

**AGENDA**

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
MONDAY, OCTOBER 19, 2015 – 5:00 PM  
“YES WE CAN” COMMUNITY CENTER  
141 GARDEN STREET, WESTBURY, NY 11590**

Call to Order

Action Items

- I. Approval of the Minutes of September 22, 2015 Meeting
- II. Authorization to Enter into a Liquidity Facility in Connection with NIFA's 2008D-1 Bonds and to Take Related Actions
- III. Authorization to Employ a Media Consultant and to Take Related Actions
- IV. Consideration of Tax Anticipation Notes Borrowing by Nassau County
- V. Consideration of Issuance of General Obligation Bonds by Nassau County
- VI. Consideration of Contract Amendment from the County Attorney's Office
- VII. Adopting the Staff Report Concerning the Proposed Nassau County Multi-Year Financial Plan, Fiscal 2016-2019 and the Recommendations Contained Therein

Adjournment

NASSAU COUNTY INTERIM FINANCE AUTHORITY  
MEETING OF THE DIRECTORS  
MINUTES OF SEPTEMBER 22, 2015

The Directors of the Nassau County Interim Finance Authority met on September 22, 2015 at 9:06 AM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

Directors present:     Jon Kaiman, Chairman  
                          Paul Annunziato  
                          Adam Haber  
                          Paul Leventhal  
                          Lester Petracca  
                          Christopher Wright

Directors absent:     John Buran

Staff present:        Evan Cohen, Executive Director  
                          Carl Dreyer, Treasurer  
                          Laurie Giardina, Corporate Secretary  
                          Maria Kwiatkowski, Deputy Director  
                          Jeremy Wise, General Counsel

**1. Call to Order/Roll Call**

The meeting was called to order at 9:06 AM.

**2. Approval of Minutes**

On a motion by Director Wright, the Directors approved the minutes from the meeting on August 19, 2015.

Positive votes: 6        Negative votes: 0

Resolution No. 14-573

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 19, 2015 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY**

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RESOLVED, that the Minutes of the meeting of the Authority held on August 19, 2015 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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**3. Approve Submission of NIFA’s 2016 Budget and FY 2016 – FY 2019 Financial Plan to the Office of the State Comptroller and the Authorities Budget Office to Comply with 2 NYCRR, Part 203**

The Directors were asked to vote on NIFA’s 2016 Budget and FY 2016-FY 2019 Financial Plan which was approved at the Audit and Internal Controls Committee meeting prior to this meeting.

On a motion by Director Wright, the Directors approved the NIFA Budget and Financial Plan.

Positive votes: 6      Negative votes: 0

Resolution No. 15-574

**APPROVE SUBMISSION OF NIFA’S 2016 BUDGET AND FY 2016 – FY 2019 FINANCIAL PLAN TO THE OFFICE OF THE STATE COMPTROLLER AND THE AUTHORITIES BUDGET OFFICE TO COMPLY WITH 2 NYCRR, PART 203 AND THE TAKING OF RELATED ACTIONS**

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RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (the “Authority”); and be it further

RESOLVED, that the Authority acknowledges enactment of 2 NYCRR, Part 203 (the “Regulations”) and its requirement that the Directors of the Nassau County Interim Finance Authority receive, review and approve a proposed Budget for FY 2016 (“Budget”) and a proposed Financial Plan for FY 2016 – FY 2019 (“Plan”); and be it further

RESOLVED, that the Authority hereby conditionally approves the Budget and Plan subject to the conditions outlined in the Materials; and be it further

RESOLVED, that the following employees are hereby rehired and appointed as officers of the Authority beginning on January 5, 2016 and shall continue in those respective roles until such time as their resignations or terminations: Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Carl Dreyer, Treasurer; Maria Kwiatkowski, Deputy Director; Laurel Giardina, Corporate Secretary; and be it further

RESOLVED that the Chairman of the Authority or his designees(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to publish and file the Budget and Plan with the State Comptroller and any other necessary parties and to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider necessary or proper to effectuate the foregoing and related actions.

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**4. Leasing of New Office Space at 1305 Franklin Avenue Plaza in Garden City and the Taking of Related Actions**

The Directors were asked to approve a request to enter into a lease for new office space.

On a motion by Director Wright, the Directors approved the request.

Positive votes: 6      Negative votes: 0

Resolution No. 15-575

**LEASING OF OFFICE SPACE 1305 FRANKLIN AVENUE PLAZA IN GARDEN CITY, NEW YORK AND THE TAKING OF RELATED ACTIONS**

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RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (“NIFA”); and be it further

RESOLVED, the Directors have determined that they would like staff to enter into a new lease at 1305 Franklin Avenue Plaza in Garden City, New York for a term of seven years and seven months substantially upon the terms outlined in the Materials; and be it further

RESOLVED that the staff of NIFA is given the authority to enter into a new lease substantially upon the terms outlined above and to take related actions (as deemed necessary and not to exceed \$30,000) for outside counsel to review the lease as well as moving, new furnishings, installations and/or purchase of telecommunication, and all other related or incidental matters.

\* \* \*

**5. Authorization to Appoint a Law Firm and to Take Related Actions**

The Directors were asked to authorize the hiring of a law firm to represent NIFA, as needed, in FOIL related matters.

On a motion by Director Annunziato, the Directors approved the request.

Positive votes: 6      Negative votes: 0

Resolution No. 15-576

**AUTHORIZATION TO APPOINT A LAW FIRM TO PROVIDE ASSISTANCE TO THE NASSAU COUNTY INTERIM FINANCE AUTHORITY**

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RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (the “NIFA”); and be it further

RESOLVED, that based upon the Materials presented to this meeting, the Chairman or his designee(s) are hereby delegated the authority to hire Bond Schoeneck & King, the (“Firm”) to represent NIFA; and be it further

RESOLVED, that the Firm may be paid for emergency work and necessary disbursements, completed prior to the adoption of this resolution, which work was done with the understanding that their contract was subject to approval of the Directors; and be it further

RESOLVED, that the immediate utilization of the Firm is deemed to be an extraordinary circumstance which makes advertising impractical or inappropriate.

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**6. Approval to Refund Certain NIFA Debt and Take Related Actions**

The Directors were asked to approve the terms of the NIFA refunding which was approved at the Finance Committee meeting prior to this meeting.

On a motion by Director Leventhal, the Directors approved the request.

Positive votes: 5      Negative votes: 0      Recusal: 1 (Director Wright)

Resolution No. 15-577

RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED REFUNDING BONDS, SERIES 2015A

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the “Act”) authorizes the Nassau County Interim Finance Authority (the “Authority”) to refund any bonds of the Authority by the issuance of new bonds, whether the bonds to be refunded have or have not matured; and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance and sale of additional series of its sales tax secured bonds (the “Bonds”) through the approval of appropriate documentation, including, without limitation, the approval of the Twentieth Supplemental Indenture (as such term is defined below), the issuance, sale and delivery of such series of Bonds, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, as a result of favorable market conditions, the Authority may be able to refund certain of its outstanding Bonds for debt service savings, thereby permitting greater residual sales tax revenue transfers to the County; and

WHEREAS, it is expected that the Bonds will be issued in one or more Series, to be secured by the Indenture, as supplemented by the Twentieth Supplemental Indenture (as such term is defined below); and

WHEREAS, the Authority is required to obtain the written approval of the State Comptroller for the sale of the Bonds and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the additional series of Bonds; and

WHEREAS, the proceeds of such series of Bonds will be used (i) subject to the terms hereof, to refund outstanding bonds of the Authority (the “Refunded Bonds”) and (ii) to pay the costs of issuance of such series of Bonds; and

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered an indenture entitled “Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as (original) Trustee, dated as of October 1, 2000” (the “General Indenture”), authorizing the issuance of one or more series of Bonds for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such Bonds and the security pledged to the payment thereof; and

WHEREAS, the duly Authorized Officers (as defined below) of the Authority have caused to be prepared a form of supplemental indenture entitled “Twentieth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York Mellon, as Trustee, Authorizing Nassau County Interim Finance Authority Sales Tax Secured Refunding Bonds, Series 2015A, dated as of October 1, 2015” (the “Twentieth Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) (the General Indenture, as amended and supplemented, being hereinafter collectively referred to as the “Indenture”); and

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered a financing agreement dated as of October 1, 2000 (the “Financing Agreement”), by and between the Authority and the County of Nassau (the “County”), pursuant to which the County has made certain agreements and covenants relating to the issuance of Bonds by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of Preliminary Offering Circular (the “Preliminary Offering Circular”) relating to the Series 2015A Bonds; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of the Offering Circular to be used in connection with the issuance and sale of one or more series of the Series 2015A Bonds (the “Offering Circular”) and have negotiated the Contract of Purchase therefor (the “Purchase Contract”); and

NOW, THEREFORE, the Authority, hereby adopts the following resolutions (collectively hereinafter referred to as the “resolution”):

I. Twentieth Supplemental Indenture

RESOLVED, that the form of Twentieth Supplemental Indenture presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Twentieth Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2015A Bonds (which may be issued at one time or from time to time in one or more series, subject to redesignation as hereinafter provided) as may be approved by an Authorized Officer subject to the terms referred to in clause VI below; and further

II. Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in substantially the form of the Preliminary Offering Circular presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved for use in marketing the Series 2015A Bonds with such changes as an Authorized Officer may approve and any Authorized Officer is hereby authorized to approve the distribution of the same on behalf of the Authority; and further, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, the Offering Circular, with such changes, insertions and omissions to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriters to comply with SEC rules; and further

III. Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters of the Series 2015A Bonds in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as any Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

IV. Continuing Disclosure Agreement

RESOLVED, that the form of Continuing Disclosure Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit D, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver one or more Continuing Disclosure Agreements in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer’s execution thereof; and further

V. Escrow Deposit Agreement

RESOLVED, that one or more Escrow Deposit Agreements relating to the retirement of the Refunded Bonds, in substantially the form presented to this meeting and annexed to this resolution as Exhibit E, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Escrow Deposit Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

VI. Terms of Series 2015A Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the Indenture, the power with respect to the Series 2015A Bonds to determine and carry out the following:

(a) Unless otherwise directed by an Authorized Officer of the Authority, the bonds shall be designated the Nassau County Interim Finance Authority Sales Tax Secured Refunding Bonds, Series 2015A;

(b) The principal amount of the Series 2015A Bonds to be issued in an aggregate total principal amount up to \$160,000,000;

(c) The Refunded Bonds or series of Refunded Bonds which are to be refunded or restructured with a portion of the proceeds of the Series 2015A Bonds for the purpose of reducing the Authority's debt service; provided, however, that (i) any such Bonds selected shall achieve present value debt service savings, as further specified in the table below, (ii) the negative arbitrage for any such Refunded Bond cannot exceed the present value savings and (iii) in the aggregate, the present value debt service savings shall equal at least two percent (2.00%) of the par amount of the Refunded Bonds;

		<u>Years to Call</u>		
		0-2	3-7	8-10
<u>Years from Call to Maturity</u>	0-5	0.5%	1.0%	2.0%
	6-10	1.0	2.5	4.0
	11-15	3.0	4.0	5.0
	16-20	4.0	5.0	5.5

(d) The date or dates, if any, on which the Refunded Bonds are to be called for redemption, the selection of a bidding agent for the funding of an escrow, the provisions of any escrow deposit agreement, and any other matters necessary as determined by such Authorized Officer to best carry out the Authority's statutory purposes and the purposes of this Resolution;

(e) The date or dates, maturity date or dates and principal amount of the Series 2015A Bonds, the amount and date of each sinking fund installment, if any, and which Series 2015A Bonds, if any, are serial bonds or term bonds; provided, however, that the final maturity of the Series 2015A Bonds shall mature no later than November 15, 2025;

(f) The interest rate or rates of the Series 2015A Bonds (including a zero interest rate), whether such interest rate or rates shall be fixed or variable, tax-exempt or taxable, the



dates from which interest on the Series 2015A Bonds shall accrue, the interest payment dates, if any, therefor and the interest rate mode or modes thereof, as provided in the Twentieth Supplemental Indenture;

(g) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series 2015A Bonds; provided, however, that the redemption price of any Series 2015A Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2015A Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(h) Additional provisions for the sale or exchange of the Series 2015A Bonds and for the delivery thereof not otherwise set forth herein;

(i) Directions for the application of the proceeds of the Series 2015A Bonds and investment thereof not in conflict with the provisions hereof;

(j) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the Indenture, including, without limitation, incorporating bond insurance or other form of credit facility to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

## VII. Issuance of Bonds

RESOLVED, that the Authority shall issue, award and deliver each series of the Series 2015A Bonds pursuant to the Purchase Contract, and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Series 2015A Bonds; and further

## VIII. Authorized Officers

RESOLVED, that each of the Chairperson, the Executive Director, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant or Acting Treasurer and any Assistant Corporate Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an “Authorized Officer” for the purposes of this entire resolution; and further

## IX. Appointment of Underwriters

RESOLVED, that the firm of Merrill Lynch, Pierce, Fenner & Smith Incorporated is hereby appointed as senior book running manager, Loop Capital Markets is hereby appointed co-senior manager and the firm of Goldman, Sachs & Co. is hereby appointed as co-manager for the offering, provided that other underwriters may participate in the financing in capacities as determined by an Authorized Officer; and further

## X. Appointment of Bidding Agents

RESOLVED, that, if required or deemed necessary, the firm of Lamont Financial Services Corporation, through its affiliate Lamont Investment Advisers Corp., may serve as bidding agent for

the purchase of escrow securities, to the extent specified by an Authorized Officer; and further

XI. Appointment of Financial Advisor

RESOLVED, that based on its strong familiarity with the Authority's debt profile and the underlying documentation in support of the Authority's finance structure and in the interest of minimizing transaction costs, the firm of Lamont Financial Services Corporation is hereby selected as Financial Advisor for this transaction to provide financial advice to the Authority with respect to the issuance of the Series 2015A Bonds; and further

XII. Appointment of Verification Agent

RESOLVED, that any Authorized Officer shall solicit, or cause to be solicited, proposals to provide services as verification agent with respect to the Escrow Deposit Agreement described in clause V hereof and the calculation of the yields on the Refunded Bonds or Series 2015A Bonds, as necessary; and further

XIII. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of each series of the Series 2015A Bonds is found to be appropriate for the following reasons:

(i) the Underwriters have and will continue to assist in all structuring tasks including preparation of the Offering Circular and presentations to or discussions with rating agencies;

(ii) the Underwriters have and will continue to be able to undertake presale marketing to help determine the level of demand for the Series 2015A Bonds; and

(iii) the Underwriters will have the flexibility to sell the Series 2015A Bonds on short notice and make rapid changes in structure to accommodate the market;

and further provided, that each series of the Series 2015A Bonds shall be awarded and sold to the respective Underwriters named in the Purchase Contract upon the terms and conditions set forth in the related Purchase Contract at a purchase price of not less than ninety percent (90%) of the aggregate original principal amount (issuance value) of such series of the Series 2015A Bonds to be sold; and further

XIV. Sale of Series 2015A Bonds

RESOLVED, that, subject to obtaining the approval of the Comptroller of the State, the Authority shall sell and award, at private sale, the aggregate principal amount of each series of the Series 2015A Bonds to the Underwriters; and further

XV. Escrow Agent

RESOLVED, that The Bank of New York Mellon is hereby selected to serve as escrow agent with respect to the Escrow Deposit Agreement described in item V hereof; and further

XVI. Appointment of Bond Counsel

RESOLVED, that the law firm of Sidley Austin LLP is hereby appointed bond counsel for the Series 2015A Bonds, as such firm has significant experience in representing Authority in the issuance and reoffering of its bonds and, as bond counsel on the Authority's prior issuances of refunding bonds, has unique knowledge of the bonds that are expected to be refunded which would be costly to duplicate by similarly situated professionals; and further

XVII. Authority Auditors

RESOLVED, that McGladrey LLP, the Authority's outside auditors, are hereby requested to consent to the inclusion of their report on the Authority's financial statements in the Preliminary Offering Circular and the Offering Circular, and that the Authorized Officers are hereby directed and authorized to take all necessary or useful actions to effect such inclusion, including the negotiation and payment of any customary related fees to McGladrey LLP; and further

XVIII. Printer

RESOLVED, that any Authorized Officer shall solicit, or cause to be solicited, proposals for the services of a Printer with respect to the Preliminary Offering Circular and the Offering Circular; and further

XIX. Findings With Respect To Consultants And Advisors

RESOLVED, that the Authority hereby finds and determines that extraordinary circumstances exist, in view of the accelerated time schedule for the transaction and the significant benefit to the County and the Authority of completing the transaction under current market conditions, which make competition impracticable or inappropriate and merit the procurement of certain consultants and advisors deemed necessary or appropriate in carrying out the intent of this resolution, on a sole source or single source basis, as provided in the Authority's Procurement Contract Guidelines, upon such terms and conditions as any Authorized Officer may find reasonable and appropriate; and further

XX. Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Series 2015A Bonds), make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out this resolution, including without limitation the execution, sale and delivery of the Series 2015A Bonds, applications for ratings, any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution, and that all such actions heretofore taken in connection with the Series 2015A Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

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EXHIBIT A

to the Nassau County Interim Finance Authority Resolution  
Concerning the Sale and Issuance of Sales Tax Secured Bonds, Series 2015A

[TWENTIETH SUPPLEMENTAL INDENTURE]

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TWENTIETH SUPPLEMENTAL INDENTURE

between

NASSAU COUNTY INTERIM FINANCE AUTHORITY

and

THE BANK OF NEW YORK MELLON, as Trustee

Authorizing

[\$[AMOUNT]]

NASSAU COUNTY INTERIM FINANCE AUTHORITY

SALES TAX SECURED BONDS,  
SERIES 2015A

Dated as of October 1, 2015

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## ARTICLE I

### AUTHORITY AND DEFINITIONS

Section 1.01. The Twentieth Supplemental Indenture, Parties and Findings. This TWENTIETH SUPPLEMENTAL INDENTURE (the “Twentieth Supplemental Indenture”) is entered into as of October 1, 2015, by the Nassau County Interim Finance Authority (the “Authority”) and The Bank of New York Mellon, as Trustee (the “Trustee”). This Twentieth Supplemental Indenture is a Supplemental Indenture under the original Indenture (the “Indenture”) dated as of October 1, 2000 between the Authority and United States Trust Company of New York, as original trustee, to which The Bank of New York Mellon is successor trustee, that is being entered into to authorize and to set forth certain terms of and other matters relating to the Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2015A. The provisions of the original Indenture shall apply to this Twentieth Supplemental Indenture as though set forth in full in this Twentieth Supplemental Indenture.

In consideration of the mutual agreements contained in this Twentieth Supplemental Indenture and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority and the Trustee agree as set forth herein for their own benefit and for the benefit of the Bondholders and, as applicable, other Beneficiaries.

Section 1.02. Definitions. Terms used herein and not otherwise defined shall have the respective meanings given or referred to in the Indenture hereto.

The following terms shall have the following meanings in this Twentieth Supplemental Indenture unless the context otherwise requires:

“Arbitrage and Use of Proceeds Certificate” means the Arbitrage and Use of Proceeds Certificate of the Authority in connection with the issuance of the Series 2015A Bonds, also signed by or with accompanying certifications of the County, all in a form satisfactory to Counsel to the Authority.

“Continuing Disclosure Undertaking” means the Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2015A Continuing Disclosure Agreement dated the date of issuance of the Series 2015A Bonds, by and between the Authority and the Trustee.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement, dated October [ ], 2015, between the Authority and the Trustee providing for the redemption of the Refunded Bonds with a portion of proceeds of the Series 2015A Bonds and other available funds.

“Offering Circular” means the offering circular, dated September [ ], 2015, relating to the Series 2015A Bonds.

“Preliminary Offering Circular” means the preliminary offering circular, dated September [ ], 2015, relating to the Series 2015A Bonds.

“Refunded Bonds” means the Authority’s Sales Tax Secured Bonds, Series 2005A, Series 2005D and Series [2009A].

“Requisition” means a certificate in writing signed by Authorized Officers of the County in the form required pursuant to the Agreement.

“Series 2015A Bonds” means the Authority’s Sales Tax Secured Bonds, Series 2015A.

“Underwriting Agreement” means the contract of purchase dated September [ ], 2015, between the Authority and the Underwriters, relating to the Series 2015A Bonds.

“Underwriters” means the underwriters named in the Underwriting Agreement.

## ARTICLE II

### THE SERIES 2015A BONDS

Section 2.01. Principal Amount, Designation and Series. Pursuant to the Indenture and the Act, a series of Senior Bonds are hereby authorized. Such Bonds issued as fixed rate bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title “Sales Tax Secured Bonds, Series 2015A”. The Series 2015A Bonds are hereby authorized in the aggregate principal amount of \$[AMOUNT]. Notwithstanding any other provision hereof, to the extent provided in one or more Officer’s Certificates of the Authority, the Series 2015A Bonds may be issued and delivered in one or more series or subseries with such further or different designations as set forth in such Officer’s Certificates of the Authority.

(a) Details of the Series 2015A Bonds. The Series 2015A Bonds shall be issued in fully registered form and shall be numbered from 15AR-1 upwards unless specified otherwise in an Officer’s Certificate. The Series 2015A Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof. Each Series of the Series 2015A Bonds shall be dated their date of delivery. The Series 2015A Bonds shall be issued as Tax Exempt Bonds. The Series 2015A Bonds shall be issued substantially in the form of Exhibit A hereto, and shall mature and bear interest as shown on Exhibit B.

(b) Redemption. The Series 2015A Bonds maturing after November 15, 20[ ] shall be subject to redemption at the option of the Authority, in whole or in part at any time on or after November 15, 20[ ], at a redemption price equal to 100% of the principal amount of Series 2015A Bonds to be redeemed plus accrued interest to the date of redemption.

When Series 2015A Bonds are required by the Indenture to be redeemed, the Trustee shall issue timely notice of call whether or not the necessary funds are held for such redemption at the date of the notice. Notice of the optional redemption of Series 2015A Bonds, other than any notice in connection with Series 2015A Bonds that are subject to a refunding, may be given only if an amount of money in addition to other money available therefor on deposit with the Authority, Trustee or any Paying Agent, is sufficient to pay the applicable redemption price of, and accrued interest on, the Series 2015A Bonds to be redeemed. If at the time of notice, the Authority shall not have deposited with the Trustee moneys sufficient to redeem all the Series 2015A Bonds called for any optional redemption, such notice shall state that such optional redemption is conditional, in that it is subject to the sufficient deposit of moneys with the Trustee or a Paying Agent not later than the date fixed for redemption. Such notice shall be of no effect and no optional redemption shall occur unless such moneys are so deposited.



(c) Application of Proceeds. The Series 2015A Bonds shall be issued to provide for the redemption of the Refunded Bonds previously issued under the Indenture. Upon receipt of the proceeds of the Series 2015A Bonds, the Authority shall apply such proceeds as follows: (i) the Costs of Issuance of the Series 2015A Bonds shall be disbursed directly or through the Bond Proceeds Fund pursuant to an Officers' Certificate; (ii) any portion of Bond Proceeds necessary to provide for the retirement of the Refunded Bonds, consistent with the terms of any Escrow Deposit Agreement, shall be deposited with the Trustee, as escrow agent, or, to the extent Bond Proceeds are to be applied to the retirement of a portion of the Refunded Bonds on the date of receipt, disbursed directly or through the Bonds Proceeds Fund by the Trustee pursuant to an Officers' Certificate to provide for such payment; and (iii) any portion of Bond Proceeds necessary to fund a deposit to the Debt Service Liquidity Account or to pay the cost of one or more Surety Bonds to fund such deposit.

### ARTICLE III

#### DETERMINATIONS PURSUANT TO ACT AND INDENTURE

Section 3.01. Statutory Determinations and Recommendations. The Authority has determined that issuance of the Series 2015A Bonds is appropriate and hereby authorizes (a) the issuance and sale of the Series 2015A Bonds, including the private sale to the Underwriters, at the compensation and in accordance with the terms specified in the Underwriting Agreement, and (b) the prices, interest rates, maturities and other terms and conditions herein provided for the Series 2015A Bonds.

Section 3.02. No Provision for Capitalized or Accrued Interest. Pursuant to Section 502(c) of the Indenture, no provision for capitalized or accrued interest on the Series 2015A Bonds shall be made in the Bond Account.

### ARTICLE IV

#### MISCELLANEOUS

Section 4.01. Further Authority. (a) Without limiting authority elsewhere conferred, the Chairperson, the Vice Chairperson, the Treasurer, the Executive Director, the Chief Financial Officer, the Corporate Secretary, the Assistant Corporate Secretary and the General Counsel of the Authority and each of them are hereby designated Authorized Officers to execute and deliver such documents, agreements, instruments and certifications as may be necessary to give effect to the Indenture, including this Twentieth Supplemental Indenture; and authorized to execute, or authorize or ratify the distribution of, the Underwriting Agreement the Escrow Deposit Agreement, the Arbitrage and Use of Proceeds Certificate, and the Offering Circular. All preparatory actions previously taken by such Authorized Officers are hereby ratified.

(b) To the extent an Authorized Officer of the Authority deems necessary to obtain a credit facility or a reserve credit facility or preserve a rating on the Series 2015A Bonds or to obtain a no adverse impact letter relating to the rating on the Series 2015A Bonds, or otherwise give effect to the terms of sale of the Series 2015A Bonds, the Officer's Certificate of the Authority may include, to the extent reasonable or necessary to provide for the terms of the

Series 2015A Bonds as set forth in the respective Underwriting Agreement, additional determinations providing for the interest rates, designation, maturities, terms of redemption and other terms with respect to the Series 2015A Bonds, including, but not limited to, minimum requirements on amounts held in the various Accounts or funds (which requirements are not inconsistent with the Indenture and this Twentieth Supplemental Indenture) and restrictions on investments of amounts held under the various Funds (which restrictions are not inconsistent with the Indenture and this Twentieth Supplemental Indenture).

Section 4.02. Continuing Disclosure Undertaking. The Authority covenants with the Holders of the Series 2015A Bonds to execute and deliver a Continuing Disclosure Undertaking to allow the Underwriters to comply with the requirements of the Securities and Exchange Commission Rule 15c2-12 as in effect on the date hereof.

Section 4.03. Incorporation of Officer's Certificate of the Authority. Any Officer's Certificate of the Authority delivered pursuant hereto shall be incorporated herein, and the provisions thereof shall have the same force and effect as if fully set forth herein.

Section 4.04. Effective Date. This Twentieth Supplemental Indenture shall be fully effective in accordance with its terms upon the delivery of the Series 2015A Bonds.

Section 4.05. Counterparts. This Twentieth Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; and such counterparts shall together constitute but one and the same instrument.

**SIGNATURES**

**IN WITNESS WHEREOF**, the parties have caused this Twentieth Supplemental Indenture to be duly executed all as of the date first above written.

**NASSAU COUNTY INTERIM  
FINANCE AUTHORITY**

By: \_\_\_\_\_  
Authorized Officer

**THE BANK OF NEW YORK MELLON,  
as Trustee**

By: \_\_\_\_\_  
Authorized Officer

FORM OF SERIES 2015A BOND

Subject to the provisions of the Indenture and except as otherwise provided in an Officer's Certificate of the Authority, the Series 2015A Bonds in fully registered form shall be in substantially the following form:

**UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE AUTHORITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

REGISTERED \_\_\_\_\_ \$ \_\_\_\_\_  
No. 15AR-\_\_

NASSAU COUNTY INTERIM FINANCE AUTHORITY

SALES TAX SECURED BOND

SERIES 2015A

Interest Rate	Dated Date	Maturity Date	CUSIP
____%	October [ ], 2015	November 15, 20__	631663 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE NASSAU COUNTY INTERIM FINANCE AUTHORITY (the "Authority"), a public benefit corporation of the State of New York (the "State"), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount at the rate of interest set forth above from October [ ], 2015, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the last business day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on May 15 and November 15 of each year, beginning May 15, 2016, and at maturity by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York

Mellon, as trustee (the "Trustee"), as of the close of business on the last business day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30 day months.

This Bond shall not be a debt of either the State or County of Nassau (the "County"), and neither the State nor the County shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this Bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this Bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Authority (in either case, the "Paying Agent").

