413,000	174,349.71	587,349.71
12/31/2019	420,000	161,442.94	581,442.94
12/31/2020	445,000	148,114.75	593,114.75
12/31/2021	460,000	133,183.79	593,183.79
12/31/2022	475,000	118,172.58	593,172.58
12/31/2023	490,000	102,673.19	592,673.19
12/31/2024	510,000	86,913.43	596,913.43
12/31/2025	525,000	70,033.73	595,033.73
12/31/2026	540,000	52,907.04	592,907.04
12/31/2027	555,000	35,292.17	590,292.17
12/31/2028	575,000	17,227.00	592,227.00
	<b><u>\$6,976,000</u></b>	<b><u>\$2,006,585.77</u></b>	<b><u>\$8,982,585.77</u></b>

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The principal or Redemption Price of, and interest on, the Bonds are payable solely from (i) the amounts payable by the Company under the Loan Agreement, (ii) all moneys and obligations which are deposited or required to be deposited in the Bond Fund, the Project Fund, the Renewal Fund or any other fund established under the Indenture (except the Rebate Fund); (iii) a Mortgage and Security Agreement; and (iv) a Pledge and Security Agreement. Pursuant to the Indenture, the Pledge and Security Agreement, the Issuer will pledge and assign to the Trustee and the Initial Purchaser a security interest in any moneys due or to become due, any and all other rights and remedies of the Issuer, under or arising out of the Loan Agreement (except for certain rights special to the Issuer, the "Unassigned Rights").

### **Special Obligations; Limited Recourse**

The principal of the Bonds, together with premium, if any, and interest thereon, shall constitute special obligations of the Issuer, and, with respect to such Issuer, such special obligations, together with all other charges, expenses or liabilities incurred with respect to obligations under the Indenture and the Loan Agreement, shall be payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement and any sale or lease of the applicable Facility and as otherwise provided in the Loan Agreement, the Indenture and the related Assignment.

**THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, NASSAU COUNTY, NEW YORK) AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, NASSAU COUNTY, NEW YORK,) HAS ANY LIABILITY, LEGAL, MORAL OR OTHERWISE THEREUNDER. NEITHER THE FULL FAITH AND CREDIT NOR THE TAKING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, NASSAU COUNTY, NEW YORK) HAS BEEN PLEDGED TOWARDS THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE LOAN AGREEMENT, THE INDENTURE, THE MORTGAGE, AND THE OTHER BOND DOCUMENTS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. NEITHER THE OFFICERS, MEMBERS NOR EMPLOYEES OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWERS.**

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## THE COMPANY

An overview of the Company is set forth in Appendix A hereto. The information contained in Appendix A has been provided by the Company and no assurance can be given nor is a representation made by the Issuer, the Trustee, or Placement Agent as to its accuracy or completeness.

### **Financial Statements / Independent Public Accountants**

Appendix A hereto contains audited financial statements for the fiscal year ending June 30, 2012 and 2011 for the Company. These financial statements have been prepared and certified by the Company's accountants, Loeb & Troeper LLP. Neither the Placement Agent nor the Issuer makes any representations as to the accuracy or completeness of such financial statements. Loeb & Troeper LLP, the Company's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Loeb & Troeper LLP also has not performed any procedures relating to this Private Placement Memorandum.

## APPLICATION OF BOND PROCEEDS

The following table sets forth the approximate anticipated uses for the proceeds of the Series 2013 Bonds. All amounts set forth below are preliminary and subject to change.

<u>Sources:</u>	Tax-Exempt Revenue Bonds	Taxable Revenue Bonds	Total
Bond Proceeds:			
Par Amount	6,765,000.00	211,000.00	6,976,000.00
Other Sources of Funds:			
Release of Debt Service Reserve Fund	118,096.35		118,096.35
Release of Bond Fund	305,296.88		305,296.88
	423,393.23		423,393.23
	<u>7,188,393.23</u>	<u>211,000.00</u>	<u>7,399,393.23</u>
<u>Uses:</u>	Tax-Exempt Revenue Bonds	Taxable Revenue Bonds	Total
Project Fund Deposits:			
Project Fund	500,000.00		500,000.00
Refunding Deposit:			
Cash Deposit	6,209,087.26		6,209,087.26
Other Fund Deposits:			
Debt Service Reserve Fund	300,251.00		300,251.00
Delivery Date Expenses			
Cost of Issuance*	135,299.98	204,680.02	339,980.00
Issuer Fee	175,889.98	<u>210,182.02</u>	<u>386,072.00</u>
Other Uses of Funds:			
Additional Proceeds	3,164.99	817.98	3,982.97
	<u>7,188,393.23</u>	<u>211,000.00</u>	<u>7,399,393.23</u>

\* The Placement Agent's fee should be included in costs of issuance for purposes of the "2% rule". All costs of issuance in excess of 2% of the par amount of the Bonds shall be paid by the Company from the proceeds of certain Taxable Bonds

## **RISK FACTORS**

Prospective purchasers of the Bonds should give careful consideration to the matters referred to in the following summary and in the financial statements of the Company (Appendix A hereto), which should not be considered exhaustive.

### **Reimbursement by Government Agencies**

Since the Company derives a material portion of its gross revenues pursuant to arrangements, agreements and contracts with the United States, New York State, and other local municipalities, both the ability of the Company to meet its payment requirements and the ability of the Issuer to make payments due on the Bonds are subject to certain risks regarding reimbursement or appropriation by such governmental bodies. If sufficient funds are not appropriated, or government policies regarding (i) the eligibility and entitlement of the people served by the Company to receive services provided by the Company, (ii) the type, frequency and duration of services authorized by governmental authorities to be provided for the consumers and clients served by the Company or (iii) the methodologies adopted by governmental authorities for reimbursement of programs operated by the Company are modified, the ability of the Company to pay debt service on the Bonds may be materially and adversely affected.

### **No Credit Enhancement**

The Bonds are not enhanced or secured by any credit facility, liquidity facility, bond insurance or other credit source. Thus, payment of the principal of, premium, if any, and interest on the Bonds is subject solely to the financial condition of the Company and the availability and value of the collateral securing the Bonds. No representation is made as to the value, liquidity or accuracy of any collateral securing the Bonds.

### **No Rating**

No application has been made for a rating on the Bonds from any rating agency.

### **Lack of Secondary Market**

No assurance can be given that any secondary market will exist for the Bonds or that an Owner of Bonds will be able to sell, transfer or assign any Bond. The Placement Agent is under no obligation to make a market for any Bonds.

### **Subsequent Occurrences Eliminating Federal Tax Exemption**

In the opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not included in gross income for federal income tax purposes under the law existing as of the date of issuance. (See "Tax Matters.") The exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes may be lost if certain events subsequently occur that violate the requirements and limitations prescribed by the Code. Although the Company and the Issuer have agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Tax-Exempt Bonds may be deemed to be taxable from the date of issuance. In the event that interest payable on the Tax-Exempt Bonds becomes taxable for federal income tax purposes, the Bonds are subject to redemption at par.

### **Use of Certain Funds to Redeem Bonds**

Moneys on deposit from time to time in the Renewal Fund as a result of damage, destruction or condemnation of all or part of the Facilities shall be used to redeem all or a portion of the Bonds unless used to repair or replace all or part of the Facilities. See "The Indenture -- Renewal Fund" and "The Bonds -- Redemption of Bonds."

## **THE INDENTURE**

The following is a summary of the Indenture and should not be considered a full statement thereof. Reference is made to the Indenture for the detailed provisions thereof and the discussion herein is qualified by such reference.

The Bonds will be issued under and secured by the Indenture. The Bond proceeds will be deposited, held and disbursed by the Trustee in accordance with the terms of the Indenture. Pursuant to the Indenture, the Issuer will pledge and assign to the Trustee and grant a security interest in any and all moneys due and to become due and all other rights and remedies of the Issuer under or arising out of the Loan Agreement (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund). Appendix D contains the form of the Indenture to be executed and delivered in connection with the issuance of the Series 2013 Bonds. Reference is made to the Indenture for complete details of the terms thereof.

## **THE LOAN AGREEMENT**

Concurrently with the issuance of the Bonds, the Issuer will loan the proceeds of its Series of Bonds to the Company pursuant to the Loan Agreement, dated as of July 1, 2013. The Company will be obligated under and pursuant to the Loan Agreement to make payments to the Trustee in amounts sufficient to pay the principal or Redemption Price, if any, of, and Purchase Price and interest on, the Bonds together with other fees and expenses as the same become due. The obligation of the Company to pay such payments under the Loan Agreement will be an absolute, unconditional and general obligation of the Company. Subsequent to the date of delivery of the Bonds, the Company shall be entitled to use the Facility in any manner not otherwise prohibited by the Security Documents, provided such use causes the Facility to qualify or continue to qualify as a "project" under the Act; and, provided, further, that at no time shall any such use be other than as a "project" and uses in furtherance of its tax-exempt purposes.

Appendix E contains the form of Loan Agreement to be executed and delivered in connection with the issuance of the Bonds. Reference is made to the Loan Agreement for its terms and conditions.

## **THE MORTGAGE**

The following is a summary of certain provisions of the Mortgage. This summary is qualified in its entirety by reference to the each document itself.

The Company shall execute and deliver to the Issuer a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing with respect to the project, pursuant to which the Company will grant to the Issuer a lien and security interest in the respective projects comprising the Bonds and certain leases, rents, insurance proceeds and condemnation awards (the "Mortgage"). The Mortgage shall encumber fee interests. The priority of such instrument shall be as set forth in the Mortgage and Security Agreement. The Issuer will assign its rights and obligations under the Mortgage to the Trustee pursuant to the terms of an Assignment of Mortgage, from the Issuer to the Trustee.