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the Holder of such Bond shall thereafter look only to the Authority for payment.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This Bond is a general obligation of the Authority and one of a Series of Senior Bonds representing a borrowing of \$[AMOUNT] under chapter 84, laws of New York, 2000, as amended, and pursuant to an Indenture dated as of October 1, 2000, between the Authority and the Trustee (as amended and supplemented, including as amended and supplemented by the Twentieth Supplemental Indenture between the Authority and the Trustee dated as of [ ], 2015, the "Indenture"). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the County, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such

Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Sales Tax Revenues. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

Pursuant to the Act, the County has made a pledge and agreement with the Holders of the Outstanding Bonds that the County will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict any right the County may have to amend, modify or otherwise alter local laws imposing or relating to the Sales Tax Revenues so long as, after giving effect to such amendment, modification or other alteration, the amount of Revenues projected by the Authority to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 200% of maximum annual debt service on the Bonds.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be exempt from taxation.

Neither the Directors of the Authority nor any person executing this Bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reasons of the issuance hereof.

The Series 2015A Bonds maturing after November 15, 20[ ] shall be subject to redemption at the option of the Authority, in whole or in part at any time on or after November 15, 20[ ], at a redemption price equal to 100% of the principal amount of Series 2015A Bonds to be redeemed plus accrued interest to the date of redemption.

When Series 2015A Bonds are required by the Indenture to be redeemed, the Trustee shall issue timely notice of call whether or not the necessary funds are held for such redemption at the date of the notice. Notice of the optional redemption of Series 2015A Bonds, other than any notice in connection with Series 2015A Bonds that are subject to a refunding, may be given only if an amount of money in addition to other money available therefor on deposit with the Authority, Trustee or any Paying Agent, is sufficient to pay the applicable redemption price of, and accrued interest on, the Series 2015A Bonds to be redeemed. If at the time of notice, the Authority shall not have deposited with the Trustee moneys sufficient to redeem all the Series 2015A Bonds called for any optional redemption, such notice shall state that such optional redemption is conditional, in that it is subject to the sufficient deposit of moneys with the Trustee or a Paying Agent not later than the date fixed for redemption. Such notice shall be of no effect and no optional redemption shall occur unless such moneys are so deposited.

The Series 2015A Bonds are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof, and may not be converted into bearer bonds.

The Authority, the Trustee and the Paying Agent may treat the registered owner as the absolute owner of this Bond for all purposes, notwithstanding any notice to the contrary.

The respective covenants of the Authority, the County and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this Bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

This Bond is transferable by the registered owner hereof in accordance with the provisions of the Indenture and the Act.

**IN WITNESS WHEREOF**, NASSAU COUNTY INTERIM FINANCE AUTHORITY has caused this Bond to be executed in its name by an Authorized Officer and attested by its Authorized Officer by their facsimile signatures, all as of the [ ]th day of October, 2015.

NASSAU COUNTY INTERIM  
FINANCE AUTHORITY

By: \_\_\_\_\_  
AUTHORIZED OFFICER

ATTEST:

\_\_\_\_\_  
AUTHORIZED OFFICER



**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in and issued in accordance with the Indenture, including the Twentieth Supplemental Indenture.

THE BANK OF NEW YORK MELLON,  
as Trustee

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Authorized Officer

Date of Authentication: October [ ], 2015

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto  
PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF  
ASSIGNEE

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PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

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the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_ attorney to transfer the within Bond on the books kept  
for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

In the Presence of:

NOTICE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to SEC Rule 17 Ad-15.

Notice. The signature assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B  
to Twentieth Supplemental Indenture

Maturities, Amounts and Interest Rates of Series 2015A Bonds

**Nassau County Interim Finance Authority**  
**[\$[AMOUNT] Sales Tax Secured Bonds**  
**Series 2015A**

<u>November 15</u>	<u>Amount</u>	<u>Rate</u>	<u>November 15</u>	<u>Amount</u>	<u>Rate</u>
2016	\$	%	2021	\$	%
2016			2021		
2017			2022		
2017			2022		
2018			2023		
2018			2023		
2019			2024		
2019			2024		
2020			2025		
2020					

EXHIBIT B

to the Nassau County Interim Finance Authority Resolution  
Concerning the Sale and Issuance of Sales Tax Secured Bonds, Series 2015A

[PRELIMINARY OFFERING CIRCULAR]

**PRELIMINARY OFFERING CIRCULAR DATED SEPTEMBER 22, 2015****NEW ISSUE – BOOK-ENTRY-ONLY****RATINGS: See “SECTION IX: RATINGS” herein**

*In the opinion of Bond Counsel, interest on the Series 2015A Bonds will be exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. Assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), as described herein, interest on the Series 2015A Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes and such interest will not be a specific preference item for purposes of the federal individual or corporate alternative minimum tax. See “SECTION VIII: TAX MATTERS” herein for further information.*



**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**(A Public Benefit Corporation of the State of New York)**  
**\$118,000,000\* Sales Tax Secured Refunding Bonds, Series 2015A**

**Dated: Date of Delivery****Due: November 15, as shown on the inside front cover**

The Sales Tax Secured Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) are being issued as Senior Bonds by the Nassau County Interim Finance Authority (the “Authority”), a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created pursuant to the Nassau County Interim Finance Authority Act, as amended (the “Act”), pursuant to an Indenture, dated as of October 1, 2000, as amended and supplemented (the “Indenture”), including with respect to the Series 2015A Bonds as supplemented by the Twentieth Supplemental Indenture, dated as of October 1, 2015 (the “Twentieth Supplemental Indenture”), by and between the Authority and The Bank of New York Mellon, New York, New York, as trustee (the “Trustee”).

The Authority is currently authorized under the Act to issue Additional Bonds only for the purpose of refunding Outstanding Bonds. See “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS—Additional Bonds.”

Pursuant to the Act, the Bonds are payable from the Revenues of the Authority that are derived from sales and compensating use taxes imposed by and within the County of Nassau, New York (the “County”) pursuant to authorization of the State. Neither the State nor the County is prohibited from amending, modifying, repealing or otherwise altering such taxes, subject, with respect to the County, to limitations set forth in the Act. The Act provides that the County will have no right, title or interest in or to Sales Tax Revenues required to be paid to the Authority, except after payment of debt service and operating expenses of the Authority and then as provided in the Authority’s agreements with the County. See “SECTION III: “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS.”

**THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A LIEN ON THE REVENUES OF THE AUTHORITY AND RELATED ACCOUNTS HELD BY THE TRUSTEE. THE BONDS ARE NOT A DEBT OF EITHER THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE AUTHORITY.**

The Series 2015A Bonds will be issued only as fully registered bonds, registered in the name of The Depository Trust Company, New York, New York, or its nominee (“DTC”). Purchases of beneficial interests in the Series 2015A Bonds will be made in book-entry form in denominations of \$5,000 principal amount or whole multiples thereof. Purchasers will not receive physical delivery of the Series 2015A Bonds, except under the limited circumstances described herein. See “SECTION IV: THE SERIES 2015A BONDS—Book-Entry-Only System.”

Principal of, redemption price, if any, and interest on the Series 2015A Bonds (with interest accruing from the delivery date and payable on May 15, 2016 and thereafter on May 15 and November 15 of each year) will be payable to DTC by the Trustee. So long as DTC remains the registered owner, disbursements of such payments to DTC Participants are the responsibility of DTC and disbursements of such payments to the purchasers of the Series 2015A Bonds are the responsibility of DTC Participants, as described herein.

The Series 2015A Bonds are not subject to redemption prior to maturity.

**This cover page contains information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Offering Circular to obtain information essential to making an informed investment decision.**

The Series 2015A Bonds are offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, subject to the approval of legality of the Series 2015A Bonds and certain other matters by Sidley Austin LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the General Counsel of the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Gonzalez Saggio & Harlan LLP, New York, New York. It is expected that the Series 2015A Bonds will be available for delivery in New York, New York, on or about October 23, 2015.

**BofA Merrill Lynch****Loop Capital Markets****Goldman, Sachs & Co.**

October \_\_, 2015

**\$118,000,000\* SALES TAX SECURED REFUNDING BONDS, SERIES 2015A**

<b>Maturity (November 15)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP Number†</b>
2016	\$	%	%	631663
2017				631663
2018				631663
2019				631663
2020				631663
2021				631663
2022				631663
2023				631663
2024				631663
2025				631663

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\* Preliminary, subject to change.

† CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Series 2015A Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2015A Bonds or as indicated above.

The information in this Offering Circular has been provided by the Authority, the County and other sources considered by the Authority to be reliable. All estimates and assumptions contained herein are believed to be reliable, but no representation is made that such estimates or assumptions are correct or will be realized.

The Underwriters have provided the following sentence for inclusion in this Offering Circular. The Underwriters have reviewed the information in this Offering Circular in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representation with respect to the Series 2015A Bonds, other than those contained in this Offering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2015A Bonds, by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Offering Circular contains forecasts, projections and estimates that are based on current expectations. In light of the important factors that may materially affect economic conditions in the County and the amount of Sales Tax Revenues (as defined herein), the inclusion in this Offering Circular of such forecasts, projections and estimates should not be regarded as a representation by the Authority or the Underwriters that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

If and when included in this Offering Circular, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward looking statements speak only as of the date of this Offering Circular. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Authority’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Neither the Authority’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

**THE SERIES 2015A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY CORPORATION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015A BONDS AT A LEVEL ABOVE THAT THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

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**SUMMARY OF TERMS**

*The following is qualified in its entirety by reference to the information appearing elsewhere in this Offering Circular. Terms used in this summary and not defined herein are defined in “APPENDIX A: SUMMARY OF INDENTURE AND AGREEMENT.”*

Issuer.....	The Nassau County Interim Finance Authority (the “Authority”) is a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented and amended from time to time including, but not limited to, Chapter 528 of the Laws of 2002 (the “Act”).
Securities Offered.....	\$118,000,000* Sales Tax Secured Refunding Bonds, Series 2015A are to be issued as Senior Bonds (the “Series 2015A Bonds”) pursuant to an Indenture, dated as of October 1, 2000 as amended and supplemented, including as supplemented by the Twentieth Supplemental Indenture, dated as of October 1, 2015 (such Indenture as from time to time amended or supplemented by said and other Supplemental Indentures being herein called the “Indenture”), by and between the Authority and the Trustee. The Series 2015A Bonds (along with other Series of Senior Bonds heretofore or hereafter issued under the Indenture, the “Bonds”) will be payable from Revenues, which consist primarily of Sales Tax Revenues required by the Act to be paid to the Authority as described herein. See “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Servicing – Sales Tax Collection.”
Trustee .....	The Bank of New York Mellon, New York, New York. See “SECTION XVI: TRUSTEE.”
Servicer.....	The New York State Department of Taxation and Finance collects Sales Tax Revenues, described below, and reports the amount of such collections to the State Comptroller. See “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Servicing – Sales Tax Collection.”
Disbursement Agent .....	Collections of Sales Tax Revenues are remitted to the State Comptroller who holds such collections in trust for the Authority. The State Comptroller deposits such Revenues with the Trustee, in accordance with instructions from the Authority, for payment of Debt Service and other expenses of the Authority. Such collections are applied, in accordance with the Act, in the following order of priority: first, pursuant to the Authority’s contracts with bondholders, including payment of Debt Service, then to pay Authority expenses not otherwise provided for, and then, pursuant to the Financing Agreement between the Authority and the County, to the County as frequently as practicable. For information regarding payment of Sales Tax Revenues to the Authority, see “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

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\* Preliminary, subject to change.  
00043629.5

— Sales Tax Revenues” and “— Application of Revenues.”

Not Debt of State or County .....

The Bonds are not a debt of either the State or the County, and neither the State nor the County shall be liable thereon. The Bonds are not payable out of any funds other than those of the Authority. The State is not obligated to make any additional payments or impose any taxes to satisfy the Debt Service obligations of the Authority.

Bankruptcy Prohibition.....

The Authority is not authorized by State law to file a petition in bankruptcy pursuant to Title 11 (the “Bankruptcy Code”) of the United States Code. In addition, under the Act, the County and the Covered Organizations (as defined in the Act) are prohibited from filing any petition with any United States district court or court of bankruptcy for the composition or adjustment of municipal indebtedness without the approval of the Authority and the State Comptroller, and no such petition may be filed while Authority bonds or notes remain Outstanding.

Purpose of Issue.....

The proceeds from the sale of the Series 2015A Bonds will be deposited in an escrow account to be used, along with other funds of the Authority, to provide for the refunding of a portion of the Outstanding Bonds of the Authority identified in Appendix E and to pay costs of issuance.

See “SECTION IV: THE SERIES 2015A BONDS — Plan of Finance And Use of Proceeds”.

Sales Tax Revenues .....

The Bonds are payable from the Authority’s Revenues which consist of Sales Tax Revenues which are paid or payable to the Authority pursuant to Section 1261 of the State Tax Law and investment earnings on money and investments on deposit in the Accounts established under the Indenture. Sales Tax Revenues are defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County, currently at the rate of 4¼%, on the sale and use of tangible personal property and services in the County (the “Local Sales Tax”) but excluding (i) the ¼% component of the Local Sales Tax that the County is required to allocate to towns and cities within the County under the Local Government Assistance Program established by the County and authorized pursuant to Section 1262-e of the State Tax Law, and (ii) the up to 1/12% component of the Local Sales Tax the County is authorized to allocate to villages within the County, which has established a local government assistance program for such villages. See “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Sales Tax Revenues.” The Act provides that the County will have no right, title or interest in or to Sales Tax Revenues required to be paid to the Authority, except after payment of debt service and operating expenses of the Authority pursuant to the Authority’s contracts with bondholders and then as provided in the Authority’s agreements with the County. See “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Application of Revenues.” Sales Tax Revenues collected by the

State Comptroller for transfer to the Authority are not subject to appropriation by the State or County.

Enabling Legislation .....

The Act provides for the issuance of bonds, notes and other evidence of indebtedness by the Authority, including the Bonds, the payment of the Bonds from Sales Tax Revenues, the execution of swap contracts and the statutory and contractual covenants of the Authority, the County and the State.

State Covenant .....

The Act and the Indenture contain the covenant of the State with the Bondholders (the “State Covenant”) that the State shall not limit, alter or impair the rights vested in the Authority by the Act to fulfill the terms of the Indenture, or in any way impair the rights and remedies of such holders of the Bonds or the security for the Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of the Bonds, are fully paid and discharged.

The State Constitution allows the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the Local Sales Tax. Sales Tax Revenues collected by the State Comptroller for transfer to the Authority are not subject to appropriation by the State or the County.

For more information regarding the State Covenant, see “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Agreements of the State and the County.”

County Covenant .....

In accordance with the Act, the County has, in the Agreement hereinafter defined, pledged and agreed with the Bondholders (the “County Covenant”) that the County will not limit, alter or impair the rights vested by the Act in the Authority to fulfill the terms of any agreements made with such holders pursuant to the Act, or in any way impair the rights and remedies of such holders or the security for the Bonds until the Bonds are fully paid and discharged. Nothing contained in the Act or the Agreement restricts any right the County may have to amend, modify or otherwise alter local laws imposing or relating to the Local Sales Tax so long as, after giving effect to such amendment, modification or other alteration, the amount of Sales Tax Revenues projected by the Authority to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration is not less than 200% of maximum annual debt service on all Authority bonds, notes and other evidences of indebtedness then outstanding.

For more information regarding the County Covenant, see “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Agreements of the State and the County.”

Other Series of Bonds and Notes .....

The Authority has previously issued \$4,456,308,000 of Bonds, of which \$\_\_\_\_\_ will be Outstanding after the issuance of the Series 2015A Bonds. See “SECTION III: SOURCES OF

PAYMENT AND SECURITY FOR THE BONDS — Additional Bonds.”

*Under the Act, the Authority has no authority to issue additional bonds or notes except for refunding of the Authority’s own obligations and paying costs of issuance in connection therewith. No Bond of the Authority may mature later than January 31, 2036.*

Interest and Principal .....

Principal of and interest on the Series 2015A Bonds will accrue from their dated date at the rates set forth on the inside cover page hereof and will be payable semiannually, commencing May 15, 2016. The record date for payment of interest on the Series 2015A Bonds is the last business day of the month preceding the interest payment date.

Principal will be due on the Series 2015A Bonds as shown on the inside cover page and herein.

Interest and principal on the Bonds will be paid from the Revenues on deposit in the Bond Account or Redemption Account, if applicable. Sales Tax Revenues shall be deposited into the Bond Account in accordance with the retention schedule as described in “Retention Procedures” below.

Redemption.....

The Series 2015A Bonds will not be subject to redemption prior to maturity.

Form and Denomination .....

The Series 2015A Bonds will be issued in book-entry form and will be denominated in principal amounts of \$5,000 and integral multiples thereof.

Indenture .....

The Indenture provides for the issuance of the Bonds pursuant to the Act, including the Authority’s pledge to the Trustee of the revenues, accounts and statutory and contractual covenants contained therein. The Trustee is authorized to enforce the Indenture and such covenants against the Authority, the County and the State.

Financing Agreement.....

The Financing Agreement, dated as of October 1, 2000, between the Authority and the County (the “Agreement”), provides for the application of bond proceeds to pay Financeable Costs, including funding certain expenditures of the County, and includes covenants of the County pledged to the benefit of Bondholders.

Collection Account .....

The State Comptroller is required by the Act, commencing on or before the twelfth day of each month, to pay Sales Tax Revenues collected during the next preceding calendar month (with partial payments to be made on or before the last day of June and December consisting of collections made during the first 25 days of such months) to the Authority for application in accordance with the Act. The Authority has instructed the State Comptroller to pay Sales Tax Revenues directly to the Trustee for application in accordance with the Act and the Indenture. See “Application of Revenues” below.

All Revenues received by the Authority are deposited immediately

into the Collection Account.

Bond Account .....

The Bond Account is held by the Trustee in accordance with the terms of the Indenture. The Trustee shall deposit amounts from the Collection Account into the Bond Account (i) in accordance with the procedures described below for the payment of Debt Service, and (ii) to provide for the payment of Notes and Senior Agreements, if any, that are to be paid out of the Bond Account on a parity with the Senior Bonds.

Application of Revenues.....

All Revenues in the Collection Account shall be applied upon receipt by the Trustee in the following order of priority: first, to the Bond Account or Redemption Account to pay Debt Service and for the payment of Senior Agreement providers, if any, including scheduled payments on such Senior Agreements, in accordance with the Retention Procedures described in the paragraph below and the amount, if any, necessary to replenish the Debt Service Liquidity Account to the extent of any withdrawal therefrom; second, pursuant to Supplemental Indentures for the benefit of Noteholders, Subordinate Bondholders and for the payment of Subordinate Agreement providers, including payments of any termination amounts or fees owing under any Subordinate Agreements, to the extent such Supplemental Indentures may require application of Revenues to pay items after payments of Debt Service but prior to operating expenses; third, to the Authority's operating expenses, including deposits to the Redemption Account for optional redemption of the Senior Bonds, if any, and any reserves held by the Authority for payment of operating expenses; fourth, to the payment of debt service on certain notes of the Authority to the extent required by Supplemental Indentures relating to such notes; and then, to the County as frequently as practicable, excess Revenues, free and clear of the lien of the Indenture.

Retention Procedures .....

At the beginning of each calendar month, the Trustee shall transfer all Revenues from the Collection Account to the Bond Account until the amount in the Bond Account is equal to Accrued Debt Service to the last day of such month. Such transfer shall be appropriately adjusted to reflect the date of issue of Bonds or Senior Notes, any accrued or capitalized interest deposited in the Bond Account, or any other amounts irrevocably pledged to the payment of such Debt Service for such period, actual rates of interest, any amount needed or held in the Accounts for Debt Service, and any purchase or redemption of Bonds or Senior Notes, so that there will be available on each payment date the amount necessary to pay Debt Service, and so that accrued or capitalized interest will be applied to the installments of interest to which it is applicable.

Tax Matters.....

In the opinion of Sidley Austin LLP, Bond Counsel to the Authority, interest on the Series 2015A Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York. Assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, interest on the Series 2015A Bonds will not be includable in the gross income of the owners thereof for federal

income tax purposes and such interest will not be a specific preference item for purposes of the federal individual or corporate alternative minimum tax. Interest on the Series 2015A Bonds owned by a corporation will be included in the calculation of a corporation's federal alternative minimum liability. See "SECTION VIII: TAX MATTERS."

Expected Ratings .....

The Series 2015A Bonds are rated "\_\_\_" by Fitch Ratings ("Fitch") and "\_\_\_" by Standard & Poor's Financial Services LLC ("Standard & Poor's") (each a "Rating Agency" and, collectively, the "Rating Agencies"). A rating is not a recommendation to buy, sell or hold securities and may be subject to a revision or withdrawal at any time by the assigning rating organization. See "SECTION IX: RATINGS."

Authority Contact .....

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## SECTION I. INTRODUCTION

This Offering Circular of the Nassau County Interim Finance Authority (the “Authority”) sets forth information concerning the Authority in connection with the sale of the Authority’s \$118,000,000\* Sales Tax Secured Refunding Bonds, Series 2015A (the “Series 2015A Bonds” and, together with other Series of Senior Bonds, the “Bonds”). The Authority is a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as amended from time to time (the “Act”).

The Series 2015A Bonds are being issued as Tax Exempt Senior Bonds pursuant to the Act and an Indenture dated as of October 1, 2000, as amended and supplemented, including as supplemented by the Twentieth Supplemental Indenture (the “Twentieth Supplemental Indenture”), dated as of October 1, 2015 (such Indenture as from time to time amended or supplemented by said and other Supplemental Indentures being herein called the “Indenture”), by and between the Authority and The Bank of New York Mellon, as Trustee (the “Trustee”). See “SECTION XVI: TRUSTEE.” The Authority and the County of Nassau, New York (the “County”) have entered into a Financing Agreement (the “Agreement”), dated as of October 1, 2000, which provides, among other things, for the application of Bond proceeds. A summary of certain provisions of the Indenture and the Agreement, together with certain defined terms used therein and in this Offering Circular, are contained in Appendix A hereto.

The proceeds of the Series 2015A Bonds will be deposited in escrow accounts to be used, along with other funds of the Authority, if any, to provide for the refunding of certain outstanding Bonds of the Authority identified in Appendix E and to pay costs of issuance. See “SECTION IV: THE SERIES 2015A BONDS — Plan of Finance and Use of Funds”.

The Bonds are payable from the Authority’s Revenues which consist primarily of Sales Tax Revenues (each as defined herein). In accordance with the Act, Authority Revenues are applied first, pursuant to the Authority’s contracts with bondholders, including the payment of Debt Service, and then, in the order of priority provided in the Indenture and the Agreement, and on a subordinate basis to the Bonds, to pay Authority expenses not otherwise provided for, to pay debt service on other obligations of the Authority, and to the County as frequently as practicable.

Under the Act, the Authority has both limited authority to oversee the County’s finances, including covered organizations as defined in the Act (“Covered Organizations”), and upon the declaration of a “control period,” additional oversight authority. The Authority is required to review the terms of and comment on the prudence of each proposed issuance of bonds or notes proposed to be issued by the County, and no such borrowing shall be made unless first reviewed and commented upon. During a control period, each proposed issuance of bonds or notes shall be approved by the Authority. On January 26, 2011, the Authority determined that the County’s proposed budget for fiscal year 2011 reflected a substantial likelihood that it would produce an operating funds deficit in excess of one percent of the aggregate result of operations of such funds and adopted a resolution declaring a control period to be in effect in accordance with the Act.

On March 24, 2011, the Authority (i) found that a wage freeze as authorized by the Act was essential to the County’s adoption and maintenance of a FY 2011 budget that was in compliance with such legislation and (ii) declared a fiscal crisis; ordered that all increases in salary or wages of employees of the County, which were to take effect after the date of the order pursuant to collective bargaining agreements, other analogous contracts or interest arbitration awards, then in existence or thereafter entered into, requiring such salary increases as of any date thereafter were suspended; and ordered that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments for employees of the County which were to take effect after the date of the order pursuant to collective bargaining

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\* Preliminary, subject to change.

agreements, and other analogous contracts or interest arbitration awards requiring such increased payments as of any date thereafter were, in the same manner, suspended.

On March 22, 2012, the Authority adopted (i) a similar wage freeze resolution with respect to the FY 2012 budget and (ii) a similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a second year.

On March 14, 2013, the Authority adopted (i) another similar wage freeze resolution with respect to the FY 2013 budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a third year.

On March 10, 2014, the Authority adopted (i) another similar wage freeze resolution with respect to the FY 2014 budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a fourth year.

On May 3, 2014, the Authority adopted resolutions approving respective memoranda of agreement between the County and four employee unions ending the wage freeze with respect to such unions. On September 10, 2014, the Authority adopted a resolution approving a memorandum of agreement between the County and a fifth employee union ending the wage freeze with respect to such union. The memoranda of agreement contain provisions to pay certain step increases and cost of living adjustments, among other things. Various collective bargaining units of the County have brought suits in federal court against the County and the Authority challenging the wage freeze actions described in this Section. The County and five of its unions have separately agreed (among other things) to settle in part these cases, and such unions have released the County and the Authority from liability for the parts of the lawsuit which were settled. The Authority intends to continue to defend itself vigorously against such action(s).

For a description of certain litigation against the Authority with respect to the Authority's declaration of a control period and imposition of a wage freeze, see "SECTION V: RECENT DEVELOPMENTS — Control Period Litigation."

The Act provides that the Authority may not issue Bonds or notes after 2007, other than to retire or otherwise refund Authority debt and to pay costs of issuance in connection therewith. As of the date hereof, under the Act, the Authority may only issue Bonds to refund outstanding Authority debt and to pay costs of issuance in connection therewith. Historically, the Act authorized the issuance of Bonds and notes to finance capital projects and cash flow needs of the County, as well as, to the extent authorized by State law, any County deficit. No Bond of the Authority may mature later than January 31, 2036. For additional information regarding the issuance of parity or subordinate obligations of the Authority, see "SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Additional Bonds."

The Authority has previously issued \$4,456,308,000 of Bonds, of which \$ \_\_\_\_\_ will be Outstanding after the issuance of the Series 2015A Bonds.

## **SECTION II. INCLUSION BY SPECIFIC REFERENCE**

On June 2, 2015, the County issued \$168,895,000 aggregate principal amount of its General Improvement Bonds, 2015 Series B, \$40,835,000 aggregate principal amount of Bond Anticipation Notes, 2015 Series C (Federally Taxable) and \$178,480,000 aggregate principal amount of Revenue Anticipation Notes, 2015 Series A (collectively, the "County Obligations"). Such County Obligations were offered by an Official Statement dated May 20, 2015, (the "County Official Statement"), which has been filed with the Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org/EA717064-EA562980-EA959078.pdf>). Appendix G - "Economic and Demographic Profile" to the County Official Statement, subject to the information contained elsewhere herein, is included herein by specific reference.



## **SECTION III. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

### **General**

The Act authorizes the Authority to issue debt and secure the repayment of such debt with a pledge of the Authority's right, title and interest in the Revenues of the Authority, which are required by the Act to be paid to the Authority. In accordance with the Act, Authority Revenues are applied first, pursuant to the Authority's contracts with bondholders, including the payment of Debt Service, and then, in the order of priority provided in the Indenture and the Agreement, and on a subordinate basis to the Bonds, to pay Authority expenses not otherwise provided for, to pay debt service on other obligations of the Authority, and to the County as frequently as practicable. The Authority's Revenues are derived from the amounts payable to it from Sales Tax Revenues which, together with investment earnings on money and investments on deposit in the Accounts established under the Indenture are the only source of payment for the holders of the Bonds. See "Sales Tax Revenues" below. Pursuant to the Act and the Indenture, the Authority has pledged the Revenues to the Trustee for payment of the Bonds. The Act provides that the Authority's pledge of its Revenues represents a perfected first security interest on behalf of the holders of the Bonds. The lien of the Indenture on the Revenues for the security of the Bonds is prior to all other liens thereon.

The Authority does not have, nor is it expected to have, any significant assets or sources of funds other than Sales Tax Revenues and amounts on deposit pursuant to the Indenture. The Series 2015A Bonds will not be insured or guaranteed by the County, the State or the Trustee. The State is not obligated to make any additional payments or impose any taxes to satisfy the Debt Service obligations of the Authority. See "Sales Tax Revenues" below.