## **TAX MATTERS**

### ***TAX MATTERS REGARDING SERIES 2013A BONDS***

In the opinion of Phillips Lytle LLP, Bond Counsel to the Issuer, under existing law, regulations, rulings and court decisions and assuming continuous compliance with certain tax covenants by the Issuer and the Company. (i) interest on the Series 2013A Bonds is not included in gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2013A Bonds is not treated as a specific preference item under Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Code. In rendering its opinion, Bond Counsel to the Issuer has: (i) relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Issuer and the Company in connection with the Series 2013A Bonds, and the Loan Agreement between the Issuer and the Company; (ii) Bond Counsel to the Issuer has assumed continuous compliance by the Issuer and the Company with applicable requirements of the Code to



assure the exclusion of interest on the Series 2013A Bonds from gross income under Section 103 of the Code; and (iii) relied on the opinion of the Company's counsel addressed to Bond Counsel to the Issuer, among others, that the Company (a) is described in Section 501(c)(3) of the Code, exempt from federal income taxes under Section 501(a) of the Code and is not a "private foundation," as such term is defined under Section 509(a) of the Code, (b) has received a letter or other notification from the Internal Revenue Service ("IRS") to that effect and such letter or other notification has not been modified, limited or revoked, and (c) is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification and the facts and circumstances which form the basis of such letter or other notification as represented to the IRS continue to exist.

In addition, in the opinion of Bond Counsel to the Issuer, so long as interest on the Series 2013A Bonds is not included in gross income for federal income tax purposes, interest on the Series 2013A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel to the Issuer expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2013A Bonds. Bond Counsel to the Issuer renders its opinion under existing law as of the issue date, and assumes no obligation to monitor compliance or to update its opinion or to advise any party after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Issuer expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2013A Bonds, or under state and local tax law.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance, and delivery of the Series 2013A Bonds in order that interest on the Series 2013A Bonds be, and remain, not includible in gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2013A Bonds, and the facilities financed with such proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2013A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Issuer and the Company have covenanted to comply with the applicable requirements of the Code to assure the exclusion of interest on the Series 2013A Bonds from gross income under Section 103 of the Code. In the Tax Compliance Agreement, the Company has represented that none of its assets have been used, or covenanted that none of its assets will be used, to provide a prohibited "private benefit." The Company further covenanted to satisfy the ongoing requirements that must be met subsequent to the issuance, and delivery of the Series 2013A Bonds in order that interest on the Series 2013A Bonds be, and remain, not includible in gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2013A Bonds, and the facilities financed with such proceeds, the economic life of the assets financed or refinanced with the proceeds of the Series 2013A Bonds, the amount of issuance costs that may be paid from the proceeds of the Series 2013A Bonds and other applicable restrictions, including but not limited to yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2013A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered.

### **Certain Collateral Federal Income Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters but does not purport to address all aspects of federal income taxation that may be relevant to a particular owner of a Series 2013A Bonds.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining the alternative minimum taxable income of a corporation (other than an S corporation, qualified mutual fund, real estate investment trust, real estate mortgage investment conduit or financial asset securitization investment trust). Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of (i) the "adjusted current earnings" of a corporation over (ii) the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction). Interest on tax-exempt obligations, such as the Series 2013A Bonds, will be included in computing a corporation's "adjusted current earnings". Accordingly, a

portion of any interest on the Series 2013A Bonds received or accrued by a corporation that owns the Series 2013A Bonds will be included in computing such corporation's alternative minimum taxable income for such year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2013A Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2013A Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

Ownership of the Series 2013A Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, life insurance companies, holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and individuals who otherwise qualify for the earned income credit and for tax years ending after December 31, 2013, to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Series 2013A Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2013A Bonds will be included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2013A Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Issuer has NOT designated the Series 2013A Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code.

Owners of the Series 2013A Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

#### **Possible Government Action**

Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the IRS has established an expanded audit program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed or an audit initiated by the IRS involving either the Series 2013A Bonds or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Series 2013A Bonds. There can be no assurance that legislation enacted or proposed after the date of issuance of the Series 2013A Bonds will not have an adverse effect on the tax-exempt status or market price of the Series 2013A Bonds.

**PROSPECTIVE PURCHASERS OF THE SERIES 2013A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES 2013A BONDS AND ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL TAX LEGISLATION.**

## **TAX MATTERS REGARDING SERIES 2013B BONDS**

### **In General**

Under existing law, interest on the Series 2013B Bonds will not be exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York. Interest on the Series 2013B Bonds will be includable in the gross income of the owners thereof for purposes of federal income taxation. See “Certain U.S. Federal Income Tax Considerations” below.

### **Certain U.S. Federal Income Tax Considerations**

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Series 2013B Bonds is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates), which change may be retroactive, or possible differing interpretations. It deals only with Series 2013B Bonds held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding Series 2013B Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or persons whose functional currency is not the U.S. dollar. It also does not deal with holders other than investors who purchase Series 2013B Bonds in the initial offering at the first price at which a substantial amount of such substantially identical Series 2013B Bonds are sold to the general public (except where otherwise specifically noted). Persons considering the purchase of the Series 2013B Bonds should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Series 2013B Bonds arising under the laws of any other taxing jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Series 2013B Bond that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on August 20, 1996 and properly elected to continue to be treated as a United States person. Moreover, as used herein, the term “U.S. Holder” includes any holder of a Series 2013B Bond whose income or gain in respect of its investment in a Series 2013B Bond is effectively connected with a U.S. trade or business.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of any Series 2013B Bond, the treatment of a partner in a partnership will generally depend on the status of such partner and the activities of such partnership.

### **Payments of Interest**

Payments of interest on a Series 2013B Bond generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting), provided such interest is “qualified stated interest,” as defined below. A partnership and any partner in a partnership holding Series 2013B Bonds should consult their own tax advisors.

### **Market Discount**

If a U.S. Holder purchases a Series 2013B Bond, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity), such U.S. Holder will be treated as having purchased such Series 2013B Bond at a “market discount,” unless the amount of such market discount is less than the specified *de minimis* amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment on, or any gain realized on the sale, exchange, retirement or other disposition of, a Series 2013B Bond as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain or (ii) the market discount which has not previously been included in gross income and is treated as having accrued on such Series 2013B Bond at the time of

such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Series 2013B Bonds, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Series 2013B Bond with market discount until the maturity of such Series 2013B Bond or certain earlier dispositions, because a current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratably or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Series 2013B Bond and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary income for U.S. federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

### **Premium**

If a U.S. Holder purchases a Series 2013B Bond for an amount that is greater than the sum of all amounts payable on the Series 2013B Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Series 2013B Bond with “amortizable bond premium” equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Series 2013B Bond and may offset interest otherwise required to be included in respect of the Series 2013B Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Series 2013B Bond held by a U.S. Holder that does not make such election will decrease the amount of gain or increase the amount of loss otherwise recognized on the disposition of such Series 2013B Bond. However, if the Series 2013B Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the Series 2013B Bond (as discussed in more detail below). Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

The following rules apply to any Series 2013B Bond which may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity. The amount of amortizable bond premium attributable to such Series 2013B Bond shall be equal to the lesser of (1) the difference between (A) such U.S. Holder’s tax basis in the Series 2013B Bond and (B) the sum of all amounts payable on the Series 2013B Bond after the purchase date, other than payments of qualified stated interest or (2) the difference between (X) such U.S. Holder’s tax basis in the Series 2013B Bond and (Y) the sum of all amounts payable on the Series 2013B Bond after the purchase date due on or before the early call date, other than payments of qualified stated interest. If the Series 2013B Bonds may be redeemed on more than one date prior to maturity, the early call date and amount payable on that early call date that produces the lowest amount of amortizable bond premium, is the early call date and amount payable on the early call date that is initially used for purposes of calculating the amount pursuant to clause (2) of the previous sentence. If an early call date is not taken into account in computing premium amortization and the early call is in fact exercised, a U.S. Holder will be allowed a deduction for the excess of the U.S. Holder’s tax basis in the Series 2013B Bond over the amount realized pursuant to the redemption. If an early call date is taken into account in computing premium amortization and the early call is not exercised, the Series 2013B Bond will be treated as reissued on such early call date for the call price. Following the deemed reissuance, the amount of amortizable bond premium is recalculated pursuant to the rules of this section “— Premium.” The rules relating to a Series 2013B Bond that may be optionally redeemed are complex and prospective purchasers are urged to consult their own tax advisors regarding the application of the amortizable bond premium rules to their particular situation.

### **Disposition of a Series 2013B Bond**

Except as discussed above, upon the sale, exchange or retirement of a Series 2013B Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder’s adjusted tax basis in the Series 2013B Bond. A U.S. Holder’s adjusted tax basis in a Series 2013B Bond generally will equal such U.S. Holder’s initial investment in the Series 2013B Bond increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included market discount in income) and decreased by the amount of payments, other than qualified stated interest payments, received and amortizable bond premium taken with

respect to such Series 2013B Bond. Such gain or loss generally will be long-term capital gain or loss if the Series 2013B Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

### **Medicare Tax**

Legislation enacted in 2010 will impose an additional 3.8% tax on the net investment income (which includes interest, original issue discount and gains from a disposition of a Series 2013B Bond) of certain individuals, trust and estates, for taxable years beginning after December 31, 2012. Prospective investors in the Series 2013B Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the Series 2013B Bonds.