The Authority is not authorized by State law to file a petition in bankruptcy pursuant to Title 11 (the "Bankruptcy Code") of the United States Code. In addition, under the Act, the County and the Covered Organizations are prohibited from filing any petition with any United States district court or court of bankruptcy for the composition or adjustment of municipal indebtedness without the approval of the Authority and the State Comptroller, and no such petition may be filed while Authority bonds or notes remain Outstanding. Under the Act, the term Covered Organizations includes the Nassau County Health Care Corporation and any other governmental agency, public authority or public benefit corporation which receives or may receive moneys directly, indirectly or contingently from the County, excluding the Authority, any State public authority, any instrumentality created by interstate compact and any governmental agency, public authority or public benefit corporation exempted by the Authority upon the Authority's finding that such exemption does not materially adversely affect the ability of the County to adopt and maintain a budget pursuant to the Act, provided that, during the period of such exemption, there shall be audited financial statements of such exempted entity prepared in accordance with generally accepted accounting principles. Pursuant to its enabling legislation, the Nassau County Sewer and Storm Water Finance Authority is a covered organization under the Act.

### **Sales Tax Revenues**

The Bonds are payable from the Authority's Revenues which consist principally of Sales Tax Revenues which are paid or payable to the Authority pursuant to Section 1261 of the State Tax Law and investment earnings on money and investments on deposit in the Accounts established under the Indenture. Sales Tax Revenues are defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County, currently at the rate of 4¼%, on the sale and use of tangible personal property and services in the County (the "Local Sales Tax") but excluding (i) the ¼% component of the Local Sales Tax that the County is required to allocate to towns and cities within the County under the Local Government Assistance Program established by the County and authorized pursuant to SECTION 1262-e of the State Tax Law, and (ii) the up to 1/12% component of the Local Sales Tax the County is authorized to allocate to villages within the County under a local government assistance program for such

villages. The Local Sales Tax is the largest source of revenue for the County, accounting for approximately 38.5% of County revenues in its major operating funds in its 2015 budget (excluding interdepartmental revenues). The current total sales tax rate in the County is 8<sup>5</sup>/<sub>8</sub>%, of which 4<sup>3</sup>/<sub>8</sub>% is the State’s share and 4<sup>1</sup>/<sub>4</sub>% is the Local Sales Tax. For a description of the servicing and application of Sales Tax Revenues, see “Servicing Sales Tax Collection” and “Application of Revenues” below.

Pursuant to authorizing legislation enacted by the State in 1965, the County has imposed a Local Sales Tax since 1969, at a base rate of 2% which was increased to 3% in 1972. In addition, for a one year period commencing September 1976 and continuously since June 1983, the State has authorized the County to impose various incremental rates in addition to the base rate of 3%. Since 1986, enabling legislation has been enacted periodically by the State permitting the County to increase the Local Sales Tax rate for a generally two year period by three quarters of one percent, from the base rate of 3% to 3<sup>3</sup>/<sub>4</sub>%, with one third of such increment (equivalent to a <sup>1</sup>/<sub>4</sub>% component) required to be allocated to towns and cities within the County. In addition, since 1991, enabling legislation has been enacted periodically by the State permitting the County to increase the Local Sales Tax rate for a generally two year period by an additional one half of one percent, from 3<sup>3</sup>/<sub>4</sub>% to 4<sup>1</sup>/<sub>4</sub>%.

Since 1997, the State legislation extending the 4<sup>1</sup>/<sub>4</sub>% Local Sales Tax rate also authorized the County to establish a local government assistance program for the villages within the County and to allocate up to one sixth of the <sup>3</sup>/<sub>4</sub>% incremental component of the Local Sales Tax remaining after required allocations are made to towns and cities within the County to the villages (equivalent to a 1/12% component). Such a program would result in a loss to the County of up to the 1/12% component of the Local Sales Tax. The County enacted a proposal to share a portion of Local Sales Tax revenue with the villages for its 2001 through 2015 fiscal years. As a result, the amount of such Local Sales Tax allocated to this program will be excluded from Sales Tax Revenues. The amount so excluded from Sales Tax Revenues for the 2014 fiscal year of the County was approximately \$1.25 million and for the 2015 fiscal year of the County, the amount so excluded from Sales Tax Revenues is projected by the County to be approximately \$1.25 million.

The County Legislature has adopted legislation to implement the State’s authorization to impose both the additional three quarters of one percent and the additional one half of one percent through November 30, 2015. On June 26, 2015, the Governor signed legislation (Ch. 20 of 2015) extending the State’s authorization for such incremental components until November 30, 2017; the County expects to adopt legislation to implement this authorization prior to November 30, 2015. If such provisions are not renewed, the existing 3% base rate will be in effect. No assurance can be given that the County Legislature will enact legislation extending the effective date of the additional three quarters of one percent and the additional one half of one percent components of the Local Sales Tax beyond the dates described above. The following table sets forth the dates that incremental sales tax components in addition to the 3% base rate have been in effect since 1983:

**TABLE 1**

<b>Effective Dates</b>	<b>Incremental Rate</b>	<b>Total Local Sales Tax Rate</b>
June 1, 1983 through December 31, 1985	1.00%	4.00%
January 1, 1986 through August 31, 1991	0.75	3.75
September 1, 1991 through November 30, 2017 <sup>(1)</sup>	1.25	4.25

The amount of future Sales Tax Revenues to be collected depends upon various factors including the economic conditions in the County. Economic conditions in the County have reflected numerous cycles of

<sup>(1)</sup> The County Legislature is considering legislation to extend the effective date of the additional three quarters of one percent and the additional one half of one percent components of the Local Sales Tax from December 1, 2015 to November 30, 2017. No assurance can be given that the County Legislature will enact such legislation.

growth and recession. There can be no assurance that historical data relating to economic conditions in the County are predictive of future trends. For more information regarding the economic conditions in the County, see “APPENDIX G — ECONOMIC AND DEMOGRAPHIC PROFILE” to the County Official Statement, included by specific reference herein. In addition, the State has in the past enacted amendments to the Tax Law to exempt specified goods and services from the imposition of the sales and compensating use tax, or to reduce the rate of the sales tax on such goods and services. There can be no assurance that future proposals will not result in additional exemptions or reductions.

The following table sets forth the history of the County’s Local Sales Tax collections since 2004, as reported on a modified accrual basis in the County’s financial statements. The amounts do not include the ¼% component of the Local Sales Tax the County has been required to allocate to towns and cities within the County under the County’s Local Government Assistance Program since 1985, which are excluded from Sales Tax Revenues. From fiscal year 2004 to fiscal year 2014, the average annual compound growth rate for Local Sales Tax collections was approximately 1.50%.

**TABLE 2**  
**SALES TAX COLLECTIONS**  
**EXCLUSIVE OF LOCAL GOVERNMENT ASSISTANCE PROGRAM ALLOCATION**  
**(000’s omitted)**

<b>Year</b>	<b>Actual Sales Tax Revenues (a)</b>	<b>Year</b>	<b>Actual Sales Tax Revenues (a)</b>
2004	\$884,808	2010	\$ 950,935
2005	898,408	2011	967,088
2006	934,219	2012	1,007,220
2007	954,194	2013	1,070,986
2008	944,934	2014	1,026,900
2009	896,716		

(a) Actual Sales Tax Revenues are the amount of sales tax received by the Authority and available each year for debt service.

Source: Nassau County Comptroller

The County boasts a wide range of nationally recognized retailers that provide goods and services, including home furnishing stores, supermarkets and gourmet food markets, electronic stores, and bookstores. Major retailers in the County include Wal-Mart, Saks Fifth Avenue, Bloomingdales, Lord & Taylor, Nordstrom’s, Macy’s, Sears, JC Penney, Marshalls, Old Navy, Kohl’s and Target. Commercial outlet stores in the County include, but are not limited to, Costco, Bed, Bath & Beyond, B.J.’s and Best Buy. In addition, there are designer boutique shops and specialty department stores such as Brooks Brothers, Giorgio Armani, Ralph Lauren, Prada, and Neiman Marcus at Roosevelt Field (currently under construction) and jewelers such as Tiffany & Co., Cartier and Van Cleef & Arpels.

Based on a report released by the New York State Department of Taxation and Finance, the County ranked third in State with taxable sales and purchases totaling approximately \$25.2 billion for the most recent reporting year, an increase of 4.88% from the prior year.

**TABLE 3**

**TAXABLE SALES AND PURCHASES RANKED BY COUNTY IN THE STATE  
(in thousands)**

<u>County</u>	<u>Rank (2011/2012)</u>	<u>Taxable Sales (2011/2012)</u>	<u>Rank (2012/2013)</u>	<u>Taxable Sales (2012/2013)</u>	<u>Change</u>
New York City	1	\$126,291,324	1	\$129,506,162	2.55%
Suffolk	2	27,329,229	2	28,655,846	4.85
<b>Nassau</b>	3	<b>24,084,193</b>	3	<b>25,258,301</b>	<b>4.88</b>
Westchester	4	17,656,226	4	18,046,914	2.21
Erie	5	14,287,604	5	14,344,272	0.40
Monroe	6	10,631,712	6	10,761,493	1.22
Onondaga	7	7,661,942	7	7,807,233	1.90
Orange	8	6,389,310	8	6,616,876	3.56
Albany	9	5,746,425	9	5,838,236	1.60
Dutchess	10	4,208,477	10	4,212,599	0.10

SOURCE: New York State Department of Taxation and Finance, Office of Tax Policy Analysis Annual Statistical Report: Taxable Sales and Purchases (November 2014). Date represents sales reported from March through February.

Seven major regional shopping centers serve the County. The Gallery at Westbury Plaza is a 330,000 square foot, LEED-certified (Leadership in Energy and Environmental Design), open air shopping center located on the grounds of the former Avis headquarters. The other major retail centers are the Broadway Mall in Hicksville, Roosevelt Field in Garden City, Green Acres Mall in Valley Stream, Americana Manhasset in Manhasset, Sunrise Mall in Massapequa and the Source in Westbury. According to the International Council of Shopping Centers, a global trade association of the shopping center industry, these regional malls have a total of 7.6 million square feet of gross leasable area.

**Servicing—Sales Tax Collection**

Sales Tax is collected by vendors and service providers in the County and remitted to the New York State Department of Taxation and Finance monthly, quarterly or annually based on the volume of sales. The New York State Department of Taxation and Finance reports the amounts of such collections to the State Comptroller, and such amounts are deposited daily with such banks, banking houses or trust companies, as may be designated by the State Comptroller, to the credit of the State Comptroller in trust for the Authority to the extent net collections from sales taxes imposed by the County are payable to the Authority. After retaining such amount as the State Commissioner of Taxation and Finance may determine to be necessary for refunds and for the reasonable costs of the State Tax Commissioner in administering, collecting and distributing such taxes, on or before the twelfth day of each month, the State Comptroller is required to pay to the Authority Sales Tax Revenues collected during the next preceding calendar month, provided, however, that the State Comptroller is required to make a partial payment on or before the last day of June and December consisting of collections made during and including the first 25 days of such months. The amount of Sales Tax Collections received by the Authority each month in a year may vary from the amount for such month received by the Authority in prior years because of the impact of amounts deducted from or added to such payments to reflect the recalculation by the New York State Department of Taxation and Finance of actual amounts of Sales Tax Revenues collected. The Authority has instructed the State Comptroller to pay Sales Tax Revenues directly to the Trustee for application in accordance with the Act and the Indenture. For more information regarding the

application of Sales Tax Revenues upon receipt by the Trustee, see “Application of Revenues” below. See “SECTION V: RECENT DEVELOPMENTS — Recent Sales Tax Collections” below for a tabular presentation, on a cash basis, of monthly distributions of Local Sales Tax collections since January 2009.

### **Authority Bonds**

Pursuant to the Act, the Authority had the power to issue its bonds and notes for the purpose of refinancing or restructuring a portion of the County’s outstanding debt, and financing capital project costs, tax certiorari judgments and settlements incurred or to be incurred by the County, the County’s cash flow needs and amounts necessary to finance any County deficit to the extent authorized by State law. Such bonds and notes could have only been issued by the Authority upon a request therefor by the County made by the County Executive and approved by the County Legislature. Any such issuance of Bonds was at the discretion of the Authority. Since January 1, 2008, the Authority has not had authority under the Act to issue Bonds or notes, other than Bonds to refund Authority Bonds previously issued, the purpose for which the Series 2015A Bonds are being issued. In addition, no Bond of the Authority may mature later than January 31, 2036.

Bonds of the Authority may be issued, amortized, redeemed and refunded without regard to the provisions of the State’s Local Finance Law; except that the principal amount of outstanding bonds of the Authority shall be deemed indebtedness of the County for purposes of ascertaining the amount of indebtedness the County may contract pursuant to the State’s Local Finance Law and State Constitution and the Authority shall not exceed such limitation.

The total anticipated Debt Service payable on Outstanding Bonds of the Authority, as well as Debt Service on the Series 2015A Bonds, is set forth herein in the table under the heading “SECTION IV: THE SERIES 2015A BONDS—Debt Service Requirements.”

### **Debt Service Coverage on Outstanding Senior Bonds**

The following table shows coverage of maximum annual Debt Service on the Outstanding Bonds upon issuance of the Series 2015A Bonds by historical Sales Tax Revenues. Maximum Annual Debt Service on all such Senior Bonds will be, upon issuance of the Series 2015A Bonds, \$ \_\_\_\_\_ occurring in 20\_\_.\* See “SECTION IV: THE SERIES 2015A BONDS—Debt Service Requirements.”

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\* Preliminary, subject to change.

**TABLE 4**

**DEBT SERVICE COVERAGE ON SENIOR BONDS  
BY HISTORICAL SALES TAX REVENUES**

<u>Year</u>	<u>Sales Tax Revenues (\$ Thousands) (a)</u>	<u>Coverage of Maximum Annual Debt Service on Senior Bonds (b)</u>
2004	884,808	4.86
2005	898,408	4.94
2006	934,219	5.14
2007	954,194	5.25
2008	944,934	5.19
2009	896,716	4.93
2010	950,935	5.23
2011	967,088	5.32
2012	1,007,220	5.54
2013	1,070,986	5.89
2014	1,026,900	5.64

(a) Sales Tax Revenues are the amount of sales tax received by the Authority and available each year for debt service.

(b) Based on debt service for the hedged Series 2008A-E Bonds at the fixed payer rates on the associated interest rate swaps.

Source: Nassau County Comptroller

**Additional Bonds**

The Act provides that the Authority may not issue Bonds or notes after 2007, other than to retire or otherwise refund Authority debt and to pay costs of issuance in connection therewith. *As of the date hereof, under the Act, the Authority may only issue Bonds to refund outstanding Authority debt and to pay costs of issuance in connection therewith.*

The Indenture provides that other Series of Bonds and notes may be issued only (i) as Senior Bonds or Senior Notes on a parity with other Series of Senior Bonds or Senior Notes or (ii) as subordinate to the Senior Bonds or Notes, but (iii) no Series of Bonds or Senior Notes on a parity with other Series of Senior Bonds or Senior Notes shall be authenticated and delivered unless the amount of Sales Tax Revenues received by the Authority for the twelve consecutive calendar months ended not more than three months prior to the calculation date is at least three times the amount of annual Debt Service (excluding any accrued or capitalized interest), including such Series of Bonds and Senior Notes for each Fiscal Year Bonds will be Outstanding. See “APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT”.

In addition, no Senior Bonds may be issued unless there is available in the Debt Service Liquidity Account an amount equal to any Debt Service Liquidity Account Requirement that may be in effect. Money, if any, on deposit in the Debt Service Liquidity Account is held in trust under the Indenture and applied to remedy any shortfall in the Bond Account in amounts due on Debt Service, except that money on deposit in such account in excess of the Debt Service Liquidity Account Requirement will be transferred to the Collection Account. The Debt Service Liquidity Requirement means an amount equal to one twelfth of the maximum total Principal Installments and interest becoming due in the current or any future Fiscal Year on Senior Bonds or zero if the Authority’s projected maximum required monthly deposit of Sales Tax Revenues upon the issuance of such Senior Bonds is no greater than one half of the lowest monthly Sales Tax Revenue collections in the last 24 calendar months. Upon issuance of the 2015A Bonds, the Authority will meet this test and will no longer be required to maintain the Debt Service Reserve Liquidity Account. Amounts held in such Account will be used to fund, among other things, the defeasance escrow for the Authority’s Outstanding

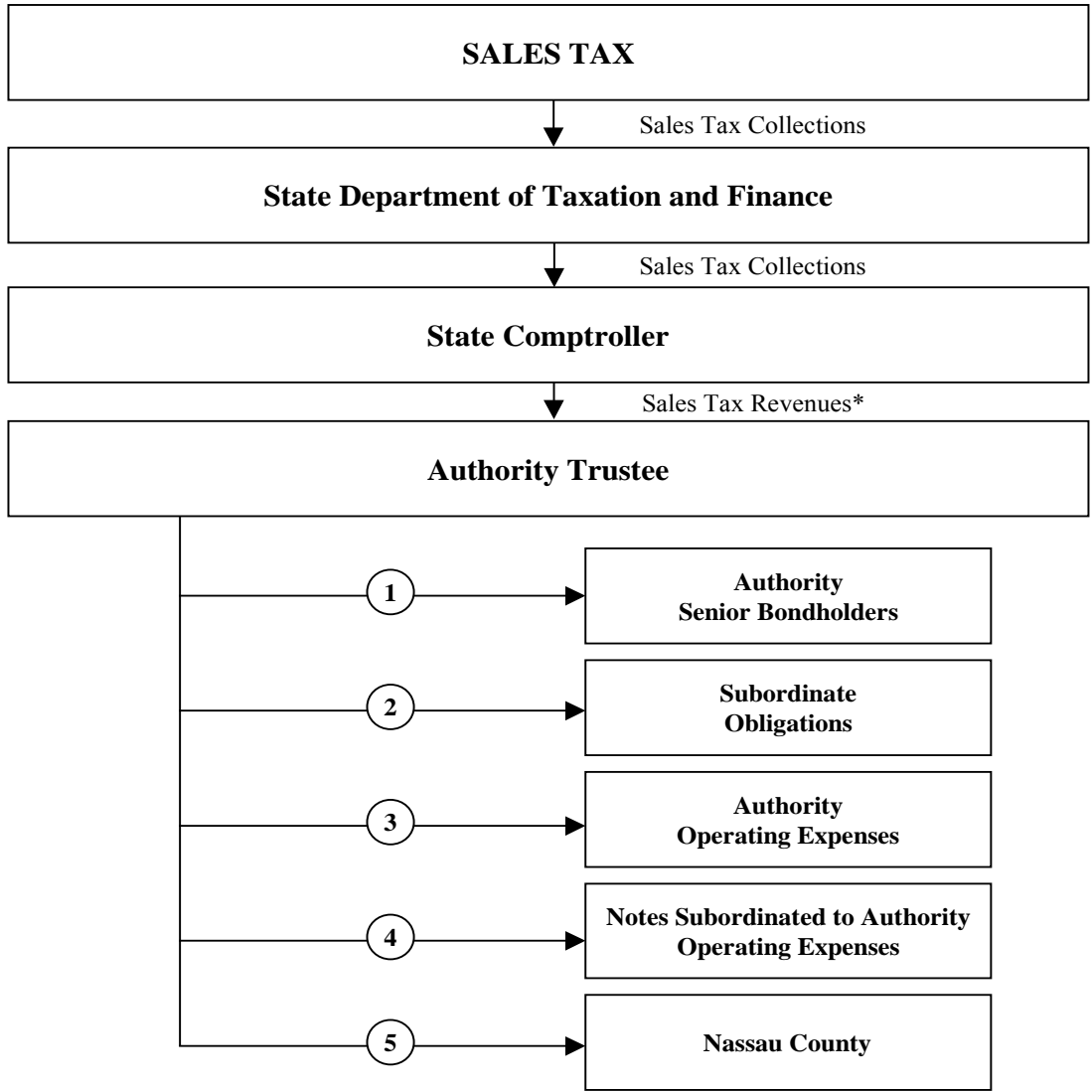
Bonds identified in Appendix E (the “Authority Refunded Bonds”). See “APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT.”

### **Application of Revenues**

Upon receipt of Sales Tax Revenues required to be paid to the Authority in accordance with the Authority’s instructions to the State Comptroller, the Trustee must deposit such amounts into the Collection Account held by the Trustee. The Act and the Indenture establish a priority for the use by the Authority of Sales Tax Revenues as follows: first, to the Bond Account or Redemption Account to pay Debt Service and for the payment of Senior Agreement providers, if any, including scheduled payments on such Senior Agreements, in accordance with the procedures described below under “Retention Procedures” and the amount, if any, necessary to replenish the Debt Service Liquidity Account to the extent of any withdrawal therefrom; second, pursuant to Supplemental Indentures for the benefit of Noteholders, Subordinate Bondholders and for the payment of Subordinate Agreement providers, including payments of any termination amounts or fees owing under any Subordinate Agreements, to the extent such Supplemental Indentures may require application of Revenues to pay items after payments of Debt Service but prior to operating expenses; third, to the Authority’s operating expenses, including deposits to the Redemption Account for optional redemption of the Senior Bonds, if any, and any reserves held by the Authority for payment of operating expenses; fourth, to the payment of debt service on certain notes of the Authority to the extent required by Supplemental Indentures relating to such notes; and then, to the County as frequently as practicable, excess Revenues, free and clear of the lien of the Indenture. The chart on the following page illustrates the collection of Sales Tax Revenues (as described under “Servicing Sales Tax Collection” above) and the flow of funds under the Indenture, as described below.

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**SUMMARY OF COLLECTION AND APPLICATION OF SALES TAX REVENUES**



\*As defined.

- (1) Revenues will be retained by the Trustee for the payment of Debt Service on Outstanding Bonds and for the payment of Senior Agreement providers, if any, including scheduled payments on such swap contracts in accordance with the retention procedures detailed below, and for the payment of the amount, if any, necessary to fund the Debt Service Liquidity Account to the extent such account does not meet the requirement.
- (2) Revenues are next applied pursuant to Supplemental Indentures for the benefit of Subordinate Bondholders, Subordinate Noteholders, and parties to Subordinate Agreements, including payments of any termination amounts or fees owing under any swap contracts, to the extent such Supplemental Indentures may require application of Revenues to pay items after payment of Debt Service.
- (3) After Revenues are retained by the Trustee for the payment of Debt Service, payments to Subordinate Bondholders and Subordinate Noteholders, and Senior Agreement providers, if any, such Revenues are paid to the Authority for its operating expenses.
- (4) In accordance with the Supplemental Indentures relating to certain Bond Anticipation Notes, the payment of interest on and principal of such Bond Anticipation Notes shall be payable after Authority Operating Expenses.
- (5) After the payments described in (1), (2), (3) and (4) above are made, remaining Revenues are paid to the County, as frequently as practicable.



## **Retention Procedures**

At the beginning of each calendar month, the Trustee shall begin to transfer all Revenues from the Collection Account to the Bond Account until the amount in the Bond Account is equal to Accrued Debt Service to the last day of such month. Such transfer shall be appropriately adjusted to reflect as of the date of issue of notes or Bonds, any accrued or capitalized interest deposited in the Bond Account or any other amounts irrevocably pledged to the payment of such Debt Service for such period, actual rates of interest, any amount needed or held in the Accounts for Debt Service, and any purchase or redemption of notes or Bonds, so that there will be available on each payment date the amount necessary to pay Debt Service and so that accrued or capitalized interest will be applied to the installments of interest to which it is applicable.

After all payments are made to the Bond Account and Redemption Account, moneys on deposit in the Collection Account will be used in the following order of priority: for the benefit of Subordinate Bondholders, Subordinate Noteholders or contract parties, to the extent required by Supplemental Indentures, for the payment of the Authority's operating expenses and, as soon as practicable, to the County, free and clear of the lien of the Indenture. The County has covenanted to provide the Authority with a schedule of forecasted collections of Sales Tax Revenues before the beginning of each fiscal year and each month during such fiscal year. In the event projected collections from Sales Tax Revenues are anticipated to be insufficient during any month to completely provide for the amount required to be retained in such month, the Trustee is required to withhold additional Sales Tax Revenues in subsequent months. See "APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT — Application of Revenues."

## **Agreements of the State and the County**

In the Act, the State pledges and agrees with the holders of the Bonds that the State will not limit, alter or impair the rights vested in the Authority by the Act to fulfill the terms of the Indenture, or in any way impair the rights and remedies of such holders of the Bonds or the security for the Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of the Bonds, are fully paid and discharged. The State is not obligated to make any additional payments or impose any taxes to satisfy the Debt Service obligations of the Authority. The State Constitution allows the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the Local Sales Tax. Sales Tax Revenues collected by the State Comptroller for transfer to the Authority are not subject to appropriation by the State or the County.

In accordance with the Act, the County will pledge and agree with the holders of the Bonds that the County will not limit, alter or impair the rights vested by the Act in the Authority to fulfill the terms of any agreements made with such holders pursuant to the Act, or in any way impair the rights and remedies of such holders or the security for the Bonds until the Bonds are fully paid and discharged. Nothing contained in the Act or the Agreement restricts any right the County may have to amend, modify or otherwise alter local laws imposing or relating to the Local Sales Tax so long as, after giving effect to such amendment, modification or other alteration, the amount of Sales Tax Revenues projected by the Authority to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration is not less than 200% of maximum annual debt service on all Authority bonds, notes and other evidences of indebtedness then outstanding. For a description of the covenants of the County set forth in the Agreement, see "APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT."

**THE BONDS ARE NOT A DEBT OF EITHER THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY IS LIABLE THEREON.**

The covenants of the County and the State described above shall be of no force and effect with respect to any Bond if there is on deposit in trust with a bank or trust company sufficient cash or Defeasance Collateral to pay when due all principal of, applicable redemption premium, if any, and interest on such Bond.

**SECTION IV. THE SERIES 2015A BONDS**

**General**

The Series 2015A Bonds will be dated, will bear interest at the rates and will mature on the dates as set forth on the cover and inside cover page of this Offering Circular. The Series 2015A Bonds will be issued in denominations of \$5,000 for the Series 2015A Bonds or any whole multiple thereof, and will bear interest calculated on the basis of a 360-day year of 30-day months.

**Book-Entry-Only System**

The Series 2015A Bonds will be issued as registered bonds, registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Series 2015A Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof for the Series 2015A Bonds. So long as DTC is the registered owner of the Series 2015A Bonds, all payments on the Series 2015A Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See APPENDIX C — “Book-Entry-Only System.”

**No Redemption**

*No Redemption of Series 2015A Bonds.* The 2015A Bonds will not be subject to redemption prior to maturity.

**Debt Service Requirements**

The following schedule sets forth, for each 12-month period ending December 31 of the years shown, on a cash basis, the anticipated amounts required to be paid by the Authority for the payment of principal of, and interest on, the Series 2015A Bonds payable on their respective payment dates of each such period and the total payments to be made with respect to debt service on Outstanding Senior Bonds.

**TABLE 5**

<b>12-Month Period Ending December 31</b>	<b>Outstanding Bonds Debt Service<sup>(1)</sup></b>	<b>Series 2015A Bonds Debt Service</b>	<b>Total Debt Service</b>
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
Totals*			

\* Totals may not add due to rounding.

(1) Debt service on the Series 2008A-E Bonds hedged with an associated swap is based on the actual fixed payer rates on the swap.

**Plan of Finance and Use of Proceeds**

The proceeds from the sale of the Series 2015A Bonds, together with other Authority funds, will be deposited in an escrow account to provide for the refunding or payment of debt service on the Authority Refunded Bonds, and to pay costs of issuance, as set forth in “Sources and Uses” below. Bond proceeds are not pledged or available to pay any indebtedness of the Authority (other than such Authority Refunded Bonds).

The proceeds of the Series 2015A Bonds being used to refund the Authority Refunded Bonds will be invested under an escrow agreement in Defeasance Collateral the principal of and the interest on which when due will provide moneys which, together with uninvested money deposited with the escrow agent at the same time, will be sufficient, without further investment or reinvestment, to pay when due, the principal or redemption price of and interest due and to become due on the Authority Refunded Bonds. Accordingly, the Authority Refunded Bonds will be deemed to have been paid within the meaning and effect of the Indenture and will no longer be Outstanding.