### **Non-U.S. Holders**

A non-U.S. Holder will not be subject to U.S. federal income taxes on payments of principal, premium (if any), or interest (including original issue discount, if any) on a Series 2013B Bond, unless such non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the Code. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received either (i) a statement from the individual or corporation that (a) is signed by the beneficial owner of the Series 2013B Bond under penalties of perjury, (b) certifies that such owner is not a U.S. Holder, and (c) provides the beneficial owner's name and address; or (ii) a statement from a securities clearing organization, bank or other financial institution that (a) hold customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the Series 2013B Bonds and (b) certifies under penalties of perjury a W-8BEN (as defined below) has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

A "Withholding Agent" is the last United States payor (or a non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person, or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. Holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-8BEN ("W-8BEN"), which is effective for the remainder of the year of signature plus three full calendar years unless a change in circumstances makes any information on the form incorrect. Notwithstanding the preceding sentence, a W-8BEN with a U.S. taxpayer identification number will remain effective until a change in circumstances makes any information on the form incorrect, provided that the Withholding Agent reports at least annually to the beneficial owner on IRS Form 1042-S. The beneficial owner must inform the Withholding Agent within 30 days of such change and furnish a new W-8BEN. A non-U.S. Holder who is not an individual or corporation (or an entity treated as a corporation for federal income tax purposes) holding the Series 2013B Bonds on its own behalf may have substantially increased reporting requirements. In particular, in the case of Series 2013B Bonds held by a foreign partnership (or foreign trust), the partners (or beneficiaries) rather than the partnership (or trust) will be required to provide the certification discussed above, and the partnership (or trust) will be required to provide certain additional information.

A non-U.S. Holder whose income with respect to its investment in a Series 2013B Bond is effectively connected with the conduct of a U.S. trade or business would generally be taxed as if the holder was a U.S. person provided the holder provides to the Withholding Agent an IRS Form W-8ECI.

Certain securities clearing organizations, and other entities who are not beneficial owners, may be able to provide a signed statement to the Withholding Agent. However, in such case, the signed statement may require a copy of the beneficial owner's W-8BEN (or the substitute form).

Generally, a non-U.S. Holder will not be subject to U.S. federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Series 2013B Bond, unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

The Series 2013B Bonds will not be includible in the estate of a non-U.S. Holder unless at the time of such individual's death, payments in respect of the Series 2013B Bonds would have been effectively connected with the conduct by such individual of a trade or business in the United States.

### **Backup Withholding**

Backup withholding of U.S. federal income tax may apply to payments made in respect of the Series 2013B Bonds to registered owners who are not “exempt recipients” and who fail to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Series 2013B Bonds to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Series 2013B Bond to (or through) a broker, the broker must report the sale and withhold on the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a non-U.S. Holder (and certain other conditions are met). Certification of the registered owner’s non-U.S. status would be made normally a W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s U.S. federal income tax provided the required information is furnished to the IRS.

### **Circular 230 Notice**

Any discussion of U.S. federal tax issues set forth in this Private Placement Memorandum relating to the Series 2013B Bonds was written in connection with the promotion and marketing of the transactions described in this Private Placement Memorandum. Such discussion is not intended or written to be legal or tax advice with respect to the Series 2013B Bonds to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

### **LITIGATION**

There is no known pending action against or, to the knowledge of the Issuer or the Company, no threatened litigation against the Issuer or the Company, respectively, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to their issuance, sale or delivery or the making and entering into any of the Company Documents or the Bond Documents, or the existence or powers of the Issuer or the Company.

As of the date of this Private Placement Memorandum, the Company does not know of any fact or set of facts from which liability would arise which would materially adversely affect the business of the Company or the acquisition, construction, equipping or operation of the Facility or the ability of the Bonds to be paid in full.

No representations or warranties are made by either Issuer or the Placement Agent as to the accuracy or completeness of the information, financial or otherwise, set forth in Appendix A which Appendix was supplied in its entirety by the Company. No representations or warranties are made by either Issuer with respect to any information regarding the other Issuer.

### **PLACEMENT AGENT**

The Bonds are being privately placed by Gates Capital Corporation (the “Placement Agent”). The Placement Agent has agreed to place the Bonds for compensation equal to one and one half percent (1.50%) of the principal amount of the Bonds. The Placement Agent’s services are being rendered on a best efforts basis.

### **CERTAIN RELATIONSHIPS**

A partner in the firm of Moritt Hock & Hamroff LLP, which firm acted as counsel to the Company in connection with the issuance of the Series 2013 Bonds, is also a director of the Company.

## **LEGALITY FOR INVESTMENT**

The Bonds are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and all other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on banking business, may properly and legally invest funds including capital in their control or belonging to them.

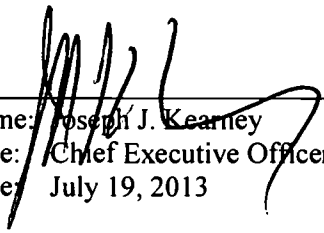
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**APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Phillips Lytle LLP, Garden City, New York, Bond Counsel, to the Issuer, in substantially the form of Appendix C to this Private Placement Memorandum. Copies of such opinion will be available at the time of the delivery of the Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, Edward Ambrosino, Esq., Uniondale, New York. Certain legal matters will be passed upon for the Company, by its counsel, Moritt Hock & Hamroff LLP, Garden City, New York; for The Bank of New York Mellon, as trustee, by its counsel, Hinckley, Allen & Snyder LLP, New York, New York and for the Placement Agent by its counsel, Kevin Wetmore, PLLC, Rochester, New York.