**Swap Contracts**

In connection with the issuance of the Authority’s Sales Tax Secured Variable Rate Bonds, Series 2004B G and Series 2005I, J and K (each of which Series have been refunded with proceeds of the Series 2008A-E Bonds), the Authority entered into certain interest rate exchange agreements (the “swap contracts”) for the purpose of converting the Authority’s variable rate exposure of each such Series to a fixed rate. Each such swap contract remained effective following the issuance of the Series 2008A-E Bonds. The swap contracts have an aggregate notional amount of \$523,600,000. The aggregate notional amount of the swap contracts is scheduled to amortize on the dates and in the respective aggregate amounts specified for the mandatory sinking fund redemption of the Series 2008A-E Bonds. Under the terms of the swap contracts, the Authority will pay a fixed rate to the counterparties and receive a variable rate. The swap contracts are “swap contracts” under the Indenture and the Authority’s regularly scheduled payment obligations under the swap contracts constitute Senior Agreements under the Indenture, payable on a parity with Debt Service on the Senior Bonds, and any termination payments or related payments or fees constitute Subordinate Agreements under the Indenture, payable after Debt Service on Senior Bonds and payments under Senior Agreements, but ahead of operating expenses.

**Sources and Uses of Funds**

**SOURCES OF FUNDS**

Par amount of the Series 2015A Bonds .....	
Original Issue Premium .....	
Authority Funds.....	
Total Sources of Funds.....	

**USES OF FUNDS**

Refunding of Authority Bonds.....	
Underwriters’ Discount and Other Authority and County	
Costs of Issuance .....	
Total Uses of Funds .....	

**Other Information**

For additional information regarding the Series 2015A Bonds and the Indenture including the events of default under the Indenture and the remedies of the Bondholders thereunder, which include acceleration of the Series 2015A Bonds under certain circumstances, see “APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT.”

**SECTION V. RECENT DEVELOPMENTS**

**Recent Sales Tax Collections**

The following table sets forth, on a cash basis, monthly distributions of Local Sales Tax collections from the State Comptroller to the Authority since January 2009.

**TABLE 6**

**MONTHLY SALES TAX COLLECTION DISTRIBUTIONS  
TO THE AUTHORITY FROM THE STATE COMPTROLLER**

<b>Month</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
January	\$ 15,625,621	\$ 21,022,975	\$ 33,051,496	\$ 41,733,084	\$ 36,743,980	\$ 26,007,934	\$ 28,602,795
February	75,417,352	79,771,187	78,018,061	78,926,448	86,121,208	88,871,216	85,302,801
March	60,694,128	67,431,130	64,229,194	67,420,428	72,739,418	79,049,598	69,167,659
April	78,372,193	87,062,032	89,008,964	100,219,159	114,275,196	71,343,161	91,326,703
May	63,474,920	73,431,269	73,978,096	73,304,703	74,664,612	84,227,342	82,649,784
June	132,640,750	143,770,104	142,351,756	145,468,550	152,141,640	155,688,147	148,550,133
July	21,775,695	23,854,906	19,745,529	27,606,599	47,265,509	22,537,364	31,802,511
August	66,905,632	74,369,009	74,914,523	76,031,628	79,524,838	83,933,904	83,779,049
September	69,669,019	73,425,183	73,058,443	76,012,092	78,681,020	82,300,701	
October	96,244,220	89,062,043	96,469,398	100,145,598	107,685,014	99,869,453	
November	68,909,939	67,534,885	73,156,163	77,287,791	79,432,408	79,654,506	
December	139,566,263	137,447,602	139,674,710	144,219,504	153,229,359	149,635,088	
<b>Totals</b>	<b>\$889,295,733</b>	<b>\$938,182,325</b>	<b>\$957,656,332</b>	<b>\$1,008,375,584</b>	<b>\$1,082,504,202</b>	<b>\$1,023,118,415</b>	<b>\$621,181,434</b>

In accordance with State Tax Law, the State Comptroller distributes Local Sales Tax collections in each month to taxing jurisdictions by the 12th day of the succeeding month. In addition, in the months of June and December of each year, an additional distribution is made by the last day of each such month consisting of Local Sales Tax collections in the first twenty-five days of each such month, resulting in comparatively higher distributions in June and December each year and lower distributions in the succeeding July and January, respectively. Amounts distributed by the State Comptroller at the end of June and December have generally been deposited into the Authority’s Collection Account on the first business day of the succeeding July and January, respectively.

The portion of June and July Sales Tax Collection distributions set forth in the table above which have been deposited in the Authority’s Collection Account in the succeeding July and January, respectively, are set forth below:

**TABLE 7**

<b>Year</b>	<b>Total Monthly Sales Tax Collection in June</b>	<b>Portion Deposited in Collection Account in June*</b>	<b>Portion Deposited in Collection Account in July</b>	<b>Total Deposit to Collection Account in July*</b>
2009	\$132,640,750	\$ 99,797,564	\$32,852,081	\$54,640,159
2010	143,770,104	105,319,005	38,457,848	62,321,088
2011	142,351,756	103,787,976	38,568,715	58,318,484
2012	145,468,550	106,580,926	38,891,874	66,503,387
2013	152,141,640	109,961,454	42,181,224	89,452,432
2014	155,688,147	113,322,841	42,365,306	64,910,241
2015	148,550,133	108,494,999	40,055,134	71,866,324

\* Includes earnings on receipts prior to transfer

**TABLE 8**

<b>Year</b>	<b>Total Monthly Sales Tax Collection in December</b>	<b>Portion Deposited in Collection Account in December*</b>	<b>Year</b>	<b>Portion Deposited in Collection Account in January</b>	<b>Total Deposit to Collection Account in January*</b>
2009	\$139,566,263	\$100,188,318	2010	\$39,385,041	\$60,416,519
2010	137,447,602	96,427,743	2011	41,027,380	74,087,657
2011	139,674,710	98,837,776	2012	40,840,709	82,578,540
2012	144,219,504	101,507,493	2013	42,721,975	79,472,532
2013	153,229,359	106,245,272	2014	46,987,842	73,000,744
2014			2015		

\* Includes earnings on receipts prior to transfer

In accordance with the Indenture, the Debt Service Liquidity Account Reserve Requirement is one-twelfth of the maximum aggregate amount of Principal Installments and interest becoming due in the current or any future Fiscal Year on Outstanding Senior Bonds, provided that such amount will be equal to zero if at the time of required computation the lowest monthly Local Sales Tax collections (as deposited into the Collection Account) in the last twenty-four full calendar months is at least twice the amount of the Authority’s projected maximum monthly required deposit of Sales Tax Revenues. Upon issuance of the 2015A Bonds, the Authority will meet this test and will no longer be required to maintain the Debt Service Reserve Liquidity Account. Amounts held in such Account will be used to fund, among other things, the defeasance escrow for the Authority’s Outstanding Bonds identified in Appendix E (the “Authority Refunded Bonds”). See “APPENDIX A — SUMMARY OF INDENTURE AND AGREEMENT.”

**Control Period Litigation**

On March 24, 2011, after determining that the requirements of its governing legislation were met, the Authority exercised its authority to impose a one-year wage freeze on County personnel. Unions representing County personnel have filed lawsuits in the United States District Court for the Eastern District of New York against the Authority and its Directors. The lawsuits allege that the wage freeze is unauthorized by the Authority’s governing legislation and unconstitutionally impairs the unions’ collective bargaining agreements with the County in violation of the Contracts Clause of the United States Constitution. The unions also filed lawsuits in the same court challenging the Authority’s renewals of the one-year wage freeze in March 2012 and March 2013.

On February 14, 2013, United States District Judge Leonard D. Wexler granted summary judgment to the plaintiff unions in one of these wage freeze litigations, ruling that as a matter of statutory interpretation of the Authority's enabling legislation the Authority's wage freeze power expired in 2008. The District Court stayed its ruling pending appeal, so the wage freeze remained in effect. The Authority filed a notice of appeal with the United States Court of Appeals for the Second Circuit, which granted the Authority's motion for an expedited appeal. On September 20, 2013, the Second Circuit vacated the District Court's judgment, ruling that it should have declined to exercise jurisdiction over the pendent state claim, and remanded the case with instructions to dismiss the claim. In accordance with the decision of the Second Circuit, in October 2013, the District Court closed all the pending federal actions without prejudice to re-opening at the conclusion of state litigation.

In October 2013, following the closure of the federal actions, the unions filed petitions in Nassau County Supreme Court pursuant to Article 78 of the N.Y. Civil Practice Law and Rules. Their petitions alleged that the wage freezes were unauthorized as the Authority's wage freeze power under its enabling legislation expired in 2008. One of the unions also alleged that one of its members' interest arbitration awards was not within the ambit of the Authority's wage freeze powers. The Authority moved to dismiss the petitions. On March 11, 2014, Justice Arthur M. Diamond granted the Authority's motion to dismiss, ruling that, as a matter of statutory interpretation, the Authority's wage freeze power had not expired and that the interest arbitration award was within the ambit of that power. The unions have appealed to the Appellate Division, Second Judicial Department.

## **SECTION VI. THE AUTHORITY**

### **Purpose and Operations**

The Authority is a corporate governmental agency and instrumentality of the State constituting a public benefit corporation created in June, 2000 by the Act and empowered to issue its bonds and notes for various County purposes, including the restructuring of a portion of the County's outstanding debt. *As of the date hereof, under the Act, the Authority may only issue Bonds to refund outstanding Authority debt and to pay costs of issuance in connection therewith.* The Authority shall continue in existence until its oversight, control or other responsibilities and its liabilities, which include the payment of Authority bonds and notes, including the Series 2015A Bonds, have been met or discharged. In addition, the Authority has certain powers under the Act to monitor and oversee the County's finances, including Covered Organizations, and upon the declaration of a "control period," additional oversight authority, all as more fully described below under "Authority Monitoring and Control Functions."

The Authority is not authorized by State law to file a petition in bankruptcy. In addition, under the Act, the County and the Covered Organizations are prohibited from filing any petition with any United States district court or court of bankruptcy for the composition or adjustment of municipal indebtedness without the approval of the Authority and the State Comptroller, and no such petition may be filed while Authority bonds or notes remain Outstanding.

### **Directors and Management**

The Authority is governed by a board of seven directors, each appointed by the Governor, one each upon the recommendation of the Majority Leader of the State Senate, the Speaker of the Assembly and the State Comptroller. Four directors constitute a quorum for meetings of the directors of the Authority. The Governor also designates the chairperson and vice chairperson from among the directors. As of the date of this Offering Circular, the following individuals have been appointed directors:

## Directors

### *Jon Kaiman, Director and Chairperson.*

Jon Kaiman is the Special Adviser on Superstorm Sandy relief to Governor Andrew Cuomo. He has been Chairman of the Authority since September 18, 2013. He resigned as Supervisor of the Town of North Hempstead, New York, on September 23, 2013, after nearly ten years in the position, following the appointment related to Superstorm Sandy. He is a graduate of Hofstra University and Hofstra Law School. Earlier in his career he served as a Nassau County District Court judge. His term will expire December 31, 2016.

### *Paul D. Annunziato, Director.*

Paul D. Annunziato is a First Vice President Financial Advisor with Morgan Stanley in Jericho, New York. He has worked in the financial services industry for more than 20 years. His term expired on December 31, 2014, and he continues to serve until a successor is appointed.

### *John R. Buran, Director.*

John R. Buran is Director, President and Chief Executive Officer of Flushing Financial Corporation, the holding company for Flushing Savings Bank and Flushing Commercial Bank. Mr. Buran's career spans 35 years in the banking industry. His term expired on December 31, 2014, and he continues to serve until a successor is appointed.

### *Adam Haber, Director*

Adam Haber has had a long career in finance. He traded commodities for over two decades on several different New York exchanges, is a principal in the commercial real estate firm ScanlanKemperBard (SKB) and is an active Angel Investor and advisor to several start-up companies. He is also owner of two Manhattan restaurants: Aldea, which has a Michelin star; and Lupulo, its sister restaurant. His term will expire on December 31, 2017.

### *Paul J. Leventhal, Director.*

Paul J. Leventhal is President of the accounting firm of Leventhal and Company, CPAs PC, and Vice President of Leventhal Financial Services, Inc. which provides financial and management services to clients in the entertainment, sports, and real estate industries. His term will expire on December 31, 2017.

### *Lester Petracca, Director.*

Lester Petracca is President of Triangle Equities, a full-service real estate company. His term will expire on December 31, 2016.

### *Christopher P. Wright, Director.*

Christopher P. Wright, from Protiviti's New York office, is the firm-wide Managing Director of the Finance Remediation and Reporting Compliance group. The firm is an independent risk consulting firm. Mr. Wright, a CPA, is also the Regional Managing Director for Protiviti's Eastern United States Region. His term of office expired on December 31, 2013, and he continues to serve until a successor is appointed.

## Officers

The following is a brief description of certain officers and staff members of the Authority:

*Evan L. Cohen, Executive Director.*

Evan L. Cohen serves as Executive Director. He has approximately 25 years of financial management experience dealing with governments. He has worked at the Authority since 2000 and previously worked for the New York State Financial Control Board for The City of New York.

*Maria Kwiatkowski, Deputy Director*

Maria Kwiatkowski serves as Deputy Director. She has extensive government service that includes leading development of performance management for Nassau County, Budget Director for the University of DC, and Program Manager of the Budget Award Program at the national Government Finance Officers Association.

*Jeremy Wise, General Counsel*

Mr. Wise serves as General Counsel. Mr. Wise has been admitted to the practice of law in New York State since 1978. The majority of his legal career has been spent working in the area of public finance. He has been the General Counsel of the Authority since 2000.

## **Financing Agreement**

In accordance with the provisions of the Act described above, the Authority and the County have entered into the Financing Agreement, dated as of October 1, 2000, providing for, among other things, the issuance of bonds and notes by the Authority to finance various County purposes authorized under the Act. See "APPENDIX A: SUMMARY OF INDENTURE AND AGREEMENT."

## **Authority Monitoring and Control Functions**

During an "Interim Finance Period", as defined in the Act, the Authority is empowered, among other things, to review financial plans submitted to it; to make recommendations or, if necessary, adverse findings thereon; to monitor compliance; to make transitional State aid available as it determines; to comment on proposed borrowings by the County and Covered Organizations; and to impose a control period upon making one of the statutory findings. Even in the absence of a control period, certain of these powers may continue beyond the Interim Finance Period.

A control period will occur upon the Authority's determination that any of the following events has occurred or that there is a substantial likelihood and imminence of its occurrence: (1) the County shall have failed to pay the principal of or interest on any of its bonds or notes when due or payable; (2) the County shall have incurred a major operating funds deficit of 1% or more in the aggregate results of operations during its fiscal year assuming all revenues and expenditures are reported in accordance with generally accepted accounting principles; (3) the County shall have otherwise violated any provision of the Act and such violation substantially impairs the marketability of the County's bonds or notes; (4) the County Treasurer's certification at any time, at the request of the Authority or on the County Treasurer's initiative, that on the basis of facts existing at such time, the County Treasurer cannot make the certification that securities sold by or for the benefit of the County in the general public market during the fiscal year immediately preceding such date and the then current fiscal year are satisfying the financing requirements of the County during such period and that there is a substantial likelihood of a similar result from such date through the end of the next succeeding fiscal year; or (5) if, in regard to the County's financial plan covering the County and the Covered Organizations, the



County fails to make the required modifications after reductions in revenue estimates, or to provide a modified plan in detail and within such time period required by the Authority.

During a control period the Authority shall withhold transitional State aid and is empowered, among other things, to approve or disapprove proposed contracts and borrowings by the County and Covered Organizations; approve, disapprove or modify the County's financial plan; issue binding orders to the appropriate local officials; and terminate the control period upon finding that no condition exists which would permit imposition of a control period.

On March 24, 2011, the Authority (i) found that a wage freeze as authorized by the Act was essential to the County's adoption and maintenance of a FY 2011 budget that was in compliance with such legislation and (ii) declared a fiscal crisis; ordered that all increases in salary or wages of employees of the County, which were to take effect after the date of the order pursuant to collective bargaining agreements, other analogous contracts or interest arbitration awards, then in existence or thereafter entered into, requiring such salary increases as of any date thereafter were suspended; and ordered that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments for employees of the County which were to take effect after the date of the order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitration awards requiring such increased payments as of any date thereafter were, in the same manner, suspended.

On March 22, 2012, the Authority adopted (i) a similar wage freeze resolution with respect to the FY 2012 budget and (ii) a similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a second year.

On March 14, 2013, the Authority adopted (i) another similar wage freeze resolution with respect to the FY 2013 budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a third year.

On March 10, 2014, the Authority adopted (i) another similar wage freeze resolution with respect to the FY 2014 budget and (ii) another similar resolution declaring a continuing fiscal crisis and ordering the suspension of increases in salary and wages and other payments as described above for a fourth year.

On May 3, 2014, the Authority adopted resolutions approving respective memoranda of agreement between the County and four employee unions ending the wage freeze with respect to such unions. On September 10, 2014, the Authority adopted a resolution approving a memorandum of agreement between the County and a fifth employee union ending the wage freeze with respect to such union. The memoranda of agreement contain provisions to pay certain step increases and cost of living adjustments, among other things. Various collective bargaining units of the County have brought suits in federal court against the County and the Authority challenging the wage freeze actions described in this Section. The County and five of its unions have separately agreed (among other things) to settle in part these cases, and such unions have released the County and the Authority from liability for the parts of the lawsuit which were settled. The Authority intends to continue to defend itself vigorously against such action(s).

See "SECTION IV: RECENT DEVELOPMENTS—Control Period Litigation" for a discussion of the current control period considerations.

## **SECTION VII. NO LITIGATION**

There is not now pending any litigation (i) restraining or enjoining the issuance or delivery of the Series 2015A Bonds or questioning or affecting the validity of the Series 2015A Bonds or the proceedings and authority under which they are issued or will be issued, respectively; (ii) contesting the creation, organization or existence of the Authority, or the title of the directors or officers of the Authority to their respective offices;

(iii) questioning the right of the Authority to perform its obligations under the Indenture or the Agreement and to pledge the Revenues and funds and other moneys and securities purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture; or (iv) questioning or affecting the levy or collection of the Local Sales Tax in any material respect, or the application of the Local Sales Tax for the purposes contemplated by the Act, or the procedure thereunder. For a description of litigation commenced with respect to the Authority's imposition of a control period pursuant to the Act, see "SECTION V: RECENT DEVELOPMENTS—Control Period Litigation."

## SECTION VIII. TAX MATTERS

In the opinion of Sidley Austin LLP, New York, New York, Bond Counsel, interest on the Series 2015A Bonds will be exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

In the opinion of Sidley Austin LLP, New York, New York, as Bond Counsel to the Authority, except as provided in the following sentence, interest on the Series 2015A Bonds will not be includable in the gross income of the owners of the Series 2015A Bonds for Federal income tax purposes under existing law. Interest on the Series 2015A Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2015A Bonds in the event of a failure of the Authority or the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and their respective covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury. No opinion is rendered by Sidley Austin LLP as to the exclusion from gross income of the interest on the Series 2015A Bonds for Federal income tax purposes on or after the date on which any action is taken under the Series 2015A Bonds proceedings or related proceeding upon the approval of counsel other than such firm.

In the opinion of Bond Counsel, interest on the Series 2015A Bonds will not be a specific preference item for purposes of the Federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, upon which Sidley Austin LLP renders no opinion, as a result of ownership of such Series 2015A Bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income. Interest on the Series 2015A Bonds owned by a corporation will be included in the calculation of a corporation's Federal alternative minimum tax liability.

*Collateral Consequences.* Ownership of tax exempt obligations may result in collateral tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or railroad retirement benefits, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Series 2015A Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

*Original Issue Discount.* The excess, if any, of the amount payable at maturity of any maturity of the Series 2015A Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2015A Bonds with original issue discount (a "Discount Bond") will be excluded from gross income for federal and State income tax purposes to the same extent as interest on the Series 2015A Bonds. In general, the issue price of a maturity of the Series 2015A Bonds is the first price at which a substantial amount of Series 2015A Bonds of that maturity was sold (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by

the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond for federal income tax purposes. In addition, original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such substantially identical Series 2015A Bonds is sold to the public may be determined according to rules that differ from those described above. An owner of a Discount Bond should consult his tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

*Premium.* The excess, if any, of the tax basis of the Series 2015A Bonds purchased by a purchaser (other than a purchaser who holds the Series 2015A Bonds, as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is “bond premium.” Bond premium is amortized over the term of the Series 2015A Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of the Series 2015A Bonds are required to decrease their adjusted basis in the Series 2015A Bonds by the amount of amortizable bond premium attributable to each taxable year the Series 2015A Bonds are held. The amortizable bond premium on the Series 2015A Bonds attributable to a taxable year is not deductible for federal income tax purposes; however, such amortizable bond premium is treated as an offset to qualified stated interest received on the Series 2015A Bonds. Owners of such Series 2015A Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of bond premiums upon sale or other disposition of such Series 2015A Bonds and with respect to the state and local tax consequences of owning and disposing of such Series 2015A Bonds.

*Backup Withholding.* Interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest on the Series 2015A Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2015A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service (the “IRS”) as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. 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 federal income tax liability provided the required information is furnished to the IRS.

*Future Developments.* Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2015A Bonds to be subject, directly or indirectly, to federal income taxation or to State or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should consult their tax advisors

regarding any future, pending or proposed federal or State tax legislation, regulations, rulings or litigation as to which Sidley Austin, LLP expresses no opinion.

### **SECTION IX. RATINGS**

The Series 2015A Bonds are rated “\_\_\_” by Fitch Ratings (“Fitch”) and “\_\_\_” by Standard & Poor’s Ratings Services (“Standard & Poor’s”) (each a “Rating Agency” and, collectively, the “Rating Agencies”). Such ratings will reflect only the respective views of such organizations. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the Rating Agency originally establishing the rating, circumstances so warrant. A downward revision or withdrawal of such ratings, or any of them, may have an effect on the market price of the Series 2015A Bonds.

### **SECTION X. VERIFICATION OF MATHEMATICAL COMPUTATIONS**

\_\_\_\_\_ (the “Verification Agent”) will deliver to the Authority and the Underwriters on or before the date of delivery of the Series 2015A Bonds its verification report indicating that it has verified, in accordance with the standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of certain computations showing the Underwriters’ assertions of the adequacy of the cash and the maturing principal of and interest on certain government obligations held in the escrow funds to provide for the payment of the principal of and interest on the bonds refunded identified herein.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Underwriters and the Authority. The report of its verification will state that the Verification Agent has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

### **SECTION XI. UNDERWRITING**

The Series 2015A Bonds are being purchased for reoffering by the Underwriters for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as Representative. The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Series 2015A Bonds from the Authority at an aggregate underwriters’ discount of \$ \_\_\_\_\_ and to make an initial public offering of the Series 2015A Bonds at prices that are not in excess of the initial public offering prices, or at yields below the yields, set forth on the inside cover page of this Offering Circular. The Underwriters will be obligated to purchase all such Series 2015A Bonds if any such Series 2015A Bonds are purchased.

The Series 2015A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

The following paragraphs have been provided by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities.

Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority. In addition, to the extent an Underwriter or an affiliate thereof holds any of the Authority Refunded Bonds, such Underwriter or affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2015A Bonds in connection with the refunding of the Authority Refunded Bonds.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealer.

## **SECTION XII. APPROVAL OF LEGALITY**

All legal matters incident to the authorization, issuance and delivery of the Series 2015A Bonds are subject to the approval of Sidley Austin LLP, Bond Counsel to the Authority. Certain legal matters are subject to the approval of the Authority's General Counsel and of Gonzalez Saggio & Harlan LLP, counsel to the Underwriters.

## **SECTION XIII. FINANCIAL STATEMENTS**

The financial statements of the Authority as of and for the year ended December 31, 2014, included in this Offering Circular, as Appendix B, have been audited by McGladrey LLP, independent auditors, as stated in their report dated May 8, 2015 appearing herein in Appendix B.

McGladrey LLP, our 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. McGladrey LLP, also has not performed any procedures relating to this Offering Circular.

## **SECTION XIV. CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12**

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Authority and the Trustee will enter into a written undertaking (the "Continuing Disclosure Agreement") for the benefit of the holders of the Series 2015A Bonds to provide continuing disclosure. The Authority will undertake for the benefit of the holders of the Series 2015A Bonds to provide on an annual basis no later than 180 days after the end of each fiscal year, commencing with the fiscal year ending December 31, 2015, certain financial information and operating data concerning the Authority of the type included in this Offering Circular referred to herein as "Authority Annual Information" and described in more detail below. The Authority will undertake to provide no later than 180 days after the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2015, the Authority's annual financial statements for such year, prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards, to the Municipal Securities Rulemaking Board ("MSRB") by filing with EMMA, provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so provided and such audited financial statements shall be provided to the MSRB by filing with EMMA if and when available. In addition, the Authority will undertake, for the benefit of the holders of the Series 2015A Bonds, to provide to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of each event, the notices described below.

The Authority Annual Information shall consist of financial information and operating data of the type included in this Offering Circular under the headings: “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS”, including information under subheadings “Sales Tax Revenues” relating to the material taxes constituting a source of revenue for the Series 2015A Bonds, a historical summary of such revenue, if available, together with an explanation of the factors affecting collection levels, for a period of at least the five most recent completed fiscal years then available. The Authority Annual Information may contain such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data and in judging the financial condition of the Authority.

The notices described above include notices of any of the following events with respect to the Series 2015A Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the IRS of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2015A Bonds, or other material events affecting the tax status of the Series 2015A Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2015A Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Authority as set forth in Rule 15c2-12;
- (13) consummation of a merger, consolidation, acquisition, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement to provide continuing disclosure described above is an action to compel specific performance of the undertakings of the Authority, and no person, including the holder of the Series 2015A Bonds, may recover monetary

damages thereunder under any circumstances. Any Bondholder, including any beneficial owner, may enforce the Continuing Disclosure Agreement. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Indenture. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. As a result, the parties to the Continuing Disclosure Agreement do not anticipate that it often will be necessary to amend the informational undertakings. The Continuing Disclosure Agreement, however, may be amended or modified under certain circumstances set forth therein.

Certain "Authority Annual Information" for the Authority's filings for each of the years 2008 through 2011 was updated by the Authority by filing with EMMA on September 24, 2012 to make such previous years' filings (each timely made by the Authority) more complete in accordance with the applicable continuing disclosure undertakings of the Authority for such years.

#### **SECTION XV. LEGAL INVESTMENT**

Pursuant to the Act, the Bonds of the Authority are securities in which all public officers and bodies of the State and all public corporations, municipalities and municipal subdivisions, all insurance companies and associations and 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 a banking business, all administrators, conservators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. Pursuant to the Act the Series 2015A Bonds may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

#### **SECTION XVI. TRUSTEE**

The Bank of New York Mellon is acting as Trustee in connection with the Series 2015A Bonds.

#### **SECTION XVII. FINANCIAL ADVISOR**

The Authority has retained Lamont Financial Services Corporation to serve as financial advisor to the Authority (the "Financial Advisor") in connection with the issuance of the Series 2015A Bonds. The Financial Advisor has assisted in various matters relating to the planning, structuring and issuance of the Series 2015A Bonds. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

#### **SECTION XVIII. MISCELLANEOUS**

The references herein to the Act, the Indenture and the Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Act, the

Indenture, and the Agreement for full and complete statements of such provisions. Copies of the Act, the Indenture, and the Agreement are available at the offices of the Trustee.

The agreements of the Authority with holders of the Series 2015A Bonds are fully set forth in the Indenture. Neither any advertisement of the Series 2015A Bonds nor this Offering Circular is to be construed as a contract with purchasers of the Series 2015A Bonds.

Any statements in this Offering Circular involving matters of opinion, projections or estimates, whether or not expressly stated, are intended merely as expressions of opinion, projections or estimates and not as representation of fact.

The delivery of this Offering Circular has been duly authorized by the Authority.

NASSAU COUNTY INTERIM FINANCE AUTHORITY

By: \_\_\_\_\_  
EVAN L. COHEN, EXECUTIVE DIRECTOR



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## APPENDIX A

### SUMMARY OF INDENTURE AND AGREEMENT

This summary of the Indenture and the Agreement is qualified in its entirety by reference to such documents, copies of which are available from the Authority.

*Definitions.* The following terms, among others, are defined in the Indenture or the Agreement:

“*Accounts*” means the Collection Account, the Bond Account and the Redemption Account.

“*Accrued Debt Service*” means, as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Debt Service, calculating the accrued Debt Service with respect to each obligation to include Debt Service (including interest and Principal Installments) to accrue to the end of the then current calendar month and calculating any Principal Installments to be that portion of any such payments which would accrue during such period if such Principal Installments were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such obligations (or, if there is no preceding Principal Installment due date or such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of such obligations, whichever date is later). For the purposes of this definition, Principal Installment means, with respect to any obligations the payment of which constitute Debt Service, principal and sinking fund payments and any other such payment obligations not constituting interest or an interest component of such payment obligation.