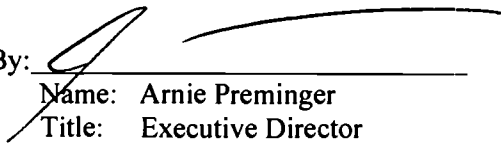
NASSAU COUNTY LOCAL ECONOMIC  
ASSISTANCE CORPORATION

By: \_\_\_\_\_

  
Name: Joseph J. Kearney  
Title: Chief Executive Officer  
Date: July 19, 2013

BARRY AND FLORENCE FRIEDBERG  
JEWISH COMMUNITY CENTER, INC.

By: \_\_\_\_\_

  
Name: Arnie Preminger  
Title: Executive Director  
Date: July 19, 2013



## **APPENDIX A**

### **OVERVIEW OF THE COMPANY**

***Certain information appearing herein relating to the Company and the Project has been furnished by the Company, and other sources deemed reliable and neither the Issuer nor the Placement Agent make any representation or warranty with respect to the accuracy or completeness of such information.***

#### **Barry and Florence Friedberg Jewish Community Center, Inc.**

##### **General Operations:**

The Friedberg Jewish Community Center (“Friedberg JCC” or “Center”) was established in 1961 and is an all-encompassing facility, dedicated to providing and maintaining the spirit of Judaism and its values. The Center provides a comprehensive program based on Jewish values, traditions, heritage and culture. The Friedberg JCC is a non-for-profit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The main office is located at 15 Neil Court in Oceanside, New York.

The Center’s primary sources of revenues are program services and membership fees. For year ended June 30, 2011, the Center had total revenues of \$12.6 million comprising mainly of program service fees (55%), contributions and grants (20%), membership fees (10%), and other sources (15%).

The Friedberg JCC provides social and educational programs, plus vitally needed services for individuals of all ages. Located in Oceanside, New York, with centers in both Merrick and Long Beach, the JCC operates programs for new mothers/new babies, day care, nursery school, after school activities, summer camps, teen programs, adult activities, special needs programs, and cultural activities.

##### **Description of Services:**

***Early Childhood*** – The Friedberg JCC offers year-round programs that embrace developmentally appropriate practices and utilize differentiated teaching styles within its curriculum. In the child centered classrooms, individual interests are identified, and activities are planned that give each child an opportunity for exploration and self-direction. The children acquire social competence and the skills they need to succeed as lifelong learners.

***Infants (6 weeks - 18 months)*** – The Center provides an environment of learning through relationships and responsive care given through direct, hands-on experiences and developmentally appropriate activities with people, objects, events, and ideas. The Friedberg JCC provides warm, human contact with caregivers who not only ensure the children’s safety and comfort but also foster infants’ physical, sensory, social, emotional and intellectual development.

***Toddlers (18 months – 2 years)*** – Friedberg JCC helps to develop language and future literacy skills through daily activities and thematic units. The Center also develops social skills through interaction with other toddlers, learning turns, sharing, laughter, and participation.

***Preschool (Ages 2, 3, and 4)*** – The preschool program is based on a well-researched theory and proven results about how children learn and develop. One important goal of the two year old program is language development where children are encouraged to express themselves through language as a means of communication. The program develops social skills by interacting with both peers and adults. The three year old program introduces a broad academic curriculum in language and literature classrooms through play and small group instruction. Early math concepts are presented providing the children with a foundation of readiness skills. Small and gross motor development, expansion of social skills, science,

music, computers, and art are also a part of the three year old experience. The four year old program's goal is preparation for Kindergarten. Progressively challenging language and math experiences, as well as science, social studies, and computers, shape the children's Pre-K experience. Phonemic awareness and letter recognition are emphasized at this stage as well as the development of a clear sense of community and responsibility.

***Teen Programs*** – The JCC offers Teenagers a variety of activities for them to participate at in the Community Center.

***Adult Services*** – The JCC offers adult a variety of programs for all interests and abilities.

***Parenting Resource Network*** – a network provided by Friedberg JCC to help parents discuss many parenting issues.

***After-School Programs*** – After-School programs are offered at the Long Beach location for grades K-5 and the Merrick/ Bellmore for grades Pre-k to 6. The JCC Enrichment Activity Program offers a complete menu of social, physical and cultural activities for children. The staff provides a “home away from home” atmosphere while challenging the children to explore and discover new areas of interest. Homework is supervised by staff and tutoring is available in all subject areas for those children who need extra academic support. Vacation programs are offered during most school holidays and on those days when the children have early dismissal due to parent/ teacher conferences or other school events.

***Special Needs Services*** - Special Needs Services are offered for all ages either through the Bring Beginnings initiative or at the Ezra Center for People with Disabilities.