“*Act*” means the Nassau County Interim Finance Authority Act, as supplemented by chapter 179 of the laws of 2000 and as amended from time to time, including, but not limited to, Chapter 528 of the Laws of 2002.

The term “*ancillary contracts*” means contracts entered into pursuant to law by the Authority or for its benefit or the benefit of any of the Beneficiaries to facilitate the issuance, sale, resale, purchase, repurchase or payment of Bonds or Notes, including bond insurance, letters of credit and liquidity facilities.

“*Beneficiaries*” means Bondholders and, to the extent specified in the Indenture, Noteholders and the parties to ancillary and swap contracts.

“*Bondholders,*” “*Noteholders*” and similar terms mean the registered owners of the Bonds and Notes from time to time as shown on the registration books of the Authority or its designee as registrar, and, to the extent specified by Supplemental Indenture, the owners of bearer Bonds and Notes.

“*Bond Proceeds Fund*” means the Bond Proceeds Fund established pursuant to the Agreement.

“*Bonds*” means all obligations issued as Bonds.

“*Counsel*” means nationally recognized bond counsel or such other counsel as may be selected by the Authority for a specific purpose.

“*Debt Service*” means interest, redemption premium, purchase price to the extent provided by Officer’s Certificate of the Authority, principal and sinking fund payments due on outstanding Senior Bonds and (to the extent provided by Supplemental Indenture) Notes, and amounts payable from the Bond Account on Senior Agreements.

“*Debt Service Liquidity Account*” shall mean the Account so designated and held by the Trustee pursuant to the Indenture.

*“Debt Service Liquidity Account Insurance Policy”* shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, to be deposited in the Debt Service Liquidity Account in lieu of or in partial substitution for cash or securities on deposit therein, for the purpose of making the payments required to be made from the Debt Service Liquidity Account under the Indenture. The issuer providing such insurance shall be a municipal bond insurer whose policy or bond results in the rating of municipal obligations secured by such policy or bond to be rated, at the time of deposit into the Debt Service Liquidity Account, in the highest rating category by (i) either S&P, Moody’s or Fitch or (ii) if such corporations are dissolved or liquidated or no longer perform the functions of a securities rating agency, a nationally recognized rating agency.

*“Debt Service Liquidity Account Requirement”* shall mean, as of the date of issuance of any Senior Bonds, the amount, if any, required by the Indenture to be on deposit in the Debt Service Liquidity Account, which shall be one twelfth of the maximum aggregate amount of Principal Installments and interest becoming due in the current or any future Fiscal Year on Outstanding Senior Bonds, including on the Senior Bonds to be issued contemporaneously with such computation, using the Estimated Average Interest Rate for any variable interest rate Senior Bonds (or any reimbursement obligations issued in connection therewith which are deemed to be Bonds pursuant to the related Supplemental Indenture); provided, however, such Debt Service Liquidity Account Requirement shall be equal to \$0.0 unless, at the time of such required computation, the Authority’s projected maximum required monthly deposit of Sales Tax Revenues upon the issuance of such Senior Bonds is greater than one half of the lowest total of actual monthly Sales Tax Revenue collections (as deposited into the Collection Account by the State Comptroller) in the last twenty four full calendar months.

*“Declaration of Need”* means a determination and declaration by the County that it requests the Authority to undertake a Financing of Financeable Costs pursuant to and in accordance with the Act.

*“Defeasance Collateral”* means money and (A) non callable direct obligations of the United States of America, non callable and non prepayable direct federal agency obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, non callable direct obligations of the United States of America which have been stripped by the United States Treasury itself or by any Federal Reserve Bank (not including “CATS,” “TIGRS” and “TRS” unless the Authority obtains Rating Confirmation with respect thereto) and the interest components of REFCORP bonds for which the underlying bond is non callable (or non callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form, and shall exclude investments in mutual funds and unit investment trusts;

(B) obligations timely maturing and bearing interest but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof;

(C) certificates evidencing ownership of the right to the payment of the principal of or interest on obligations described in clause (B) of this definition, provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee in a segregated trust account in the trust department separate from the general assets of such custodian; and

(D) bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, and (ii) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (A), (B) or (C) of this definition which fund may be applied only to the payment when due of such bonds or other obligations.

*“Defeased Bonds”* means Bonds or Notes that remain in the hands of their Holders but are no longer deemed Outstanding.

“Eligible Investments” means and includes any of the following obligations to the extent they are at the time legal for investment of such funds pursuant to any applicable provision of law:

- (i) Defeasance Collateral;
- (ii) direct obligations of, or obligations guaranteed as to timely payment of principal and interest by, FHLMC, FNMA or the Federal Farm Credit System;
- (iii) demand and time deposits in or certificates of deposit of, or bankers’ acceptances issued by, any bank or trust company, savings and loan association or savings bank, if such deposits or instruments are rated A 1+ by S&P and the long term unsecured debt obligations of the institution holding the related account has one of the two highest ratings available for such securities by Moody’s and Fitch;
- (iv) general obligations of, or obligations guaranteed by, any state of the United States, the District of Columbia or Puerto Rico receiving one of the two highest long term unsecured debt ratings available for such securities by any two Rating Agencies;
- (v) commercial or finance company paper (including both non interest bearing discount obligations and interest bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that is rated A 1+ by S&P and in one of the two highest categories by Moody’s and Fitch;
- (vi) repurchase obligations with respect to any security described in clause (i) or (ii) above entered into with a broker/dealer, depository institution or trust company (acting as principal) meeting the rating standards described in clause (iii) above;
- (vii) units of taxable money market funds which funds are regulated investment companies and seek to maintain a constant net asset value per share and have been rated in one of the two highest categories by Moody’s and Fitch and at least AAm or AAm G by Standard & Poor’s, including if so rated any fund which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder, servicing agent and/or custodian or sub custodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee charges and collects fees and expenses (not exceeding current income) from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to the Indenture, and (c) services performed for such funds and pursuant to the Indenture may converge at any time (the Authority specifically authorizes the Trustee or an affiliate of the Trustee to charge and collect all fees and expenses from such funds for services rendered to such funds, in addition to any fees and expenses the Trustee may charge and collect for services rendered pursuant to the Indenture);
- (viii) investment agreements or guaranteed investment contracts (copies of which have been furnished to the Rating Agencies) rated, or with any financial institution whose senior long term debt obligations are rated, or guaranteed by a financial institution whose senior long term debt obligations are rated, at the time such agreement or contract is entered into, in one of the two highest rating categories for comparable types of obligations by any two Rating Agencies; or
- (ix) investment agreements with a corporation whose principal business is to enter into such agreements if (a) such corporation has been assigned a counterparty rating by Moody’s and Fitch in one of the two highest categories, S&P has rated the investment agreements of such corporation in one of the two highest categories, (b) the Authority has an option to terminate each agreement in the event that such counterparty rating is downgraded below the two highest categories by Moody’s and Fitch or the investment agreements of such corporation are downgraded below the two highest categories by S&P, and (c) a copy of the investment agreement has been furnished to the Rating Agencies;

provided that no investment held in the Bond Proceeds Fund may (a) evidence the right to receive only interest with respect to the obligations underlying such instrument or (b) be purchased at a price greater than par if such instrument may be prepaid or called at a price less than its purchase price prior to its stated maturity.

“*Estimated Average Interest Rate*” means, as to any obligations bearing a variable interest rate and as of any date of calculation, the interest rate or rates anticipated to be borne by such Bonds and the period or periods for which such rate or rates are anticipated to be in effect, all as determined by the Authority as the greater of the Index plus 2%, or the actual average for the last twenty four months of variable interest rates on Outstanding variable interest rate Bonds, which rate or rates may, to the extent determined by the Authority, be the rate or rates payable in connection with such obligations and a related swap contract meeting the requirements of the Indenture.

“*FHLMC*” means the Federal Home Loan Mortgage Corporation.

“*Fiduciary*” means the Trustee, any representative of the Holders of Notes or Subordinate Bonds appointed by Supplemental Indenture, or any Paying Agent, including each fiscal agent.

“*Financeable Costs*” has the meaning given to the term “financeable costs” in the Act.

The term “fiscal agent” means each Paying Agent (initially the Trustee) designated by the Authority to act as registrar and transfer agent.

“*Fitch*” means Fitch, Inc.; references to Fitch are effective so long as Fitch is a Rating Agency.

“*FNMA*” means the Federal National Mortgage Association.

“*Index*” when calculating the Estimated Average Interest Rate, shall mean the average for the last twenty four calendar months of (a) the BMA Municipal Swap Index™ formerly, the PSA Municipal Swap Index™ (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) (the “BMA Municipal Swap Index™”) or (b) if the BMA Municipal Swap Index™ is no longer published, the Kenny Index™ (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) or (c) if neither of the BMA Municipal Swap Index™ nor the Kenny Index™ are published, the index determined to equal the prevailing rate determined by the Authority for tax exempt state and local government bonds meeting criteria determined in good faith by the Authority to be comparable under the circumstances to the criteria used by the Bond Market Association to determine the BMA Municipal Swap Index™ just prior to when the Bond Market Association stopped publishing the BMA Municipal Swap Index™.

“*LFL*” means the Local Finance Law of the State, as amended from time to time.

“*Majority in Interest*” means the Holders of a majority of the Outstanding Bonds or Notes eligible to act on a matter, measured by face value at maturity unless otherwise specified in a Supplemental Indenture.

The term “maximum annual debt service on all Authority bonds, notes and other evidences of indebtedness” means as determined by the Authority at any give time, the greatest amount of interest, principal and sinking fund payments on all outstanding Authority bonds, notes and ancillary and swap contracts (including payments on Subordinate Bonds and Notes and Senior Bonds and Notes, but excluding payments on Bond Anticipation Notes anticipated by the Authority to be repaid from Authority bonds, whether or not any such payments constitute Debt Service) payable in the current or any future fiscal year.

“*Moody’s*” means Moody’s Investors Service; references to Moody’s are effective so long as Moody’s is a Rating Agency.

The term “*operating expenses*” means all expenses incurred by the Authority in the administration of the Authority including but not limited to salaries, administrative expenses, insurance premiums, auditing and legal expenses, fees and expenses incurred for professional consultants and fiduciaries, payments on Notes and swap and ancillary contracts not paid as Financeable Costs or from the Bond Account, transfers to pay or service Subordinate Bonds, and all operating expenses so identified by Supplemental Indenture.

“*Outstanding*,” when used to modify Bonds or Notes, refers to Bonds or Notes issued under the Indenture, excluding: (i) Bonds or Notes which have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment; (ii) Bonds or Notes which have been paid; (iii) Bonds or Notes which have become due and for the payment of which money has been duly provided; (iv) Bonds or Notes, including any portion of any Series thereof, for which there has been irrevocably set aside sufficient Defeasance Collateral timely maturing and bearing interest, to pay or redeem them; and if any such Bonds or Notes are to be redeemed prior to maturity, the Authority shall have taken all action necessary to redeem such Bonds or Notes and notice of such redemption shall have been duly mailed in accordance with the Indenture or irrevocable instructions so to mail shall have been given to the Trustee; (v) Bonds and Notes, including any portion of any Series thereof, the payment of which shall have been provided for pursuant to the defeasance of the Indenture; and (vi) for purposes of any consent or other action to be taken by the Holders of a Majority in Interest or specified percentage of Bonds or Notes, Bonds or Notes held by or for the account of the Authority, the County or any person controlling, controlled by or under common control with either of them.

“*Rating Agency*” means each nationally recognized statistical rating organization that has, at the request of the Authority, a rating in effect for the unenhanced Senior Bonds.

“*Rating Confirmation*” means evidence that no Senior Bond rating in effect from a Rating Agency will be withdrawn or reduced solely as a result of an action to be taken under the Indenture.

“*Requisition*” means a certificate in writing signed by an Authorized Officer of the County in the form required by the Authority under the Agreement.

“*Revenues*” means the Sales Tax Revenues, investment earnings on money and investments on deposit in the Accounts and all other income and receipts (other than Note or Bond proceeds) paid or payable to the Authority or the Trustee for the account of the Authority to the extent such other income and receipts are to be treated as Revenues under the terms of the Indenture, but in no event shall Revenues include any Transitional State Aid.

“*Sales Tax Revenues*” means the sales and compensating use tax net collections paid or payable to the Authority pursuant to §1261 of the Tax Law or a successor statute.

“*Senior Agreements*” means ancillary and swap contracts to the extent that amounts are payable thereon from the Bond Account pursuant to a Supplemental Indenture.

“*Senior Bonds*” means all Bonds issued as Senior Bonds.

“*Senior Notes*” means all Notes issued as Senior Notes.

“*Series*” means all Notes or Bonds so identified in a Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions, and any Notes or Bonds thereafter delivered in exchange or replacement therefor.

“*S&P*” means Standard & Poor’s Financial Services LLC; references to S&P are effective so long as S&P is a Rating Agency.

“*Subordinate Agreements*” means ancillary and swap contracts to the extent that such contracts are not Senior Agreements.

“*Subordinate Bonds*” means all Bonds other than Senior Bonds.

“*Subordinate Notes*” means all Notes other than Senior Notes.

The term “*swap contract*” means an interest rate exchange or similar agreement entered into by the Authority pursuant to the Act, with Rating Confirmation from each Rating Agency.

“*Tax Exempt Bonds*” or “*Tax Exempt Notes*” means all Bonds or Notes so identified in any Supplemental Indenture.

“*Tax Law*” means the Tax Law of the State, as amended from time to time.

## **THE INDENTURE**

*Directors, State and County Not Liable on Notes or Bonds.* Neither the Directors of the Authority nor any person executing Notes, Bonds or other obligations of the Authority shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance thereof.

The Notes, Bonds and other obligations of the Authority shall not be a debt of either the State or the County, and neither the State nor the County shall be liable thereon, nor shall they be payable out of any funds other than those of the Authority; and the Notes and Bonds shall contain on the face thereof a statement to such effect.

*Security and Pledge.* Pursuant to the Act, the Authority assigns and pledges to the Trustee subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, (a) the Revenues, (b) all rights to receive the Revenues and the proceeds of such rights, (c) all Accounts and assets thereof, including money, contract rights, general intangibles or other personal property, held by the Trustee, (d) the State Covenant and tax contract of the State and the County Covenant and the other covenants, agreements and acknowledgements of the County made in the Indenture and the Agreement and (e) any and all other property of every kind and nature from time to time, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security. Except as specifically provided, this assignment and pledge does not include: (i) the rights of the Authority pursuant to provisions for consent or other action by the Authority, notice to the Authority, indemnity or the filing of documents with the Authority, or otherwise for the Authority's benefit and not for that of the Beneficiaries, or (ii) any right, duty or power reserved to the Authority pursuant to the Act or other law. The Authority will implement, protect and defend this assignment and pledge by all appropriate legal action, the cost thereof to be an operating expense. The preceding, and all pledges and security interests made and granted by the Authority pursuant to the Indenture, are immediately valid, binding and perfected to the full extent provided by the Act. The foregoing collateral is pledged and a security interest is therein granted, to secure the payment of Bonds, Notes, and payments in respect of Senior Agreements and Subordinate Agreements; provided, however, that the pledge and security interest granted to secure the Authority's obligation to pay Subordinate Bonds and Subordinate Agreements shall be subject and subordinate to the pledge and security interest granted to secure Debt Service. The lien of such pledge and the obligation to perform such contractual provisions shall have priority over any or all other obligations and liabilities of the Authority secured by the Revenues. The Authority shall not incur any obligations, except as authorized by the Indenture, secured by a lien on the Revenues or Accounts equal or prior to the lien of the Indenture.

*Defeasance.* (a) If the Authority shall pay or cause to be paid to the Beneficiaries of all obligations then Outstanding the principal and interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then, at the option of the Authority, expressed in an

instrument in writing signed by an Authorized Officer and delivered to the Trustee, the respective covenants of the Authority, the State and the County to the Beneficiaries shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all money, securities and funds held by them pursuant to the Indenture which are not required for the payment or redemption of obligations not theretofore surrendered for such payment or redemption.

(b) Outstanding Bonds or Notes or any portions thereof for the payment or redemption of which money shall have been set aside and shall be held in trust by the Paying Agents shall, at the respective maturity or redemption dates thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) above. Outstanding Bonds or Notes or any portions thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) above either (A) as provided in the Supplemental Indenture authorizing their issuance or (B) if (i) in case any of said Bonds or Notes are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption on said date of such obligations, (ii) there shall have been irrevocably deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Collateral the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or redemption price, if applicable, and interest due and to become due on such Bonds or Notes or such portions thereof on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event such Bonds or Notes are not by their terms maturing or are not subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Beneficiaries of such Bonds or Notes that the deposit required by (ii) above has been made with the Trustee and that said Bonds or Notes are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which money is to be available for the payment of the principal or redemption price, if applicable, on such Bonds or Notes. Neither Defeasance Collateral nor money deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Collateral shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds or Notes provided that any money on deposit with the Trustee, (x) to the extent such money will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or Notes or otherwise existing under the Indenture, and (y) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Collateral maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal or redemption price, if applicable, and interest to become due on said Bonds or Notes on and prior to such redemption date or maturity date thereof, as the case may be.

(c) Upon such defeasance, the funds and investments required to pay or redeem the Bonds, Notes and other obligations to Beneficiaries shall be irrevocably set aside for that purpose, subject only, however, to the provisions of the Indenture relating to unclaimed money, and money held for defeasance shall be invested only as provided above and applied by the Trustee and other Paying Agents, if any, to the retirement of the Bonds and Notes and other obligations. Any funds or property held by the Trustee and not required for payment or redemption of the Bonds, Notes and other obligations to Beneficiaries in full shall, after satisfaction of all the rights of the Authority and the Trustee, be distributed to the Authority upon such indemnification, if any, as the Trustee reasonably requires.

*Notes and Bonds of the Authority.* (a) By Supplemental Indenture complying procedurally and in substance with the Act and the Indenture, the Authority may authorize, issue, sell and deliver (i) Bonds or (ii) Notes, including Notes in anticipation of Bonds, from time to time in such principal amounts as the Authority shall determine to be necessary, to provide sufficient funds to finance Financeable Costs by payment or reimbursement, and funding reserves to secure Notes or Bonds; and may issue Notes or Bonds to renew or



refund Notes or Bonds, by exchange, purchase, redemption or payment, and establish such escrows therefor as it may determine.

- (b) Bonds and Notes may be issued only:
  - (i) as Senior Bonds or Notes, or as Subordinate Bonds or Notes;
    - (x) to pay or reimburse Financeable Costs, but not to exceed the limitations for specified Financeable Costs set forth in the Act in issuance amount, measured by proceeds to the Authority, and in the case of variable interest rate Bonds, not to exceed a total aggregate principal amount Outstanding at any time of \$500 million of such variable interest rate Bonds except to the extent Rating Confirmation is obtained, and
    - (y) to refund or renew such Bonds or Notes; but
  - (ii) no Senior Bonds or Notes shall be authenticated and delivered except upon receipt by the Trustee of the following:
    - (y) an Officer's Certificate of the Authority setting forth, and based upon information provided to the Authorized Officer filing such Officer's Certificate by the State Comptroller or other State official on whom such Authorized Officer may reasonably rely, the most recent receipts by the Trustee (or by the Authority or the County, as applicable, with respect to the period prior to redirection of such amounts to the Trustee) for the 12 consecutive calendar months ended not more than three months prior to the date of such certificate, of the Sales Tax Revenues, in effect at the date of issuance of such Series of Bonds or Notes, collected by the State and to be payable to the Authority; and
    - (z) an Officer's Certificate of the Authority setting forth
      - (I) the aggregate amount of Debt Service (excluding any accrued or capitalized interest), including such Series of Bonds or Notes, for each Fiscal Year Bonds or Notes that will be Outstanding, and
      - (II) that the amounts set forth pursuant to clause (y) will be at least three times the aggregate amount set forth in clause (z)(I) for each Fiscal Year set forth pursuant to clause (z)(I).
  - (iii) no Senior Bonds shall be authenticated and delivered except upon receipt by the Trustee of (y) an Officer's Certificate of the Authority making the computation required in the definition of Debt Service Liquidity Account Requirement, determining whether or not such requirement has been triggered, and if so, the amount required to be deposited to the Debt Service Liquidity Account to fulfill such Debt Service Liquidity Account Requirement, and (z) provision for such deposit.

Each interest rate on Outstanding and proposed variable interest rate Bonds or Notes, shall be assumed at the Estimated Average Interest Rate.

(c) The Notes and Bonds shall bear such dates and shall mature at such times as the Authority may provide pursuant to the Act. The Notes and Bonds shall bear interest at such fixed or variable rates, and shall be in such denomination, be in such form, either coupon or registered, carry such registration privileges,

be executed in such manner, be payable in such medium of payment, at such place and be subject to such terms of redemption as the Authority may provide pursuant to the Act. The Notes and Bonds may be sold by the Authority at public or private sale pursuant to the Act.

*Documents to be Delivered to Trustee.* The Authority may from time to time request the authentication and delivery of a Series of Bonds or Notes by providing to the Trustee (at or prior to such authentication and delivery), among other documents, the following:

(a) an Officer's Certificate as to the purposes to be financed and to the effect that there is no default that will remain uncured immediately following such delivery, nor an uncured failure of the State or the County to comply with their respective agreements provided for in the Act, as in effect at the date of the Indenture; and

(b) an opinion of Counsel as to the due authorization, execution and delivery by the Authority of the Indenture and each relevant Supplemental Indenture; to the effect that the Indenture is in full force and effect and that the Bonds or Notes are valid and binding; and after delivery of the initial Series of Bonds, to the effect that the issuance of the Bonds or Notes will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Tax Exempt Bonds or Tax Exempt Notes theretofore issued (as set forth in the opinions delivered with such prior Bonds or Notes).

*Ancillary and Swap Contracts.* Pursuant to the Act, the Authority may enter into, amend or terminate, as it determines to be necessary or appropriate, any ancillary or swap contracts, including Senior Agreements. The Authority may by Supplemental Indenture provide for the payment through the Bond Account of any amounts due pursuant to ancillary and swap contracts (excluding termination payments), any such ancillary and swap contracts thereby constituting Senior Agreements. Any amounts paid or payable to the Authority pursuant to any ancillary or swap contract shall constitute a Revenue and, except as otherwise provided in a Supplemental Indenture, shall be deposited in the Bond Account.

*Bond Anticipation Notes.* Whenever the Authority shall authorize the issuance of a Series of Bonds, the Authority may, by Supplemental Indenture, authorize the issuance of Notes and renewals thereof in anticipation of such Series. The interest on such Notes and renewals thereof may be made payable from the proceeds of such Notes, from the Bond Account or from the proceeds of the Series of Bonds in anticipation of which such Notes are issued. The proceeds of such Bonds may be pledged for the payment of the principal of or interest on such Notes, and any such pledge shall have a priority over any other pledge of such proceeds created by the Indenture. Subject to the Indenture, the Authority may also pledge the Revenues and the Accounts to the payment of the principal of such Notes.

*Financeable Costs.* Proceeds of the sale of the Bonds and Notes issued for Financeable Costs shall be promptly deposited in the Bond Proceeds Fund to the extent set forth by Supplemental Indenture, and applied to finance Financeable Costs. The Authority shall transfer its earnings on the Bond Proceeds Fund to the Collection Account as Revenues, or otherwise apply such earnings in accordance with the Tax Code pursuant to Officer's Certificate.

*Limited Purpose of Indenture.* The Indenture provides for the issuance and payment of the Authority's obligations and the financing and refinancing of Financeable Costs. The Indenture is not intended to convey to the Trustee or the Beneficiaries any right to exercise or approve the Authority's oversight powers and duties, including those set forth in the Act, and the right and obligation to exercise such powers and duties is reserved solely to the Authority, nor is the Indenture intended to convey to the Trustee or the Beneficiaries the benefit of any provisions of the Agreement not expressly pledged pursuant to the Indenture. Except as set forth in the Indenture and the Agreement, the Authority, the County and the Trustee shall have no liability to each other or to the Beneficiaries for the construction, reconstruction, acquisition, installation, physical condition, ownership or operation of any capital project of the County financed as a Financeable Cost or for the financing of Financeable Costs.

*Application of Revenues.* (a) Provision is made in the Act for the payment to the Authority of the Sales Tax Revenues, and the Authority has requested the State Comptroller to make such payments to the Collection Account to be held by the Trustee. Any Revenues received by the Authority shall be promptly deposited in the Collection Account. All Revenues in the Collection Account shall be applied upon receipt by the Trustee, in the following order of priority: first to the Bond Account to pay Debt Service pursuant to paragraph (b) summarized below, and any amount, if any, necessary to replenish the Debt Service Liquidity Account to the extent of any withdrawal therefrom; second, pursuant to Supplemental Indentures for the benefit of Subordinate Noteholders, Subordinate Bondholders and parties to Subordinate Agreements, to the extent such Supplemental Indentures may require application of Revenues to pay such items after payment of Debt Service but prior to Authority operating expenses; third, to the Authority's operating expenses, which may include deposits to the Redemption Account for optional redemption and reserves to be held by the Authority for payment of operating expenses, in such amounts as may be determined by Supplemental Indenture or Officer's Certificate; and fourth except to the extent set forth in the next sentence hereof, as soon as practicable, to the order of the County, free and clear of the lien of the Indenture. The Authority shall set aside Revenues otherwise payable to the County in a "county of Nassau revenue anticipation note withholding fund" to the extent required to comply with SECTION 3657(6) of the Act.

(b) At the beginning of each calendar month, the Trustee shall begin to transfer all Revenues from the Collection Account to the Bond Account, and shall continue such transfers until the amount in the Bond Account is equal to Accrued Debt Service to the last day of such month (or, if Debt Service is payable on a date other than the first day of each calendar month, to such day of the succeeding month). To the extent that Debt Service includes principal, interest or premium on Bonds or Notes to be purchased or redeemed prior to maturity, such Debt Service may be paid through the Redemption Account, and the Authority may by Officer's Certificate direct the Trustee to transfer Revenues thereto, rather than to the Bond Account.

(c) Prior to any payment date for Debt Service, the Authority may by Officer's Certificate estimate interest payable at a variable rate; or treat anticipated receipts on an ancillary or swap contract as offsets thereto as specified in the Indenture.

(d) The transfers and payments shall be appropriately adjusted by Officer's Certificate of the Authority to reflect the date of issue of Notes or Bonds, any accrued or capitalized interest deposited in the Bond Account or any other amounts irrevocably pledged to the payment of such Debt Service for such period, dates of receipt of Revenues, actual rates of interest, any amount needed or held in the Accounts for Debt Service, and any purchase or redemption of Notes or Bonds, so that there will be available on each payment date the amount necessary to pay Debt Service and so that accrued or capitalized interest will be applied to the installments of interest to which it is applicable.

(e) Revenues shall in all events be transferred from the Collection Account to the Bond Account or Redemption Account to provide for the timely payment of Debt Service, and all Revenues shall be applied to pay Debt Service and other amounts then overdue pursuant to the Indenture.

(f) Money, if any, on deposit in the Debt Service Liquidity Account shall be held in trust and, except as otherwise provided, shall be applied solely to remedy any shortfall in the Bond Account in amounts due on Debt Service. If at any time the amount, if any, on deposit in the Debt Service Liquidity Account is in excess of the Debt Service Liquidity Account Requirement, the Trustee shall transfer such excess from the Debt Service Liquidity Account to the Collection Account.

(g) Notwithstanding anything in the Indenture to the contrary, in lieu, or in partial satisfaction, of any additionally required deposit into the Debt Service Liquidity Account, the Authority may cause to be deposited into the Debt Service Liquidity Account a Debt Service Liquidity Account Insurance Policy, for the benefit of the holders of the Bonds in an amount equal to the required deposit or any portion thereof, and which Debt Service Liquidity Account Insurance Policy shall be payable or available to be drawn upon, as the

case may be (upon the giving of notice as required thereunder), on any date on which moneys are required to be paid out of the Debt Service Liquidity Account pursuant to the Indenture.

*Bond Account.* A Bond Account is established with the Trustee and money shall be deposited therein as provided in the Indenture. Accrued interest received upon the sale of Notes (if so specified by Supplemental Indenture) or Senior Bonds shall be deposited in the Bond Account. The money in the Bond Account shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of Debt Service. If at any time the amount held in the Bond Account exceeds Accrued Debt Service, the Trustee shall transfer such excess to the Collection Account as Revenues. The Trustee shall pay, or transfer money from the Bond Account to a Paying Agent in time for the Paying Agent to pay, Debt Service when due in same day funds.