- ***Bright Beginnings*** – Bright Beginnings is an initiative of the JCC, offering programs, services and support for families with children who have special needs. They have licensed therapists who provide no-cost services to children (ages 3 and above) who have been approved through their school district's preschool special education program. They offer services in the therapy gym, therapy bus, the Oceanside and Merrick sites, family's homes or other school settings.
- ***Ezra Center for People with Disabilities*** – The Ezra center offers programs to children, teens and adults with a wide range of developmental disabilities. They strive to create inclusive programming designed to foster socially appropriate behavior and to enhance self-image in an atmosphere of acceptance and comfort. To this end, they encourage participation from individuals with disabilities and age appropriate typical peers looking to volunteer their time and service.

***Camps*** – The Friedberg JCC Summer Day Camps offer programs for children ages 2-15. The programs encourage campers to develop their imaginations and individual abilities while enhancing their self-esteem. The camps provide a foundation that encourages children to develop friendships and skills that last a lifetime. Incorporated into the daily camp activities are rich in Jewish values – values that encourage doing what's right and caring for the world. The character building program called “STARFISH” helps to impress the campers with the most positive values. STARFISH is an acronym that stands for eight traits that Friedberg JCC feels are important and teachable in a camp environment, the traits are:

- Sportsmanship
- Tolerance
- Appreciation
- Respect
- Friendship
- Integrity

- Sensitivity
- Helpfulness

The camp offers a great opportunity to reinforce the education and character building that children are already learning at home.

***Preschool Camp*** – Utilizing the basics of the play-based literacy curriculum model, children have fun-filled, activity-packed days. Creative expression is encouraged through a “theme based” weekly schedule. Outdoor play is an essential component to a full summer experience. Science and nature are explored in the green areas, while gross motor skills are strengthened on the playground. Soccer, Yoga, Basketball, Art and Dance are taught by experienced early childhood teachers, coaches and professionals. Shabbat is celebrated every Friday as campers come together and honor Jewish traditions through art, music and food.

***Junior Camp*** – The junior camp is a camp located at Henry Kaufmann Campgrounds for Kindergarten to 4<sup>th</sup> grade children. The Kinderfun was designed just for children entering Kindergarten. It offers children a chance to be a part of an authentic, “big kid” camp experience within the safety of a nurturing unit all their own. Kinderfun children have their own supervisory staff, counselors and swim instructors, all of whom are chosen for their ability to work with young children. The pioneers unit is for children entering grades 1 & 2 and it features acres of ball fields, a full swimming complex with 4 swimming pools, the nature & science center, basketball courts, outdoor campsite areas, playgrounds, low ropes challenge course, driving range, hiking trails, mini-golf course and a sports complex offering instructional clinics given by a specialist. This facility is complemented by a variety of programming including, arts and crafts, Judaic Culture, drama, pioneering, music, dance and camp activities such as carnivals, special performances, and Color War. The Pioneers program also includes special day trips, pony rides, dress up days and more. For children entering grades 3 & 4, Adventures includes all of the activities of Pioneers but also adds 2-day overnight trips to several destinations including Sesame Place, the Philadelphia Zoo, Splash Down Beach, and the Queens Hall of Science. Transportation for overnight trips is on premier coach buses. Campers stay at modern Jewish Community Centers in the area that they are visiting and meals are provided during overnight trips.

***Explorers Age*** – This program is for pre-teenagers grades 5 and 6 that occupy a unique transitional division of our acclaimed summer camps. This unit allows the children to spend half their time based at the Henry Kaufmann Campgrounds and the other half of their traveling to new and exciting destinations. The programs at the campgrounds are designed to include special theme days, use of all sports facilities, swim instruction, arts and crafts, a golf driving range, a challenge course and Color War. The overnight and day destinations include Lake George, the Berkshire Mountains, the city of Boston, Club eNJoY in Pennsylvania, Jones Beach State Park, Splish Splash, Adventureland and Tiki Action Park. The administrative staff is carefully selected for their maturity and prior experience with preteen children. They include social workers and educators from local elementary and middle schools. The counselors are mature and chosen for their ability to offer children the positive guidance that is essential at this age.

***Voyagers Travel Program*** – The Voyagers travel program is designed for campers entering grades 7 to 10. The voyagers experience a variety of adventures on exciting day trips to popular destinations. The destinations included in the program are overnight trips to Virginia, to Club Getaway and Ohio as well as day trips to Six Flags Great Adventure, Dorney Park, Splish Splash, Dave and Busters, fishing, beaches, and many more. The administrative staff and counselors are chosen for their ability to relate well to teenagers and provide mature guidance and supervision. Many of the members of the staff are educators and social workers and have the knowledge and experience to provide teenage campers with a healthy and exciting summer.

***Health and Fitness*** – The Friedberg JCC’s wellness, fitness and sports facility is dedicated to meeting the fitness, recreational and wellness needs of its entire community. The purpose is to provide

innovative programs and classes for all ages in a modern health club and heated, indoor swimming pool. The fitness center and pool are staffed by certified instructors who monitor the progress and ensure the safety of the active members. The certified instructors are also available for private one-on-one training, blood pressure screenings and fitness evaluations.