*Redemption Account.* A Redemption Account is established with the Trustee and money shall be deposited therein as provided in the Indenture. The money and investments in such Account shall be held in trust and, except as otherwise specified, shall be applied by the Trustee to the redemption of Bonds and Notes. Upon direction by Officer's Certificate of the Authority, the Trustee shall apply money in the Redemption Account to the purchase of Bonds and Notes for cancellation at prices not exceeding (unless so directed by Officer's Certificate of the Authority) the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not with money required to pay Bonds or Notes for which notice of redemption has been given. Accrued interest on the purchase of Bonds and Notes may be paid from the Bond Account (if so payable under the Indenture) or as directed by Officer's Certificate of the Authority.

When money in the Redemption Account is to be applied to the redemption of Notes or Bonds, the Trustee shall pay, or transfer such money to a Paying Agent in time for the Paying Agent to pay, such Notes or Bonds when due in same day funds.

If on any date the amount in the Bond Account is less than the amount then required to be applied to pay Debt Service then due, the Trustee shall apply the amount in the Redemption Account (other than any sum irrevocably set aside for particular Notes or Bonds no longer Outstanding) to the extent necessary to meet the deficiency.

*Redemption of the Bonds and Notes.* The Authority may redeem Bonds and Notes at its option in accordance with their terms and shall redeem Bonds and Notes in accordance with their terms pursuant to any mandatory redemption ("sinking fund") requirements established by Supplemental Indenture. When Bonds or Notes are called for redemption, the accrued interest thereon shall become due on the redemption date. To the extent not otherwise provided, the Authority shall deposit with the Trustee on or prior to the redemption date a sufficient sum to pay principal, redemption premium, and accrued interest.

Unless otherwise specified by Supplemental Indenture, there shall, at the option of the Authority, be applied to or credited against any sinking fund requirement the principal amount of any such Bonds that have been defeased, purchased or redeemed and not previously so applied or credited.

When Bonds or Notes are to be redeemed prior to maturity, the Trustee shall give notice in the name of the Authority, which notice shall identify the Bonds or Notes to be redeemed, state the date fixed for redemption and state that such Bonds or Notes will be redeemed at the corporate trust office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond or Note to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with the applicable Supplemental Indenture, to the registered owners of any Bonds or Notes which are to be redeemed, at their addresses shown on the registration books of the Authority. Such notice may be waived by any Holder of Bonds or Notes to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond or Note.

*Investments.* Pending its use, money in the Accounts may be invested by the Trustee in Eligible Investments maturing or redeemable at the option of the holder at or before the time when such money is expected to be needed and shall be so invested pursuant to written direction of the Authority if there is not then an Event of Default known to the Trustee. Investments shall be held by the Trustee in the respective Accounts and shall be sold or redeemed to the extent necessary to make payments or transfers from each Account.

Except as otherwise specified, any interest realized on investments in any Account and any profit realized upon the sale or other disposition thereof shall be credited to the Collection Account.

The Trustee may hold undivided interests in Eligible Investments for more than one Account (for which they are eligible) and may make interfund transfers in kind.

If any money is invested under the Indenture and a loss results therefrom so that there are insufficient funds to pay Debt Service or to redeem Bonds or Notes called for redemption, then the deficiency shall be timely filled from Revenues (as Debt Service if so payable under the Indenture).

*Unclaimed Money.* Except as may otherwise be required by applicable law, in case any money deposited with the Trustee or a Paying Agent for the payment of the principal of, or interest or premium, if any, on any Bond or Note remain unclaimed for two years after such principal, interest or premium has become due and payable, the Fiduciary may and upon receipt of a written request of the Authority will pay over to the Authority the amount so deposited and the owner of such Bond or Note shall be entitled (subject to any applicable statute of limitations) to look only to the Authority as an unsecured creditor for the payment thereof.

*Contract; Obligations to Beneficiaries.* In consideration of the purchase and acceptance of any or all of the Bonds and Notes and ancillary and swap contracts by those who shall hold the same from time to time, the provisions of the Indenture shall be a part of the contract of the Authority with the Beneficiaries, and shall be deemed to be and shall constitute contracts among the Authority, the Trustee, the County to the extent specified in the Agreement, the Beneficiaries from time to time and, to the extent specified in the Act, the State. The pledge made in the Indenture and the covenants set forth to be performed by the Authority, the County and the State shall be for the equal benefit, protection and security of the Beneficiaries of the same priority. All of the Bonds or Notes or ancillary or swap contracts of the same priority, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any thereof over any other except as expressly provided pursuant to the Indenture and the Act.

The Authority shall pay when due all sums payable on the Bonds and Notes, from the Revenues and money designated in the Indenture, subject only to (i) the Act and the Indenture, and (ii) to the extent permitted by the Act and the Indenture, (x) agreements with Holders of Bonds and Notes pledging particular collateral for the payment thereof and (y) the rights of Beneficiaries under ancillary and swap contracts. The obligation of the Authority to pay principal, interest and redemption premium, if any, to the Holders of Bonds and Notes shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, and shall not be subject to setoff, recoupment or counterclaim. The Authority shall also pay its operating expenses.

*Enforcement.* The Authority shall enforce or cause the Trustee to enforce by appropriate legal proceedings, each covenant, pledge or agreement made by the County or the State in the Indenture or in or pursuant to the Act for the benefit of any of the Beneficiaries.

*Tax Covenant.* The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on Tax Exempt Bonds and Tax Exempt Notes shall be excludable from gross income for Federal income tax purposes pursuant to SECTION 103(a) of the Code; and no funds of the Authority shall at any time be used directly or indirectly to acquire securities or obligations the acquisition or holding of which would cause any Tax Exempt Bond or Tax Exempt Note to be an arbitrage bond as defined in such Code and any applicable Regulations issued

thereunder. If and to the extent required by the Code, the Authority shall periodically, at such times as may be required to comply with the Code, pay from the Bond Proceeds Fund or as an operating expense the amount, if any, required by the Code to be rebated thereto or paid as a related penalty.

*Accounts and Reports.* The Authority shall (1) cause to be kept books of account in which complete and accurate entries shall be made of its transactions relating to all funds and accounts under the Indenture, which books shall at all reasonable times be subject to the inspection of the County, the Trustee and the Holders of an aggregate of not less than 25% in principal amount of Bonds and Notes then Outstanding or their representatives duly authorized in writing; and

(2) keep in effect at all times by Officer's Certificate an accurate and current schedule of all Debt Service to be payable during the life of then Outstanding Bonds, Notes and Senior Agreements secured by the Bond Account, certifying for the purpose such estimates as may be necessary.

*Ratings.* Unless otherwise specified by Supplemental Indenture, the Authority shall pay such reasonable fees and provide such available information as may be necessary to obtain and keep in effect ratings on all the Senior Bonds from at least two nationally recognized statistical rating organizations.

*No Other Business.* The Authority shall not engage in any line of business not contemplated by the Act.

*No Indebtedness or Funds of County.* Except to the extent required by the Act, the Indenture does not constitute indebtedness of the County for purposes of SECTION 20.00 of the LFL or any constitutional or statutory limitation. The Authority's revenues, including the Revenues, are not funds of the County.

*County Covenant.* The Authority includes in the Indenture the County's pledge and agreement with the holders of any bonds, notes or other evidences of indebtedness of the Authority that the County will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such holders pursuant to the Act (including the ability to enforce the County's obligations under the Agreement), or in any way impair the rights and remedies of such holders or the security for such bonds, notes or other evidences of indebtedness until such bonds, notes or other evidences of indebtedness, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully paid and discharged. This County Covenant shall not be deemed to restrict any right the County may have to amend, modify or otherwise alter local laws, ordinances or resolutions imposing or relating to the Sales Tax Revenues or other taxes or fees or appropriations related to any such taxes or fees, so long as, after giving effect to such amendment, modification or other alteration, the amount of Sales Tax Revenues projected by the Authority to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 200% of maximum annual debt service on all Authority bonds, notes and other evidences of indebtedness then outstanding.

*State Covenant and Tax Contract.* The Authority includes in the Indenture: (a) the State's pledge and agreement with the holders of outstanding bonds, notes or other evidences of indebtedness that the State will not limit, alter or impair the rights vested in the Authority by the Act to fulfill the terms of any agreements made with the holders (including the ability to enforce the County's obligations under the Agreement), or in any way impair the rights and remedies of such holders or the security for the bonds, notes or other evidences of indebtedness until such bonds, notes or other evidences of indebtedness, together with the interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully paid and discharged; (b) the further terms of SECTION 3658 of the Act to the effect that: nothing contained in this covenant or the Act shall be deemed to restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Sales Tax Revenues and nothing in this covenant shall be deemed to obligate the State to make any additional payments or impose any taxes to satisfy the obligations of the Authority; and (c) the tax contract of the State in the Act.

*Authority Acknowledgments.* (a) The Authority acknowledges that the County's covenants and pledge and agreement for the benefit of the Holders and the State Covenant and Tax Contract constitute important security provisions of the Bonds and Notes, and to the fullest extent permitted by applicable Federal and State law, waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support the assertion by the County, the State or any other person of, any such claim to the contrary.

(b) By acknowledging that the County's covenants and pledge and agreement for the benefit of the Holders and the State Covenant and Tax Contract constitute important security provisions of the Bonds and Notes, the Authority also acknowledges, to the fullest extent permitted by applicable Federal and State law, that, in the event of any failure or refusal by the County or the State to comply therewith, the Holders of the Bonds or Notes may have suffered monetary damages, the extent of the remedy for which may be, to the fullest extent permitted by applicable Federal and State law, determined, in addition to any other remedy available at law or in equity, in the course of any action taken pursuant to the Indenture; and to the fullest extent permitted by applicable Federal and State law, the Authority waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support the assertion by the County, the State or any other person of, any claim to the effect that no such monetary damages have been suffered.

(c) The Authority confirms that the acknowledgments and agreements summarized in paragraphs (a) and (b) above have been included as a result of negotiations with the underwriters of the initial Series of Bonds and may further acknowledge in any Supplemental Indenture if and the extent to which any provision of the Indenture has been amended, or any provision of such Supplemental Indenture has been included therein, as a result of the same or similar negotiations.

*Rights and Duties of the Fiduciaries.* The Fiduciaries shall not be required to monitor the financial condition of the Authority or the physical condition of any Project and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with them under the Indenture, except to make them available for inspection by Beneficiaries.

Upon a failure of the Authority to make a payment of Debt Service when due or a failure known to an Authorized Officer of the Trustee to make any other required payment within 7 days after the same becomes due and payable, the Trustee shall give written notice thereof to the Authority. The Trustee shall give notices of default when instructed to do so by the written direction of another Fiduciary or the owners of at least 25% in principal amount of the Outstanding Senior Bonds or with respect to the Indenture, if the Event of Default is actually known to an Authorized Officer. The Trustee shall proceed under the Indenture for the benefit of the Holders in accordance with the written directions of a Majority in Interest of the Outstanding Senior Bonds. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred.

Each Fiduciary shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. Each Fiduciary may rely conclusively on any notice, certificate or other document furnished to it under the Indenture and reasonably believed by it to be genuine. A Fiduciary shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under the Indenture or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by a Fiduciary is called for by the Indenture, the Fiduciary may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act.

Any fees, expenses, reimbursements or other charges which any Fiduciary may be entitled to receive from the Authority, if not otherwise paid, shall be a first lien upon (but only upon) any funds held by the Trustee for payment of operating expenses.

*Paying Agents.* The Authority designates the Trustee a Paying Agent. The Authority may appoint additional Paying Agents, generally or for specific purposes, may discharge a Paying Agent from time to time and may appoint a successor. The Authority shall designate a successor if the Trustee ceases to serve as Paying Agent. Each Paying Agent shall be a bank or trust company eligible under the Act, and unless otherwise provided by Supplemental Indenture shall have a capital and surplus of not less than \$50,000,000 and be registered as a transfer agent with the Securities and Exchange Commission. The Authority shall give notice of the appointment of a successor to the Trustee as Paying Agent in writing to each Beneficiary shown on the books of the Trustee. A Paying Agent may but need not be the same person as the Trustee. Unless otherwise provided by the Authority, the Trustee as Paying Agent shall act as Bond and Note registrar and transfer agent.

*Resignation or Removal of the Trustee.* The Trustee may resign on not less than 45 days' written notice to the Authority and the Holders. The Trustee will promptly certify to the Authority that it has given written notice to all Holders and such certificate will be conclusive evidence that such notice was given as required by the Indenture. The Trustee may be removed by written notice from the Authority (if not in default) or a Majority in Interest of the Outstanding Senior Bonds to the Trustee and the Authority. Such resignation or removal shall not take effect until a successor has been appointed.

*Successor Fiduciaries.* Any corporation or association which succeeds to the municipal corporate trust business of a Fiduciary as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights, powers and duties thereof under the Indenture, without any further act or conveyance.

In case a Fiduciary resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of a Fiduciary or of its property is appointed, or if a public officer takes charge or control of a Fiduciary, or of its property or affairs, then such Fiduciary shall with due care terminate its activities and a successor may, or in the case of the Trustee shall, be appointed by the Authority. If no appointment of a successor Trustee is made within 45 days after the giving of written notice of resignation or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee shall be a trust company or a bank having the powers of a trust company, located in the State, having a capital and surplus of not less than \$50,000,000.

*Fiduciaries for Notes and Subordinate Bonds.* The Authority may by Supplemental Indenture provide for the appointment of a Fiduciary (which may be the Trustee) to represent the Holders of Notes or Subordinate Bonds, having powers and duties not inconsistent with the Indenture or the Act.

*Action by Holder.* Any request, authorization, direction, notice, consent, waiver or other action provided by the Indenture to be given or taken by Holders of Bonds or Notes may be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Holders or their attorneys duly appointed in writing or by such electronic or other means as may be recognized pursuant to applicable law. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Indenture (except as otherwise therein expressly provided) if made in the following manner, but the Authority or the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate or signature guarantee, which need not be acknowledged or verified, of an officer of a bank, trust company or securities dealer satisfactory to the Authority or to the Trustee; or of any notary public or other officer authorized to take acknowledgements



of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or secretary. Any action of the Owner of any Bond or Note shall be irrevocable and bind all future record and beneficial owners thereof.

*Registered Owners.* The enumeration of certain provisions applicable to DTC as Holder of immobilized Notes and Bonds shall not be construed in limitation of the rights of the Authority and each Fiduciary to rely upon the registration books in all circumstances and to treat the registered owners of Notes and Bonds as the owners thereof for all purposes not otherwise specifically provided for. Notwithstanding any other provisions of the Indenture, any payment to the registered owner of a Note or Bond shall satisfy the Authority's obligations thereon to the extent of such payment.

*Events of Default; Default.* "Event of Default" in the Indenture means any one of the events set forth below and "default" means any Event of Default without regard to any lapse of time or notice: (a) the Authority shall fail to pay when due any interest, principal or redemption premium on a Note or Bond; (b) the Authority shall fail to observe or perform any of its other agreements, covenants or obligations under the Indenture and such failure is not remedied within 30 days after written notice thereof is given by the Trustee to the Authority; (c) specified events of insolvency relating to the Authority; (d) the State shall (i) amend, alter, repeal or fail to comply with the State Covenant or its tax contract in the Act as in effect on the date of the Indenture or (ii) enact a moratorium or other similar law affecting the Bonds or Notes; and (e) the County shall fail to observe or perform any of its agreements, covenants or obligations under the Agreement that have been pledged for the benefit of the Holders and such failure is not remedied within 30 days after written notice thereof is given by the Trustee to the County and the Authority or by the Authority to the Trustee and the County.

*Remedies of the Trustee.* If an Event of Default occurs and is continuing: (1) the Trustee may, and upon written request of the Holders of 25% in principal amount of the Senior Bonds and Notes Outstanding shall, in its own name by action or proceeding in accordance with the Civil Practice Law and Rules of the State: (a) enforce all rights of the Holders and require the Authority or, to the extent permitted by law, the State or the County to carry out its agreements with the Holders and to perform its duties under the Act; (b) sue upon such Bonds and Notes; (c) require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds and Notes; and (d) enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds and Notes; (2) the Trustee shall, in addition, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Act or incident to the general representation of Holders in the enforcement and protection of their rights; and (3) if such Event of Default is described in clause (a), and relates to a Bond or Note the payment of which constitutes Debt Service or is described in clause (c), the Trustee shall (a) give Written Notice thereof to the Authority, the Holders, the County Executive, the County Legislature, the County Comptroller, the Governor, the State Comptroller, the chair and ranking minority member of the Senate Finance Committee, and the chair and ranking minority member of the Assembly Ways and Means Committee and (b) if so directed by a Majority in Interest of the Senior Bonds, and having given 30 days' notice to the Authority, declare the principal amount of all Bonds and Notes to be, and the same shall become, due and payable.

*Subordinate Note and Subordinate Bond Remedies.* Subject to the prior application of the Accounts to pay Debt Service, the Indenture and to each applicable Supplemental Indenture, the Holders of Subordinate Notes or Subordinate Bonds, or a Fiduciary appointed for them, may enforce the provisions of the Indenture for their benefit by appropriate legal proceedings.

*Individual Remedies.* No one or more Holders shall by his or their action affect, disturb or prejudice the pledge created by the Indenture, or enforce any right under the Indenture, except in the manner therein provided; and all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided therein and for the equal benefit of all Holders of the same class; but nothing in the Indenture shall affect or impair the right of any Holder of any Bond or Note to enforce payment of the principal thereof, premium, if any, or interest thereon at and after the maturity thereof, or the obligation of the Authority to pay such principal, premium, if any, and interest on each of the Bonds and Notes to the respective Holders thereof at the time, place, from the source and in the manner expressed in the Indenture and in the Bonds and Notes.

*Venue.* The venue of every action, suit or special proceeding against the Authority shall be laid in the County of Nassau, New York.

*Waiver.* If the Trustee determines that a default has been cured before the entry of any final judgment or decree with respect to it, the Trustee may waive the default and its consequences, by written notice to the Authority, and shall do so upon written instruction of the Holders of at least 25% in principal amount of the Outstanding Senior Bonds and Notes.

*Application of Money.* If available money in the Accounts is not sufficient on any day to pay all Debt Service, Subordinate Bonds and Subordinate Agreements then due or overdue, such money (subject to provisions theretofore made for the payment of Bonds or Notes no longer outstanding) shall be applied first to the Trustee's fees and other costs of collecting and applying the Revenues and administering the accounts, second to the payment of interest, including interest on overdue principal and interest, in the order in which the same became due (pro rata with respect to interest which became due at the same time), and if the amount available shall not be sufficient to pay in full any installment or installments of interest or obligations with respect to Senior Agreements maturing on the same date, then to the payment thereof ratably, according to the amounts due in respect of each item of Debt Service without priority or preference of any item over any other; third to the payment of principal (including sinking fund installments) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due), and if the amount available shall not be sufficient to pay in full all principal, premium or obligations with respect to Senior Agreements maturing on the same date, then to the payment thereof ratably, according to the amounts due in respect of each item of Debt Service without priority or preference of any item over any other; and fourth to the payment to any Notes (to the extent not paid as Debt Service), Subordinate Bonds and Subordinate Agreements then due and, if the amounts available are insufficient to pay in full all such subordinated payment obligations, then to the payment thereof ratably, without preference or priority of any such item over any other. For this purpose Debt Service on Senior Agreements shall be characterized in accordance with their financial terms and interest on overdue principal shall be treated as coming due on the first day of each month. Whenever money is to be applied pursuant to this section, such money shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Upon the exercise of such discretion the Trustee shall fix the date (which shall be the first of a month unless it deems another date more suitable) upon which such application is to be made, and upon such date interest on the principal then provided for shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing, of any such date. When interest or a portion of the principal is to be paid on an overdue Bond or Note, the Trustee may require presentation of the Bond or Note for endorsement of the payment.

*Supplements and Amendments.* (A) The Indenture may be (1) supplemented by delivery to the Trustee of an instrument certified by an Authorized Officer of the Authority to (a) provide for earlier or greater deposits into the Bond Account, (b) subject any property to the lien of the Indenture, (c) add to the covenants and agreements of the Authority or surrender or limit any right or power of the Authority, (d) identify particular Notes or Bonds for purposes not inconsistent with the Indenture including credit or liquidity support, remarketing, serialization and defeasance, or (e) authorize Bonds or Notes of a Series and in connection

therewith determine the matters referred to in the Indenture and any other things relative to such Bonds or Notes that are not prejudicial to the Holders, or to modify or rescind any such authorization or determination at any time prior to the first authentication and delivery of such Series of Bonds or Notes; or

(2) amended by the Authority and the Trustee (a) to cure any ambiguity or defect, (b) to add provisions that are not prejudicial to the Holders, (c) to adopt amendments that do not take effect unless and until (i) no Bonds or Notes Outstanding prior to the adoption of such amendment remain Outstanding or (ii) such amendment is consented to by the Holders of such Bonds or Notes in accordance with the Indenture, or (d) pursuant to paragraph (B) summarized below.

(B) Except as described in the foregoing paragraph (A), the Indenture may be amended (1) only with the written consent of a Majority in Interest of the Subordinate Bonds, Senior Bonds and Notes (acting as three separate classes) to be Outstanding at the effective date thereof and affected thereby; but (2) only with the unanimous written consent of the affected Holders for any of the following purposes: (a) to extend the maturity of any Bond or Note, (b) to reduce the principal amount or interest rate of any Bond or Note, (c) to make any Bond or Note redeemable other than in accordance with its terms, (d) to create a preference or priority of any Bond or Note over any other Bond or Note of the same class or (e) to reduce the percentage of the Bonds and Notes required to be represented by the Holders giving their consent to any amendment.

(C) Any amendment of the Indenture shall be accompanied by a Counsel's Opinion to the effect that the amendment is permitted by law and does not adversely affect the exclusion of interest on the Tax Exempt Bonds and Tax Exempt Notes from gross income for Federal income tax purposes.

*Beneficiaries.* The Indenture is not intended for the benefit of and shall not be construed to create rights in parties other than the Authority, the Fiduciaries, the Holders of Notes and Senior Bonds, and the other Beneficiaries to the extent specified therein.

## **THE AGREEMENT**

*County's Further Assurances.* Pursuant to the Act, the County acknowledges the State's grant to the Authority and the Authority's pledge and assignment to the Trustee of, and disclaims ownership of, all subject to the terms of the Act: the County's right, title and interest in and to the Sales Tax Revenues, and all rights to receive the same and the proceeds thereof; and the County will protect and defend the Trustee's title to assets thereto.

*Separate Accounts and Records.* The Authority and the County represent and covenant, each for itself, that: (a) Each of them will maintain its books, financial records and accounts (including, without limitation, inter entity transaction accounts) in a manner so as to identify separately the assets and liabilities of each such entity; each has observed and will observe all applicable corporate procedures and formalities, including, where applicable, the holding of regular periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings; and all transactions and agreements between and among the Authority, the County and the Trustee have reflected and will reflect the separate legal existence of each entity and have been and will be formally documented in writing; and (b) Neither the Authority nor the County has commingled or will commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other person or entity. Each of them has conducted and will conduct all business between itself and third parties in its own name and separate and distinct from the other.

*Bond Proceeds Fund.* A Bond Proceeds Fund is established to be held by the Trustee in trust for the benefit of the Authority and the County. The Beneficiaries shall have no interest in the Bond Proceeds Fund or any amounts from time to time on deposit in it. Money shall be deposited therein as provided in the Indenture. The money and investments in the Bond Proceeds Fund shall be applied at the direction of the Authority as described below.

The Trustee shall pay from the Bond Proceeds Fund the Costs of Issuance that are approved by the Authority, and except as otherwise directed by the Authority in accordance with this Agreement, disburse funds to the County upon receipt of a Requisition to finance, by payment or reimbursement, of Financeable Costs to the extent set forth in the related Declaration of Need or as otherwise approved by the Authority. When all Costs of Issuance and other Financeable Costs have been paid or reimbursed, as evidenced by Officer's Certificates of the Authority and the County, any excess in the Bond Proceeds Fund shall promptly be paid to the Trustee for deposit in the Redemption Account.

The Authority shall develop, and may from time to time modify, procedures for the disbursement, of money to the County from the Bond Proceeds Fund, upon terms, conditions and documentation providing for compliance with the Act, the provisions of the related Arbitrage and Use of Proceeds Certificate, the Agreement, the Indenture, and the advice of Counsel as to the application of proceeds of Tax Exempt Notes and Tax Exempt Bonds. The County shall apply Note and Bond proceeds made available to it only to pay such Financeable Costs as have been included in a Declaration of Need previously approved by the Authority and for which a Requisition in proper form has been submitted. The County shall apply such proceeds to pay such Financeable Costs under contracts awarded by the County or to make a contribution of such proceeds as County funds to another entity for the payment or reimbursement of such Financeable Costs.

To the extent provided in any applicable Supplemental Indenture, the Trustee shall, upon the direction of the Authority, pay from the Bond Proceeds Fund amounts necessary to accomplish any restructuring or refunding of the County's or the Authority's debt, as applicable, into a separate account or fund for investment in appropriate defeasance securities as provided in a Supplemental Indenture.

Money in the Bond Proceeds Fund shall be invested and reinvested at the direction of the Authority in accordance with the Act and the Indenture, consistent with the related Arbitrage and Use of Proceeds Certificate. Earnings thereon shall be transferred to the Collection Account as Revenues.

*Indemnity.* To the extent permitted by law, the County shall indemnify the Authority and hold it harmless against any claim, demand, action, liability, damages, cost, loss or expense (including legal fees and disbursements) that the Authority incurs arising out of or in relation to any capital project of the County or the financing of any Financeable Cost by the Authority.

*Limited Purpose of Agreement.* The Agreement provides for the Authority's financing of Financeable Costs. Except as specified in the Agreement, the Authority, the County, and the Trustee shall have no liability to each other or to the Beneficiaries of the Indenture for the construction, reconstruction, acquisition, installation, physical condition, ownership or operation of any capital project of the County or arising out of the status of any such capital project under the State Environmental Quality Review Act or otherwise. Whether to undertake any financing, as well as the specific Financeable Costs to be paid or reimbursed by the Authority, shall be determined by the Authority, in its sole discretion, upon the request of the County as evidenced by submission to the Authority by the County of a Declaration of Need.

*Covenants of the County.* The County covenants with the Authority, and consents to the pledge and assignment to the Trustee of any of its covenants, that:

(A) The County will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on Tax Exempt Bonds and Tax Exempt Notes shall be excludable from gross income for federal income tax purposes pursuant to SECTION 103(a) of the Code; and shall execute and deliver to the Authority an Arbitrage and Use of Proceeds Certificate, as requested by the Authority or Counsel to the Authority and shall comply with the terms thereof; and no funds of the County shall at any time be used directly or indirectly to acquire securities or obligations the acquisition or holding of which would cause any Tax Exempt Bond or Tax Exempt Note to be an arbitrage bond as defined in the Code and any applicable Regulations issued thereunder.

(B) The County in its papers and in the statements of its officials has referred and will refer to the Authority as a separate and distinct legal entity; and the County will take no action that is inconsistent with the Agreement and that would give any creditor of the County cause to believe either that any such obligations incurred by the County would be not only the obligation of the County, but also of the Authority, or that the County were not or would not continue to remain an entity separate and distinct from the Authority.

(C) An Authorized Officer of the County shall, not less than 60 days prior to the beginning of each County fiscal year, and as often as such Authorized Officer deems necessary but at least monthly thereafter, certify to the Authority and the Trustee the County's estimated projection of Sales Tax Revenues payable to the Authority each month during such fiscal year.

(D) The County will not exercise any right it may have to amend, modify or otherwise alter local laws imposing or relating to the Sales Tax Revenues without first requesting in writing the Authority to make the projection of Sales Tax Revenues required by the Agreement and confirming with the Authority that such exercise will not violate the County covenant contained therein and in the Act. The foregoing is not intended to limit the right of the County to adopt one or more local laws or ordinances imposing or extending the imposition of sales and use taxes.

(E) The County will at all times do and perform all acts and things permitted by law and necessary or desirable to maintain compliance with its undertakings hereunder and in connection with any financing by the Authority, including, cooperating with the Authority, its employees, consultants and underwriters, and in providing certifications and opinions requested by the Authority, and, further, providing all material disclosure for any Offering Circular of the Authority or in connection with any necessary undertaking under Securities and Exchange Commission ("SEC") Rule 15c2 12 to allow the underwriters of Authority financings to meet their obligations thereunder and under SEC Rule 10b 5.