***Fitness Center*** – The state-of-the-art Health and Fitness Center features Life Fitness treadmills, cycles & stair trainers, Precor ellipticals, Cybex resistance machines, free weights, and adaptive motion trainers.

***Aquatics Center*** – JCC offers swimming lessons for Kids which give them an opportunity to build social and lifesaving skills. Swimming helps to build muscle tone, motor skills and helps with sensory issues. Adult aquatic exercise is also offered and is a good form of exercise that does not impact the joints and allows persons with physical constraints to exercise.

***Fitness Programs and Personal Training*** – JCC offers a wide variety of group fitness programs, individual programs, and nutritionists for its clients. The list of group fitness programs includes classes titled Spinning, Aerobic Dance, Zumba, and Yoga among many others. The certified personal trainers a JCC offer members a personalized workout and diet program that helps them to reach their specific fitness and health goals.

***Theatre Camp*** – Theatre Camp, based at the Oceanside JCC, is designed for children ages 6-13 who are interested in theatre production. Under the direction of a qualified director, musician, and choreographer, campers learn acting techniques, cultivate their vocals, and perfect dance skills while having a summer of fun. Backstage design, sound and lighting skills are also taught to the children. Campers perform in full costume and makeup and have wireless microphones to enhance their developing voices. Each camp season culminates in a show for parents and the community. Theatre campers also participate in free swim and Red Cross swim instructions in the state-of-the-art pool. A kosher lunch and snack are provided daily.

***Sunrise Day Camp*** – Sunrise Day Camp, for children ages 3 ½ - 16, is the only dedicated full summer day camp in the nation for children with cancer and their siblings. It is a camp designed to meet the emotional, social, recreational and physical needs of these children while allowing them to enjoy the comforts and safety of their own homes at night. Sunrise Day Camp offers a full, multi-week summer activity program plus year round camp-like programs. These additional programs take place at the campgrounds and other locations that provide exclusive use of their facilities. Sunrise Day Camp is situated on the Henry Kaufmann Campgrounds, a 300-acre wooded site that borders Nassau and Suffolk counties.

***FINANCIAL STATEMENTS OF THE COMPANY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012 AND 2011***

**APPENDIX B**

***SCHEDULE OF DEFINITIONS***

**APPENDIX C**

***FORM OF OPINION OF BOND COUNSEL***

**APPENDIX D**

***FORM OF INDENTURE***



**APPENDIX E**

***FORM OF LOAN AGREEMENT***

**APPENDIX F**

***SINKING FUND SCHEDULE***

**Sinking Fund Installment Schedule for  
Series 2013A Bond:**

<b>Sinking Fund Installment Payment Date</b>	<b>Sinking Fund Installment</b>
11/01/2013	40,000
11/01/2014	325,000
11/01/2015	330,000
11/01/2016	340,000
11/01/2017	350,000
11/01/2018	385,000
11/01/2019	420,000
11/01/2020	445,000
11/01/2021	460,000
11/01/2022	475,000
11/01/2023	490,000
11/01/2024	510,000
11/01/2025	525,000
11/01/2026	540,000
11/01/2027	555,000
11/01/2028	575,000
	<b>\$6,765,000</b>

**Sinking Fund Installment Schedule for  
Series 2013B Bond:**

Sinking Fund Installment Payment Date	Sinking Fund Installment	Sinking Fund Installment Payment Date	Sinking Fund Installment
08/01/2013	4,000	02/01/2016	4,000
09/01/2013	3,000	03/01/2016	4,000
10/01/2013	3,000	04/01/2016	4,000
11/01/2013	3,000	05/01/2016	4,000
12/01/2013	3,000	06/01/2016	4,000
01/01/2014	3,000	07/01/2016	4,000
02/01/2014	3,000	08/01/2016	4,000
03/01/2014	3,000	09/01/2016	4,000
04/01/2014	3,000	10/01/2016	4,000
05/01/2014	3,000	11/01/2016	4,000
06/01/2014	3,000	12/01/2016	4,000
07/01/2014	3,000	01/01/2017	4,000
08/01/2014	3,000	02/01/2017	4,000
09/01/2014	3,000	03/01/2017	4,000
10/01/2014	3,000	04/01/2017	4,000
11/01/2014	3,000	05/01/2017	4,000
12/01/2014	3,000	06/01/2017	4,000
01/01/2015	3,000	07/01/2017	4,000
02/01/2015	3,000	08/01/2017	4,000
03/01/2015	3,000	09/01/2017	4,000
04/01/2015	3,000	10/01/2017	4,000
05/01/2015	3,000	11/01/2017	4,000
06/01/2015	3,000	12/01/2017	4,000
07/01/2015	3,000	01/01/2018	4,000
08/01/2015	3,000	02/01/2018	4,000
09/01/2015	3,000	03/01/2018	4,000
10/01/2015	3,000	04/01/2018	4,000
11/01/2015	3,000	05/01/2018	4,000
12/01/2015	3,000	06/01/2018	4,000
01/01/2016	3,000	07/01/2018	4,000
			<b>\$211,000</b>

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