(F) The County will comply, and will take all reasonable efforts in its power to cause any "covered organization", as such term is defined in the Act, to comply with the provisions of the Act.

(G) Except to the extent expressly identified in any such Declaration of Need, the County will not make any Declaration of Need or submit any Requisition except with respect to Financeable Costs that could be financed by the County by the issuance of its bonds or notes as of the date of such Declaration of Need or Requisition, there being in effect with respect to each capital project constituting such a Financeable Cost (i) findings or other proceedings meeting the requirements of the State Environmental Quality Review Act and (ii) all proceedings necessary under the County Charter and all other applicable State law necessary to authorize the appropriation and expenditure of County funds for such purposes, and each Declaration of Need and Requisition shall be deemed to be a representation by the County to such effect with respect to the Financeable Costs that are the subject thereof. The County shall provide to the Authority such documentation and information as requested, and in the form requested, by the Authority from time to time in connection with Financeable Costs proposed for financing.

*Statutory Pledge and Agreement ("County Covenant").* The County pledges and agrees with the Holders of the Outstanding Bonds and Notes that the County will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds and Notes until such Bonds and Notes, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. This paragraph shall not be deemed to restrict any right the County may have to amend, modify or otherwise alter local laws imposing or relating to the Sales Tax Revenues so long as, after giving effect to such amendment, modification or other alteration, the amount of Sales Tax Revenues projected by the Authority to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 200% of maximum annual debt service on all bonds, notes and other evidences of indebtedness then

outstanding. Nothing in the Act or the Agreement shall be deemed to obligate the County to make additional payments or impose taxes other than those imposed pursuant to the authority of paragraph one of subdivision (a) of SECTION 1210 of the Tax Law of the State to satisfy the debt service obligations of the Authority.

*Statutory Requirement.* To the extent required by the Act, the County agrees that it shall require every contract entered into by the County, or entered into by any other entity receiving funds from the County, for projects or costs to be financed in whole or in part by the Authority to be subject to the provisions of the County Charter and other applicable laws governing contracts of the County or such entity, as the case may be.

*Transfers to County; Issuance of Bonds or Notes.* Subject to the provisions of the Act and the Agreement, all money received by the Authority which, together with other money available for the purposes of the Indenture, exceeds the amount determined by the Authority to be necessary for such purposes shall be transferred to the order of the County as frequently as practicable. The County acknowledges that any decision by the Authority to either (i) issue or incur its Bonds, Notes or other evidences of indebtedness from time to time, or (ii) withhold from the County or transfer to the County “transitional state aid” as such term is defined in the Act, is in the sole discretion of the Authority consistent with the Act and the Indenture.

*County Acknowledgments.* (a) The County acknowledges that the sections entitled “Covenants of the County” and “Statutory Pledge and Agreement” above constitute important security provisions of the Bonds and Notes, and to the fullest extent permitted by applicable Federal and State law, waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support any assertion of, any claim to the contrary.

(b) By acknowledging that its covenants and pledge and agreement for the benefit of the Holders constitute important security provisions of the Bonds and Notes, the County also acknowledges, to the fullest extent permitted by applicable Federal and State law, that, in the event of any failure or refusal by the County to comply therewith, the Holders of the Bonds or Notes may have suffered monetary damages, the extent of the remedy for which may be, to the fullest extent permitted by applicable Federal and State law, determined, in addition to any other remedy available at law or in equity, in the course of any action taken pursuant to the Agreement; and to the fullest extent permitted by applicable Federal and State law, the County waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support any assertion of, any claim to the effect that no such monetary damages have been suffered.

(c) The County further acknowledges that the acknowledgments and agreements described in paragraphs (a) and (b) above have been included as a result of negotiations with the underwriters of the Authority’s initial series of bonds and may further acknowledge if and the extent to which any provision of the Agreement has been amended, or any provision of a Supplemental Indenture has been included therein, as a result of the same or similar negotiations.

*Remedies.* If the County shall fail to observe or perform any covenant, condition or agreement on its part to be observed or performed, the Authority shall, if such default has not been cured, have the right (i) to institute any action at law or in equity deemed by the Authority to be necessary or desirable to collect any amounts then due or thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the County under the Agreement and (ii) to withhold disbursement of any amounts from the Bond Proceeds Fund other than amounts set aside for the payment of County bonds or notes. At its election, the Authority may withhold any amounts adjudged or decreed payable to it from the Revenues as an Operating Expense.

*Amendment.* (A) The Agreement may be (1) supplemented by delivery to the Trustee of an instrument certified by an Authorized Officer of the Authority and executed or approved by the County to the extent required by the Agreement and the Act, to add to the covenants and agreements of the County or the Authority for the benefit of the Holders or surrender or limit for the benefit of the Holders any right or power of the

County or the Authority; or (2) amended by the parties with notice to the Trustee but without Bondholder or Noteholder consent to (a) cure any ambiguity or defect, (b) change any provision of the Agreement that is not pledged to the Trustee pursuant to the Indenture, or (c) add provisions that are not prejudicial to the Holders of the Bonds and Notes, including provisions that do not take effect unless and until (i) no Bonds or Notes Outstanding prior to the adoption of such amendment remain Outstanding or (ii) such amendment is consented to by Holders in accordance with the provisions of the Agreement.

(B) Except as described in the foregoing paragraph (A), the Agreement may be amended only by the County and the Authority with the written consent of a Majority in Interest of the Subordinate Bonds, Senior Bonds and Notes (acting as three separate classes) Outstanding at the effective date thereof and affected thereby; but only with the unanimous written consent of the affected Holders to reduce the percentage of the Bonds and Notes required to be represented by the Holders giving their consent to any amendment.

(C) Any amendment of the Agreement shall be accompanied by a Counsel's Opinion to the effect that the amendment is permitted by law and does not adversely affect the exclusion of interest on the Tax Exempt Bonds and Tax Exempt Notes from gross income for federal income tax purposes.

*Beneficiaries.* The Agreement is not intended for the benefit of and shall not be construed to create rights in parties other than the County, the Authority, and to the extent specified in the Agreement and the Indenture, the Holders of Notes and Senior Bonds and the other Beneficiaries.

**APPENDIX B**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**



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## APPENDIX C

### BOOK-ENTRY-ONLY SYSTEM

#### **Book-Entry-Only System**

Beneficial ownership interests in the Series 2015A Bonds will be available in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof for the Series 2015A Bonds. Purchasers of beneficial ownership interests in the Series 2015A Bonds will not receive certificates representing their interests in the Series 2015A Bonds purchased.

DTC will act as securities depository for the Series 2015A Bonds. The Series 2015A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2015A Bond certificate will be issued for each principal amount of the Series 2015A Bonds bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of the Series 2015A Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of SECTION 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2015A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2015A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2015A Bonds, except in the event that use of the book-entry system for the Series 2015A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2015A Bonds with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015A Bond documents. For example, Beneficial Owners of the Series 2015A Bonds may wish to ascertain that the nominee holding the Series 2015A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2015A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, Series 2015A Bond certificates will be printed and delivered.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this subsection "Book-Entry-Only System" has been extracted from information furnished by DTC. Neither the Authority nor the original purchasers make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

## APPENDIX D

### PROPOSED FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2015A Bonds in definitive form, Sidley Austin LLP, New York, New York, Bond Counsel to the Authority, proposes to render its final approving opinion in substantially the following form:

[Date of Closing]

NASSAU COUNTY INTERIM  
FINANCE AUTHORITY

Ladies and Gentlemen:

We have acted as bond counsel to the Nassau County Interim Finance Authority (the “Authority”) relating to the issuance of the Authority’s \$118,000,000 Sales Tax Secured Refunding Bonds, Series 2015A (the “Series 2015A Bonds”), as more particularly described below. The Series 2015A Bonds are dated, bear interest, mature, are subject to redemption and are secured as set forth in the Indenture between the Authority and The Bank of New York Mellon, as successor Trustee, as amended and supplemented (the “Indenture”). Terms defined in the Indenture and used herein shall have the meanings assigned in the Indenture, unless the context otherwise requires.

The Series 2015A Bonds are issued as Senior Bonds under the Indenture. The Authority is authorized to issue additional Senior Bonds (the Series 2015A Bonds, together with all Senior Bonds heretofore and hereafter issued, the “Bonds”) only on the terms and conditions set forth in the Indenture and all such Bonds shall with the Series 2015A Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements in the Indenture.

Nassau County, New York (the “County”) and the Authority have entered into a Financing Agreement dated as of October 1, 2000 (the “Agreement”), provisions of which have been pledged by the Authority to secure the Bonds. We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

A portion of the proceeds of the Series 2015A Bonds is being used to refund certain outstanding bonds (the “Authority Refunded Bonds”) of the Authority. A portion of the proceeds of the Series 2015A Bonds, together with any other amounts made available by the Authority (collectively, the “Defeasance Deposit”) has been used to purchase Defeasance Collateral in an aggregate amount sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or redemption price, if applicable, and interest due and to become due on said Authority Refunded Bonds not otherwise being redeemed on the date hereof (the “Defeasance Requirement”). Such Defeasance Deposit is being held in trust under an escrow deposit agreement the date hereof (the “Escrow Agreement”), between the Authority and The Bank of New York Mellon, as escrow agent. \_\_\_\_\_, verification agent, has certified that it has reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

Based on the foregoing and our examination of existing law, such legal proceedings and such other documents as we deem necessary to render this opinion, we are of the opinion that:

1. The Authority is a duly organized and validly existing public benefit corporation under the Constitution and laws of the State of New York, and such proceedings show lawful authority for the issuance

and sale of the Series 2015A Bonds pursuant to the Nassau County Interim Finance Authority Act, Title 1 of Article 10-D of the Public Authorities Law, constituting Chapter 43 A of the Consolidated Laws of the State of New York, as supplemented by Chapter 179 of the Laws of 2000 and as amended by Chapter 528 of the Laws of 2002 (the “Act”), and the Indenture.

2. The Series 2015A Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding obligations of the Authority payable from the Revenues pledged and the other collateral provided therefor in the Indenture. The Bonds do not constitute a debt of the State or the County, and neither the State nor the County shall be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Authority.

3. The Act validly provides for (a) the payment to the Authority of sales and compensating use tax net collections paid or payable to the Authority pursuant to §1261 of the Tax Law or a successor statute (the “Sales Tax Revenues”), (b) the Authority’s pledge to the Trustee of the Sales Tax Revenues, the Accounts and the money and investments on deposit therein (collectively, the “Revenues”), and (c) the application of proceeds of the Bonds to finance Financeable Costs. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid with respect to all provisions thereof material to the subject matter of this opinion letter.

4. The Sales Tax Revenues are subject neither to appropriation by the County or the State, nor to prior claims in favor of other obligations or purposes of the County or the State except as specified in §1261 of the Tax Law with respect to overpayments and the State’s reasonable costs in administering, collecting and distributing such taxes. Upon any failure of the State Legislature to make required appropriations for State debt obligations, the Sales Tax Revenues would not constitute revenues applicable to the General Fund of the State; hence Article 7, SECTION 16 of the State Constitution does not mandate such money to be set apart by the State Comptroller for the payment of State obligations.

5. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Authority, (b) creates the valid pledge of Revenues and other collateral that it purports to create and (c) is a valid and binding agreement, enforceable in accordance with its terms, of the Authority and, to the extent specified in the Act, the State. The lien of the Indenture on the Revenues for the security of the Bonds is prior to all other liens thereon. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the taxes payable to the Authority pursuant to § 1261 of the Tax Law or fees, or appropriations relating thereto, nor does it obligate the State to make any payments not specified in the Act or impose any taxes to satisfy the obligations of the Authority.

6. The pledge of Revenues and other collateral made by the Authority in the Indenture is valid, binding and perfected without any physical delivery of the collateral or further act, and the lien thereof is valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of such parties’ notice thereof.

7. The Agreement has been duly authorized, executed and delivered by the Authority and assuming due and proper authorization, execution and delivery by the County, constitutes a legal, valid and binding agreement of the parties (including with respect to the County, its pledge and agreement not to limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with Holders of Outstanding Bonds pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds), enforceable in accordance with its terms.

8. Pursuant to the Act, the State Comptroller shall pay the Sales Tax Revenues to the Trustee, to be applied first pursuant to the Authority’s contracts with the holders of the Bonds, then to pay the Authority’s operating expenses, and then pursuant to the Authority’s agreements with the County, which shall require the Authority to transfer the balance of such taxes to the County as frequently as practicable; all of which is provided for in the Indenture and the Agreement.

9. The Authority is not eligible for protection from its creditors pursuant to Title 11 (the “Bankruptcy Code”) of the United States Code. Pursuant to the Act, so long as any Bonds are Outstanding, neither the County nor any “covered organization” (as defined in the Act) is eligible to file a petition for protection from its creditors under either the Bankruptcy Code or the laws of the State.

10. No registration with, consent of, or approval by any governmental agency or commission that has not been obtained is necessary for the execution and delivery of the Series 2015A Bonds.

11. Except as provided in the following sentence, interest on the Series 2015A Bonds is not includable in the gross income of the owners of the Series 2015A Bonds for Federal income tax purposes under existing law. Interest on the Series 2015A Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2015A Bonds in the event of a failure by the Authority or the County to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and their respective covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and we render no opinion as to the effect on the exclusion from gross income of interest on the Series 2015A Bonds for Federal income tax purposes on or after the date on which any action is taken under the Series 2015A Bond proceedings or related proceedings upon the approval of counsel other than ourselves.

12. Interest on the Series 2015A Bonds is not a specific preference item for purposes of the Federal individual or corporate alternative minimum tax. The Tax Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of (i) ownership of the Series 2015A Bonds or (ii) the inclusion in certain computations, including without limitation, those related to the corporate alternative minimum tax, of interest that is excluded from gross income.

13. Under the Act, interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

14. The Escrow Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due authorization, execution and delivery of the Escrow Agreement by the escrow agent, the Escrow Agreement is a valid and binding obligation of the Authority, enforceable in accordance with its terms. The Authority Refunded Bonds have been paid within the meaning and with the effect expressed in the Indenture, and the covenants, agreements and other obligations of the Authority to the holders of the Authority Refunded Bonds have been discharged and satisfied.

The rights of the Bondholders and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted, to the extent constitutionally applicable and except as specifically stated above, and may also be subject to the exercise of the State’s police powers and of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur and we have no obligation to update this opinion in light of such actions or events.

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**APPENDIX E**

**AUTHORITY REFUNDED BONDS\***

The Authority expects to redeem the Bonds listed below (the “Refunded Bonds”) at par on the dates and in the amounts shown below and to apply a portion of the proceeds of the Series 2015A Bonds to provide for the payment of the principal amount and the interest payable on such bonds on the applicable redemption dates. The refunding is contingent upon the delivery of the Series 2015A Bonds.

<u>Series</u>	<u>Maturity Date</u> <u>(November 15)</u>	<u>Interest</u> <u>Rate</u>	<u>Refunded</u> <u>Par Amount</u>	<u>Remaining</u> <u>Par Amount</u>	<u>Call Date</u>	<u>CUSIP<sup>†</sup>No.</u> <u>(Base # 631663)</u>
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\* Preliminary, subject to change.

† CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the Refunded Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.



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**NASSAU COUNTY  
INTERIM FINANCE  
AUTHORITY**

**\$118,000,000**

**Sales Tax Secured Refunding Bonds,  
Series 2015A**

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**OFFERING CIRCULAR**

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**September [ ], 2015**

EXHIBIT C

to the Nassau County Interim Finance Authority  
Concerning the Sale and Issuance of Sales Tax Secured Bonds, Series 2015A

[PURCHASE CONTRACT]

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**[\$[000,000,000]**  
**Sales Tax Secured Refunding Bonds,**  
**Series 2015A**

**BOND PURCHASE AGREEMENT**

October \_\_, 2015

Nassau County Interim Finance Authority  
170 Old Country Road, Suite 205  
Mineola, NY 11501

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of itself and as representative (the “Representative”) of Loop Capital Markets LLC and Goldman, Sachs & Co. (collectively, with the Representative, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with Nassau County Interim Finance Authority, duly organized and validly existing as a public benefit corporation under and pursuant to the laws of the State of New York (the “Authority”), acting by and through an Authorized Officer, whereby the Underwriters will purchase and the Authority will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Authority at or before 5:00 P.M., Eastern Time, on the date hereof. If the Authority accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Authority and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to an Authorized Officer of the Authority at any time before the Authority accepts this Purchase Agreement. Certain terms defined in the Indenture, dated as of October 1, 2000, as amended and supplemented, including by the Twentieth Supplemental Indenture, dated as of [October 1, 2015], between the Authority and The Bank of New York Mellon, as trustee (the “Trustee”), relating to the Series 2015A Bonds (collectively, the “Indenture”) are used herein as therein defined.

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the Authority’s \$[000,000,000] Sales Tax Secured Refunding Bonds, Series 2015A (the “Bonds”), at the purchase price of \$\_\_\_\_\_, representing the aggregate principal amount of the Bonds less an Underwriter’s discount of \$\_\_\_\_\_ [plus net original issue premium of \$\_\_\_\_\_/less net original discount of \$\_\_\_\_\_].

The Authority acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Authority and the Underwriters and the Underwriters have financial and

other interests that differ from those of the Authority; (ii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority and have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to the provisions of the Constitution and laws of the State, including particularly the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented and amended from time to time including, but not limited to, Chapter 528 of the Laws of 2002 (the “Act”) and a Resolution Concerning the Authorization, Sale and Issuance of Sales Tax Secured Bonds, Series 2015A, adopted by the Authority on September 22, 2015 (the “Authorizing Resolution”). The Bonds shall be dated the date of delivery. The Bonds shall be issued and secured pursuant to the Indenture and the Financing Agreement, dated October 1, 2000, between the Authority and the County of Nassau, New York (the “Financing Agreement”). All proceedings necessary to authorize the issuance of the Bonds, including the Indenture and the Financing Agreement, are substantially in the forms previously delivered to us.

The proceeds of the sale of the Bonds will be used to (i) fund an escrow account to be used, along with other funds of the Authority, to provide for the refunding of a portion of the Outstanding bonds of the Authority and (ii) pay certain costs of issuance associated with the Bonds.

The Bonds will be secured under the provisions of the Act and the Indenture. The Bonds shall mature in the years, bear interest, and be purchased at the prices, all as set forth in Schedule I attached hereto. The Bonds shall not be subject to redemption prior to their maturity. The Authorized Denominations, Record Dates, Interest Payment Dates, and other details and particulars of the Bonds shall be as described in the Indenture and the Offering Circular (as defined below) of the Authority.

3. Public Offering. The Underwriters agree to make a *bona fide* public offering of the Bonds at a price not in excess of the initial offering price or prices or yields not less than the yields set forth on the inside cover page of the printed paper form of the Offering Circular of the Authority; *provided, however*, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds, and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein. The Representative shall provide to the Authority a certificate setting forth the offering prices of the Bonds in substantially the form set forth on Exhibit A.

4. Delivery of the Offering Circular and Other Documents.

(a) The Authority has delivered or caused to be delivered to the Underwriters copies of the Preliminary Offering Circular dated September [ ], 2015, which, together with the cover page and appendices thereto, is herein referred to as the “Preliminary Offering Circular.” It is acknowledged by the Authority that the Underwriters may deliver the Preliminary Offering Circular and a final Offering Circular (as hereinafter defined) electronically over the Internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Offering Circular and the Offering Circular are deemed controlling. The Authority deems the Preliminary Offering Circular final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Authority shall deliver to the Underwriters a final Offering Circular relating to the Bonds dated the date hereof (such Offering Circular, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Authority, Bond Counsel, and the Representative, is referred to herein as the “Offering Circular”) and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (“MSRB”) and to meet potential customer requests for copies of the Offering Circular. The Underwriters agree to file a copy of the Offering Circular, including any amendments or supplements thereto prepared by the Authority, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Authority shall execute the Offering Circular by an authorized officer of the Authority. The Offering Circular shall be in substantially the same form as the Preliminary Offering Circular and, other than information previously permitted to have been omitted by Rule 15c2-12, the Authority shall only make such other additions, deletions and revisions in the Offering Circular which are approved by the Representative. The Underwriters hereby agree to cooperate and assist in the preparation of the Offering Circular. The Authority hereby agrees to deliver to the Underwriters an electronic copy of the Offering Circular in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”). The Authority hereby ratifies, confirms and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Offering Circular and hereby authorizes the Underwriters to use the Offering Circular and the Indenture in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the Authority will undertake, pursuant to the Continuing Disclosure Agreement, dated as of [October ], 2015 (the “Disclosure Agreement”), by and between the Authority and the Trustee, to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement contained in the Preliminary Offering Circular and the Offering Circular.

5. Representations. The Authority represents to and agrees with the Underwriters that:

(a) The Authority is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Financing Agreement, the Bonds, the Escrow Deposit Agreement, dated as of October [ ], 2015, among the Authority, The Bank of New York Mellon, as trustee under the Indenture, paying agent for the Refunded Bonds and as escrow agent (the “Escrow Deposit Agreement”), and the Disclosure Agreement (collectively, the “Legal Documents”) and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Offering Circular.

(b) The Authorizing Resolution approving and authorizing the execution and delivery by the Authority of the Legal Documents was duly adopted at a meeting of the Authority called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Indenture and the Bonds conform to the descriptions thereof contained in the Offering Circular and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Indenture and payable from the sources therein specified.

(d) The Authority has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents. Each of the Legal Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted. To the best knowledge of the Authority, each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) Except as described in the Offering Circular, the Authority is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Authorizing Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Legal Documents and compliance with and performance of the Authority’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien,

charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term “Material Judgment or Agreement” means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which (i) the Authority is a party or to which the Authority or any of its property or assets is otherwise subject (including, without limitation, the Act, the Authorizing Resolution and the Legal Documents) and (ii) under which the Authority’s breach or default would have a material adverse affect on the Authority’s ability to perform its obligations under any Legal Document.

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Legal Documents have been obtained; *provided*, that the Authority makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Authority and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Authority as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Authority shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Authority or except for such borrowings as may be described in or contemplated by the Offering Circular.

(i) The financial statements of the Authority as of December 31, 2014 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Authority as of the dates and for the periods therein set forth. Except as disclosed in the Offering Circular or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Authority or in its operations since December 31, 2014 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Offering Circular (excluding therefrom “Price” or “Yield”, if any, on the inside cover page, the stabilization clause, the statements under the caption “Sales Tax Revenues” (other than the first, second and fifth sentences in the first paragraph of “Sales Tax Revenues”) and the column “Sales Tax Revenues” in the table under the caption “Debt Service Coverage on Outstanding Senior Bonds by Historical Sales Tax Revenues” in SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS”, the columns “2009”, “2010”, “2011”, “2012”, “2013”, “2014” and “2015” in the table under the caption “Recent Sales Tax Collections” in “SECTION V: RECENT DEVELOPMENTS”, “SECTION VIII: TAX MATTERS”, “SECTION XI: UNDERWRITING”, any characterization of treatment of income on the Bonds for tax purposes and Appendices C and D, as to which no representations or

warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Offering Circular is, as of its date and at all times after the date of the Offering Circular (excluding therefrom “Price” or “Yield”, if any, on the inside cover page, the stabilization clause, the statements under the caption “Sales Tax Revenues” (other than the first, second and fifth sentences in the first paragraph of “Sales Tax Revenues”) and the column “Sales Tax Revenues” in the table under the caption “Debt Service Coverage on Outstanding Senior Bonds by Historical Sales Tax Revenues” in SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS”, the columns “2009”, “2010”, “2011”, “2012”, “2013”, “2014” and “2015” in the table under the caption “Recent Sales Tax Collections” in “SECTION V: RECENT DEVELOPMENTS”, “SECTION VIII: TAX MATTERS”, “SECTION XI: UNDERWRITING”, any characterization of treatment of income on the Bonds for tax purposes and Appendices C and D, as to which no representations or warranties are made), up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Offering Circular is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Offering Circular as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Offering Circular, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Offering Circular, the Authority shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Offering Circular in form and substance satisfactory to the Representative.

(n) Except as described in the Offering Circular, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Authority or against any other party of which the Authority has notice or, to the knowledge of the Authority, threatened against the Authority, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents,



(iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Authority or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Authority or the transactions contemplated by the Offering Circular or any of the Legal Documents. The Authority shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Offering Circular or the Offering Circular in connection with the offering, sale or distribution of the Bonds.

(o) During the last five years, the Authority has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12. As disclosed in the Offering Circular, we note that on September 24, 2012, the Authority updated its filings with the Electronic Municipal Market Access System of the MSRB for each of the years 2008 through 2011 to make such filings (each timely made by the Authority) more complete in accordance with the applicable continuing disclosure undertakings of the Authority for such years.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters's behalf, and shall survive the delivery of the Bonds.

6. Closing. At \_\_\_\_ A.M., Eastern Time, on October [23], 2015, or at such other time or date as the Representative and the Authority may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Authority will deliver or cause to be delivered to the Underwriters, at the offices of Sidley Austin LLP ("Bond Counsel"), 787 Seventh Avenue, New York, New York, or at such other place as the Representative and the Authority may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 7. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Authority and (b) the Authority shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Authority and in the authorized denominations as specified by the Representative at the Closing and the Authority shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

7. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Authority contained herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Authority contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Offering Circular, the Authorizing Resolution and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The Authority shall perform or have performed all of its obligations required under or specified in the Authorizing Resolution, the Legal Documents, and the Offering Circular to be performed at or prior to the Closing.

(iv) The Authority shall have delivered to the Underwriters final Offering Circulars by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Authority relating to the Legal Documents and the Offering Circular shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Authority, the Act, the Authorizing Resolution, the Legal Documents or the Revenues as the foregoing matters are described in the Offering Circular, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Offering Circular, and a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, substantially in the form attached hereto Exhibit B, as well as the opinions of Sidley Austin LLP, Bond Counsel, required pursuant to Sections 302(c) and 1101(C) of the Indenture;

(3) A certificate of the Authority, substantially in the form attached hereto as Exhibit C.

(4) A certificate of the County Treasurer, substantially in the form attached hereto as Exhibit D.

(5) A certificate of the Comptroller of the County, substantially in the form attached hereto as Exhibit E.

(6) (a) An opinion of the General Counsel of the Authority (the “General Counsel”), substantially in the form attached hereto as Exhibit F-1.

(b) An opinion of the County Attorney of the County (the “County Attorney”), substantially in the form attached hereto as Exhibit F-2.

(7) The opinion of Hinckley, Allen & Snyder LLP, counsel to the Trustee, dated the date of the Closing and addressed to the Underwriters, to the effect that:

(A) The Trustee is a banking corporation duly organized, validly existing and in good standing under the laws of the State of New York having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture to which it is a party and to enter into such Indenture;

(B) The Legal Documents to which it is a party have been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought;

(C) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(D) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under Indenture to which it is a party have been obtained; and

(E) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(8) The opinion of Gonzalez Saggio & Harlan LLP, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Representative may reasonably request;

(9) A certificate, dated the Closing Date, signed by the Authorized Officer of the Authority to the effect that: (a) the representations and agreements of the Authority contained herein are true and correct in all material respects as of the date of the Closing; (b) the Legal Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Offering Circular, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Authorizing Resolution or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Authority or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Authority or the transactions contemplated by the Offering Circular or any Legal Document; and (d) the Offering Circular is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Offering Circular under the caption “Sales Tax Revenues” (other than the first, second and fifth sentences in the first paragraph of “Sales Tax Revenues”), and the column “Sales Tax Revenues” in the table under the caption “Debt Service Coverage on Outstanding Senior Bonds by Historical Sales Tax Revenues” in SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS”, the columns “2009”, “2010”, “2011”, “2012”, “2013”, “2014” and “2015” in the table under the caption “Recent Sales Tax Collections” in “SECTION V: RECENT DEVELOPMENTS”, “SECTION VIII: TAX MATTERS”, “SECTION XI: UNDERWRITING”, any characterization of treatment of income on the Bonds for tax purposes and Appendices C and D;

(10) A certificate, dated the Closing Date, signed by the Authorized Officer of the Authority, in form and substance satisfactory to the Underwriter, to the effect that (i) the financial statements of the Authority as of December 31, 2014 fairly represents the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Authority as of the dates and for the periods therein set forth and (ii) except as disclosed in the Offering Circular, since December 31, 2014, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Authority and the Authority has not incurred since December 31, 2014, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Offering Circular;

(11) Executed or certified copies of the Indenture;

(12) Executed or certified copies of each other Legal Document;

(13) A Tax Certificate of the Authority, in form satisfactory to Bond Counsel, executed by such officials of the Authority as shall be satisfactory to the Representative;

(14) A copy of the Authorizing Resolution, certified by an Authorized Officer of the Authority, as contemplated by Section 3656 paragraph 5 of the Act;

(15) Evidence satisfactory to the Representatives of the assignment of ratings assigned to the Bonds by Fitch Ratings and Standard and Poor's Ratings Services;

(16) Evidence of the approval of the Comptroller of the State for the sale of the Bonds and the terms thereof.

(17) An executed copy of the Verification Report of [\_\_\_\_\_], with respect to the Refunded Bonds;

(18) An executed copy of the Escrow Deposit Agreement, in a form suitable for the Underwriters to satisfy applicable filing requirements under the rules of the MSRB;

(19) A certificate of an authorized officer of the Trustee, as trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a banking corporation organized and existing under and by virtue of the laws of the State of New York, having the full power and being qualified to enter into and perform its duties under the Indenture and the Escrow Deposit Agreement and to authenticate and deliver the Bonds to the Underwriters; (b) the Trustee is duly authorized to enter into the Indenture and the Escrow Deposit Agreement and to authenticate and deliver the Bonds to the Underwriters pursuant to the Indenture; (c) when delivered to and paid for by the Underwriters at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and the Escrow Deposit Agreement and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture or the Escrow Deposit Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or

other instrument, except as provided by the Indenture; and (e) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or the Escrow Deposit Agreement, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture or the Escrow Deposit Agreement and to authenticate and deliver the Bonds to or upon the order of the Underwriters;

(20) Evidence that a Form 8038-G relating to the Bonds has been executed by the Authority and will be filed with the Internal Revenue Service (the “IRS”) within the applicable time limit;

(21) A copy of the Blue Sky Survey with respect to the Bonds;

(22) A copy of the Authority’s executed Blanket Letter of Representation to The Depository Trust Company; and

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Authority with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Authority herein contained and the due performance or satisfaction by the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

8. Termination. If the Authority shall be unable to satisfy the conditions of the Underwriters’ obligations contained in this Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Authority in writing, or by telephone confirmed in writing. The performance by the Authority of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the Authority, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Offering Circular or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State of New York shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of New York or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of New York authority, with respect to federal or State of New York taxation upon revenues or other income of the general character to be derived by the Authority or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Authority, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of New York legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency

or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or New York authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or Offering Circular issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Authority or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

(iv) Any change in or particularly affecting the Authority, the Act, the Authorizing Resolution, the Legal Documents or the Revenues as the foregoing matters are described in the Offering Circular, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Offering Circular or the Offering Circular, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or Offering Circular by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Offering Circular or the Offering Circular, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable



federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Authorizing Resolution, the Legal Documents or the existence or powers of the Authority with respect to its obligations under the Legal Documents; or

(viii) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Bonds: “[ ]” by Fitch Ratings and Standard and “[ ]” by Poor’s Ratings Services.

9. Amendments to Offering Circular. During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Authority shall advise the Representative if any event relating to or affecting the Offering Circular shall occur as a result of which it may be necessary or appropriate to amend or supplement the Offering Circular in order to make the Offering Circular not misleading in light of the circumstances existing at the time it is delivered to a purchaser or “potential customer” (as defined for purposes of Rule 15c2-12). If any such event occurs and in the reasonable judgment of the Representative and the Authority, an amendment or supplement to the Offering Circular is appropriate, the Authority shall, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Offering Circular (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Offering Circular so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Offering Circular is delivered to a purchaser or “potential customer,” not misleading.

10. Expenses. All expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Legal Documents and the Offering Circular in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, the costs of the fees and expenses of the Verification Agent in connection with preparing the Verification Report and the escrow bidding fee, if any, fees and expenses of the Trustee and its counsel and fees and expenses of counsel to the Authority and Bond Counsel, shall be paid by the Authority from the proceeds of the Bonds or other revenues of the Authority. The Authority shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Authority’s employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriter’s discount).

11. Use of Documents. The Authority hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Offering Circular, the Offering Circular and the Legal Documents, and the information contained herein and therein.

12. Qualification of Securities. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

13. Notices. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Executive Director of the Authority, 170 Old Country Road, Suite 205, Mineola, New York 11501, or to such other person as he may designate, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Bank of America Merrill Lynch, One Bryant Park, 12th Floor, New York, New York 10036, Attention: Joseph Branca, Managing Director.

14. Benefit. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Authority contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 8.

15. Attorneys Fees. In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.

16. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402).

17. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

Very truly yours,

By:

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED,  
as Representative

By: \_\_\_\_\_  
Joseph Branca  
Managing Director

Approved and Agreed to: October \_\_, 2015

NASSAU COUNTY INTERIM FINANCE AUTHORITY

By: \_\_\_\_\_  
Evan L. Cohen  
Executive Director

**SCHEDULE I**

**Principal Amounts, Interest Rates and Prices**

## EXHIBIT A

### ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

This Certificate is furnished by Merrill Lynch, Pierce, Fenner & Smith Incorporated as representative of the underwriters (the “Underwriter”) in connection with the sale and issuance by Nassau County Interim Finance Authority (the “Authority”) of its \$\_\_\_\_\_ aggregate principal amount of Sales Tax Secured Refunding Bonds, Series 2015A (the “Bonds”) issued [October \_\_, 2015], and the Underwriter hereby certifies and represents the following, based upon information available to us:

1. Based on our assessment of the then prevailing market conditions, the Underwriter reasonably expected when it agreed to purchase the Bonds (the “Sale Date”) that the first prices at which at least 10% of each maturity of the Bonds would be sold by the Underwriter to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the “Public”) would be prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those listed for each maturity on Schedule A hereto (the “Initial Offering Prices”).

2. All of the Bonds have actually been offered to the Public in a bona fide public offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, the Initial Offering Prices.

3. The first price, or yield in the case of obligations sold on a yield basis, at which ten percent (10%) of each maturity of the Bonds has been sold to the Public was at a price not higher than, or, in the case of obligations sold on a yield basis, at a yield not lower than, the Initial Offering Prices [except for the Bonds with the following maturities:].

4. The Underwriter had no reason to believe that any of the Initial Offering Prices of the Bonds exceeded the expected fair market value of the Bonds as of the Sale Date.

We understand that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate and by Sidley Austin LLP, in connection with rendering its opinion to the Authority that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED,  
as Representative of the Underwriters

By: \_\_\_\_\_  
Joseph Branca  
Managing Director

Dated: October \_\_, 2015

**EXHIBIT B**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

[Letterhead of Sidley Austin LLP]

[Date of Closing]

Nassau County Interim Finance Authority  
Mineola, New York

Merrill Lynch, Pierce, Fenner & Smith Incorporated,  
as the Representative on behalf of the Underwriters named in the Underwriting Agreement  
referred to below

We have acted as bond counsel in connection with the issuance and sale by the Nassau County Interim Finance Authority (the "Authority") of \$[000,000,000] Sales Tax Secured Refunding Bonds, Series 2015A (the "Bonds") pursuant to the Indenture, dated as of October 1, 2000, as amended and supplemented, between the Authority and The Bank of New York Mellon, as Trustee (the "Indenture"). Terms used herein are defined by reference to the Indenture. We have assumed but have not independently verified that the signatures on all documents and certificates that we have examined were genuine. This opinion is delivered pursuant to Section 7(a)(vii)(2) of the Bond Purchase Agreement, dated October [ ], 2015 (the "Underwriting Agreement"), between the Authority and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriters named therein.

Based on our examination, as bond counsel, of existing law, such legal proceedings and such other documents as we deem necessary to render this opinion, we advise you that in our opinion:

1. The Underwriting Agreement and the Escrow Deposit Agreement have each been duly authorized, executed and delivered by the Authority and constitute valid agreements of the Authority.
2. The Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended.
3. It is not necessary in connection with the offering and sale of the Bonds to the public to register any security under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

We have participated as Bond Counsel to the Authority, in the preparation of the Offering Circular (including participation in conferences as to the matters to be included therein and related matters, with the staff of the Authority and their counsel, financial advisor to the

Authority, the Underwriters and their counsel) and, based upon such participation, we are of the opinion that the information as to legal matters contained in the Offering Circular under the captions, “SECTION I: INTRODUCTION”, “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS” (except information under the headings “Sales Tax Revenues”, “Debt Service Coverage on Outstanding Senior Bonds” and “Servicing — Sales Tax Collection” as to each of which no opinion is expressed), “SECTION IV: THE SERIES 2015A BONDS” (except information under the headings “Debt Service Requirements”, “Sources and Uses of Funds”, and “Book-Entry-Only System” as to each of which no opinion is expressed), “SECTION VI: THE AUTHORITY” and “SECTION VIII: TAX MATTERS” and in “APPENDIX A: SUMMARY OF INDENTURE AND AGREEMENT” is correct in all material respects and does not omit any statements which, in our opinion, should be included or referred to therein in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and that the statements made under such headings, insofar as such statements constitute a summary of the security for the Bonds or summaries of the documents referred to therein, constitute accurate statements or summaries in all material respects. In addition, based upon our examination as described above, the performance of the services as described above, and our participation in the preparation of the Offering Circular, as described above, and, except as to the information referred to above, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Offering Circular, nothing has come to our attention which has caused us to believe that, as of the date of the Offering Circular and as of the date hereof, the Offering Circular (except for the information contained in “APPENDIX B: FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORT”, and the financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein or any information with respect to the DTC included in the Offering Circular, as to all of which, with your permission, no view is expressed) contains any untrue statement of material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Underwriters have received copies of our approving opinion of even date herewith, addressed to the Authority, and may rely thereon as if such opinion were addressed to them.

This letter refers only to the Bonds as delivered to the Underwriters, and no view is expressed as to any offering by the Underwriters or others of derivative instruments with investment characteristics not identical to those of the Bonds.

References to the Offering Circular are to the document examined by us at the delivery of the Bonds, and not to any physical or electronic reproduction other than a true copy thereof.

Our opinions expressed herein are rendered only with regard to the matters expressly opined on above and do not consider or extend to any documents, agreements, representations or any other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.



We consent to the references to us, and affirm the opinions attributed to us, in the Offering Circular.

This opinion letter is solely for your information and assistance and is not to be used, circulated, quoted or otherwise referred to, except that references to this opinion letter may be made in any list of closing documents pertaining to the issuance and delivery of the Bonds or in such closing documents.

Very truly yours,

**EXHIBIT C**

**CERTIFICATE OF THE NASSAU COUNTY  
INTERIM FINANCE AUTHORITY**

\_\_\_\_\_ an Authorized Officer of the Nassau County Interim Finance Authority (the "Authority"), HEREBY CERTIFY on behalf of the Authority and to the best of my knowledge and belief as follows:

1. The representations and warranties of the Authority contained in the Contract of Purchase, dated October [ ], 2015 between the Authority and the Underwriters named therein (the "Contract of Purchase"), are true and correct on and as of the date hereof as if made on and as of the date hereof, and the Authority has complied with and performed all of its covenants and agreements in the Contract of Purchase.
2. Each of the conditions in Section 7 of the Contract of Purchase to be satisfied by the Authority has been satisfied by the Authority on the date hereof.
3. The Offering Circular of the Authority, dated October [ ], 2015 delivered pursuant to the Contract of Purchase, excluding therefrom "Price" or "Yield", if any, on the inside cover page, the stabilization clause, the statements contained under the caption "Sales Tax Revenues" (other than the first, second and fifth sentences in the first paragraph of "Sales Tax Revenues") and the column "Sales Tax Revenues" in the table under the caption "Debt Service Coverage on Outstanding Senior Bonds by Historical Sales Tax Revenues" in SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS", the columns "2009", "2010", "2011", "2012", "2013", "2014" and "2015" in the table under the caption "Recent Sales Tax Collections" in "SECTION V: RECENT DEVELOPMENTS", "SECTION VIII: TAX MATTERS", "SECTION XI: UNDERWRITING", any characterization of treatment of income on the Bonds for tax purposes and Appendices C and D, as to which no representations or warranties are made, as of the date thereof did not and as of the date hereof does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

IN WITNESS WHEREOF, I have set my hand this \_\_th day of October, 2015.

NASSAU COUNTY INTERIM  
FINANCE AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT D**

**CERTIFICATE OF THE OFFICE OF THE COUNTY TREASURER  
OF THE COUNTY OF NASSAU**

The Nassau County Interim Finance Authority (the “Authority”) proposes to issue its Sales Tax Secured Refunding Bonds, Series 2015A (the “Bonds”), to certain Underwriters (the “Underwriters”), who have offered to purchase the Bonds subject to receipt of the following certificate.

I, Beaumont A. Jefferson, County Treasurer of the County of Nassau (the “County”), HEREBY CERTIFY to the Authority and the Underwriters:

1. Responsible and knowledgeable individuals in the County’s government have reviewed the statements and information in the Authority’s Offering Circular dated October [ ], 2015 (the “Offering Circular”) appearing under the caption “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS” contained under the caption “Sales Tax Revenues” (other than the first, second and fifth sentences in the first paragraph and the fourth sentence in the sixth paragraph of “Sales Tax Revenues”), the first sentence in the first paragraph under the caption “Servicing — Sales Tax Collections” and the column “Sales Tax Revenues” in the table under the caption “Debt Service Coverage on Senior Bonds by Historical Sales Tax Revenues” and the statements and information incorporated by reference under the caption “SECTION II: INCLUSION BY SPECIFIC REFERENCE”.

2. The statements identified in item 1 above were, as of the date of the Offering Circular, and are, as of the date hereof, accurate in all material respects and do not contain any untrue statement of a material fact, subject to the condition that while information in the aforementioned sections obtained from sources other than the County is not guaranteed as to accuracy, completeness or fairness, I have no reason to believe and do not believe that such information was as of its date or is as of the date hereof materially inaccurate or misleading.

3. For purposes of this Certificate, I have not verified and am not passing upon and do not accept responsibility for any information in the Offering Circular not identified in item 1 above.

IN WITNESS WHEREOF, I have set my hand this \_\_th day of October, 2015.

By: Beaumont A. Jefferson

County Treasurer, County of Nassau

**EXHIBIT E**

**CERTIFICATE OF THE COUNTY COMPTROLLER  
OF THE COUNTY OF NASSAU**

The Nassau County Interim Finance Authority (the “Authority”) proposes to issue its Sales Tax Secured Refunding Bonds, Series 2015A (the “Bonds”) to certain Underwriters (the “Underwriters”), who have offered to purchase the Bonds subject to receipt of the following certificate.

I, George Maragos, the Comptroller of the County of Nassau (the “County”), HEREBY CERTIFY to the Authority and the Underwriters:

1. Responsible and knowledgeable individuals in my office have reviewed the statements and information in the Authority’s Offering Circular dated October [\_\_\_], 2015 (the “Offering Circular”) appearing under the caption “SECTION III: SOURCES OF PAYMENT AND SECURITY FOR THE BONDS” contained under the caption “Sales Tax Revenues” (other than the first, second and fifth sentences in the first paragraph, the second, third, fourth, fifth and sixth sentences in the fifth paragraph, the third sentence in the sixth paragraph, the final three paragraphs of “Sales Tax Revenues” and the table “TAXABLE SALES AND PURCHASES RANKED BY COUNTY IN THE STATE”), the first sentence in the first paragraph under the caption “Servicing — Sales Tax Collections” and the column “Sales Tax Revenues” in the table under the caption “Debt Service Coverage on Senior Bonds by Historical Sales Tax Revenues”.

2. The statements identified in item 1 above were, as of the date of the Offering Circular, and are, as of the date hereof, accurate in all material respects and do not contain any untrue statement of a material fact, subject to the condition that while information in the aforementioned sections obtained from sources other than the County is not guaranteed as to accuracy, completeness or fairness, I have no reason to believe and do not believe that such information was as of its date or is as of the date hereof materially inaccurate or misleading.

3. For purposes of this Certificate, I have not verified and am not passing upon and do not accept responsibility for any information in the Offering Circular not identified in item 1 above.

IN WITNESS WHEREOF, I have set my hand this \_\_\_th day of October, 2015.

By: George Maragos

Comptroller,  
County of Nassau

**EXHIBIT F-1**

[Letterhead of the Authority]

Merrill Lynch, Pierce, Fenner & Smith Incorporated,  
as the Representative of the Underwriters  
named in the hereinafter defined  
Contract of Purchase

Ladies and Gentlemen:

In connection with the issuance and sale by the Nassau County Interim Finance Authority (the "Authority") on the date hereof of its Sales Tax Secured Refunding Bonds, Series 2015A (the "Bonds"), reference is made to the Contract of Purchase, dated October [ ], 2015 (the "Contract of Purchase") between the Authority and the Underwriters named therein (the "Underwriters").

I have examined such portions of the Constitution and statutes of the United States of America, the Constitution and statutes of the State of New York (the "State"), including in particular the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of the State, 2000, as amended (the "Act"), and such applicable court decisions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

I have also examined an executed counterpart of a Financing Agreement dated as of October 1, 2000 (the "Agreement"), by and between the Authority and the County, pursuant to which, among other matters, the Authority has agreed to finance certain Financeable Costs by the issuance of its Bonds, Notes and other indebtedness from time to time.

Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Contract of Purchase and the Offering Circular (hereinafter defined).

Based on the foregoing, it is my opinion that:

1. The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State, duly created and existing under the laws of the State.
2. The Agreement has been duly authorized, executed and delivered by the Authority and constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms, except to the extent that the enforceability thereof is subject to the overriding State interest in promoting the health, safety and welfare of the people of the State and may be limited by bankruptcy, insolvency, moratorium or other similar laws validly enacted and applicable to the enforcement of creditors' rights.

I have participated in the preparation of the information contained under the captions "SECTION V: RECENT DEVELOPMENTS" under the heading "Control Period Litigation", "SECTION VI: THE AUTHORITY" and "SECTION VII: NO LITIGATION" in the Offering Circular of the Authority, dated October [ ], 2015 (the "Offering Circular"), required to be delivered to the Underwriters pursuant to the Contract of Purchase. I wish to advise you that in

connection with my participation in the preparation of the information under that caption (a) no facts have come to my attention to lead me to believe that the Sections entitled “SECTION V: RECENT DEVELOPMENTS” under the heading “Control Period Litigation”, “SECTION VI: THE AUTHORITY” and “SECTION VII: NO LITIGATION” contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) the Section entitled “SECTION VII: NO LITIGATION” is a fair summary for the purposes of the Offering Circular.

After due inquiry, there is no litigation pending or threatened, or, to the best of my knowledge, except as described in the Offering Circular, any legislation or other law proposed or in effect which, in any material and adverse way to the holders of the Bonds, would (i) impair the ability of the Authority to receive or disburse revenues from the sales and compensating use tax (as contemplated within the Act) or (ii) reduce the rate at which “Tax Revenues” (as defined within the Act) are payable to the Authority from that which was the case on the date of effectiveness of the Act.

I have rendered this opinion solely for use in connection with the issuance and sale of the Bonds pursuant to the Contract of Purchase and this opinion should not be relied upon for any other purposes.

Very truly yours,

General Counsel

**EXHIBIT F-2**

[Letterhead of County Attorney]

To the Nassau County Interim  
Finance Authority  
and the Underwriters

Ladies and Gentlemen:

In connection with the issuance and sale by the Nassau County Interim Finance Authority (the "Authority") on the date hereof of its Sales Tax Secured Refunding Bonds, Series 2015A (the "Bonds"), reference is made to the Contract of Purchase, dated October [ ], 2015 (the "Contract of Purchase") between the Authority and the Underwriters named therein (the "Underwriters") in connection with which you have requested my opinion as to certain matters contained therein.

I have examined such portions of the Constitution and statutes of the United States of America, the Constitution and statutes of the State of New York (the "State") and the Charter of the County of Nassau (the "County"), including in particular the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of the State, 2000, as amended (the "Act"), and such applicable court decisions as I have deemed necessary or relevant for the purposes of the opinions set forth below.

I have also examined an executed counterpart of a Financing Agreement dated as of October 1, 2000 (the "Agreement"), by and between the Authority and the County.

Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Contract of Purchase and the Offering Circular (hereinafter defined).

Based on the foregoing, it is my opinion that:

1. The Agreement has been duly authorized, executed and delivered by the County and constitutes a valid and binding obligation of the County enforceable in accordance with its terms, except to the extent that the enforceability thereof is subject to the overriding State interest in promoting the health, safety and welfare of the people of the State and may be limited by bankruptcy, insolvency, moratorium or other similar laws validly enacted and applicable to the enforcement of creditors' rights.
2. The County has duly taken all necessary action so that the local sales and compensating use tax (as contemplated within the Act) has been imposed within the County and is currently in effect at a rate of 4-1/4%.

After due inquiry, there is no litigation pending or threatened, or, except as disclosed in the Offering Circular, any legislation or other law proposed or in effect which, in any material and adverse way to the holders of the Bonds, would (i) impair the ability of the County to impose the sales and compensating use tax (as contemplated within the Act) or (ii) reduce the rate at which such sales and compensating use tax is imposed or the scope of such tax from that which was the case on the date of the effectiveness of the Act.

I have rendered this opinion solely for use in connection with the issuance and sale of the Bonds pursuant to the Contract of Purchase and this opinion should not be relied upon for any other purposes.

Very truly yours,

Mike Mullin  
County Attorney



EXHIBIT D

to the Nassau County Interim Finance Authority Resolution  
Concerning the Sale and Issuance of Sales Tax Secured Bonds, Series 2015A

[CONTINUING DISCLOSURE AGREEMENT]

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
SALES TAX SECURED BONDS, SERIES 2015A  
CONTINUING DISCLOSURE AGREEMENT**

**THIS AGREEMENT**, dated October [ ], 2015, is made between the Issuer and the Trustee, each as defined below in Section 1.

In order to permit the Underwriters to comply with the provisions of the Rule (as hereinafter defined) in connection with the public offering of the Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree, for the sole and exclusive benefit of the Holders and, for the purposes of Section 5, beneficial owners of Bonds, as follows:

**Section 1. Definitions; Rules of Construction.** (i) Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Authorizing Document.

“Annual Information” shall mean the information specified in Section 3.

“Authorizing Document” shall mean the Indenture between the Issuer and the Trustee, dated as of October 1, 2000, as amended and supplemented.

“Bonds” shall mean the Issuer's Sales Tax Secured Bonds, Series 2015A from time to time remain outstanding within the meaning of the Authorizing Document.

“EMMA” means the MSRB’s Electronic Municipal Market Access system or its successor.

“GAAP” shall mean generally accepted accounting principles as prescribed from time to time for governmental units in the United States by the Governmental Accounting Standards Board.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“Holder” or “Bondholder” shall mean a registered owner of any Bond or Bonds.

“Issuer” shall mean the Nassau County Interim Finance Authority, a public benefit corporation of the State of New York and the issuer of the Bonds, and any successor thereto.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the effective date hereof, including any official interpretations thereof.

“SEC” shall mean the Securities and Exchange Commission.

“Trustee” shall mean The Bank of New York Mellon, a New York banking corporation with offices located in New York, New York.

“Underwriters” shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Issuer upon initial issuance.

(ii) Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Any reference herein to a particular Section or subsection without further reference to a particular document or provision of law or regulation is a reference to a Section or subsection of this Agreement.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

**Section 2.**     Obligations to Provide Continuing Disclosure.

(i)     Obligations of the Issuer and the Trustee.

(a)     The Issuer hereby undertakes, for the benefit of Holders of the Bonds, to provide, no later than 180 days after the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2015, to the MSRB the Annual Information relating to such fiscal year. The Issuer shall notify the Trustee when such information has been provided.

(b)     The Issuer hereby undertakes, for the benefit of the Holders of the Bonds, to provide, no later than 180 days after the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2015, audited financial statements of the Issuer for such fiscal year to the Trustee and the MSRB; but if audited financial statements are not then available, unaudited financial statements shall be so provided and such audited financial statements shall be delivered to the MSRB if and when they become available. The Issuer shall notify the Trustee when such audited financial statements have been provided.

(c)     The Trustee shall notify the Issuer upon the occurrence of any of the fourteen events listed in Section 2(ii)(a) promptly upon becoming aware of the occurrence of any such event. With respect to the foregoing, the Trustee shall not be deemed to have become aware of the occurrence of any such event unless an officer in its corporate trust department becomes aware of the occurrence of any such event.

(ii) Further Obligations of the Issuer. The Issuer hereby undertakes, for the benefit of Holders of the Bonds, to provide the following:

(a) to the MSRB, in a timely manner, but not in excess of 10 Business Days after the occurrence thereof, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of a proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2012 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a

court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) consummation of a merger, consolidation or acquisition involving the Issuer, or the sale of all or substantially all of the assets of an the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) to the MSRB, in a timely manner, notice of a failure by the Issuer to comply with Section 2(i)(a) or (b).

(iii) (a) Other Information. Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer should disseminate any such additional information, the Issuer shall not have any obligation hereunder to update such information or to include it in any future materials disseminated hereunder.

(b) Disclaimer. Each of the Issuer and the Trustee shall be obligated to perform only those duties expressly provided for such entity in this Agreement, and none of the foregoing shall be under any obligation to the Holders or other parties hereto to perform, or monitor the performance of, any duties of such other parties.

(iv) Transmission of Notices, Documents and Information; Format of Filings. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to EMMA, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org).

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (currently, portable document format (pdf) which must be word-searchable except for non textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

### **Section 3. Annual Information**

(i) Specified Information. The Annual Information shall consist of the following:

(a) financial information and operating data of the type included in the final Offering Circular for the Bonds, under the heading “Section II: Sources of Payment and Security for the Bonds”, including information under subheadings “Sales Tax Revenues” and “Servicing-Sales Tax Collection”, relating to the material taxes constituting a source of revenue for the Bonds, a historical summary of such revenue, if available,

together with an explanation of the factors affecting collection levels, for a period of at least the five most recent completed fiscal years then available; and

(b) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data and in judging the financial condition of the Issuer.

(ii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with the MSRB; but if the document is an offering circular, it shall have been filed with the MSRB and need not have been filed elsewhere. The audited or unaudited financial statements of the Issuer may be provided in the same manner.

(iii) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

#### **Section 4. Financial Statements**

The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

#### **Section 5. Remedies**

If any party hereto should fail to comply with any provision of this Agreement, then each of the other parties and, as a direct or third-party beneficiary, as the case may be, any Holder of Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, however, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided further, that the rights of any Holder to challenge the adequacy of the information provided in accordance with Section 2 hereunder are conditioned upon the provisions of the Authorizing Document with respect to the enforcement of remedies of Holders upon the occurrence of an Event of Default described in Section 1101(i) of the Authorizing Document as though such provisions applied hereunder. Each of the Issuer and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the other. Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Authorizing Document or any other agreement executed and delivered in connection with the issuance of the Bonds. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to

Section 6, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Section 5.

**Section 6. Parties in Interest.**

This Agreement is executed and delivered solely for the benefit of the Holders of the Bonds and, for the purposes of Section 5, beneficial owners of Bonds. For the purposes of such Section 5, beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. No person other than those described in Section 5 shall have any right to enforce the provisions hereof or any other rights hereunder.

**Section 7. Amendments.**

(i) Without the consent of any Holders (except to the extent required under clause (c)(II) of this sentence) or provider of any Credit Facility, the Issuer and the Trustee at any time and from time to time may enter into amendments or changes to this Agreement for any purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or any type of business or affairs conducted by the Issuer; (b) the undertakings set forth herein, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments to, or interpretation by the staff of the SEC of, the Rule, as well as any change in circumstances; and (c) either (I) the amendment does not materially impair the interests of the Holders, as determined either by the Trustee or by nationally recognized bond counsel or (II) the Holders consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Authorizing Document with the consent of Holders pursuant to Section 1002 of the Authorizing Document. In determining whether there is such a material impairment, the Trustee may rely upon an opinion of nationally recognized bond counsel. The interests of Holders shall be deemed not to have been materially impaired by an amendment (1) to add a dissemination agent for the information to be provided hereunder and to make any necessary or desirable provisions with respect thereto, (2) to evidence the succession of another entity to the Issuer or the Trustee and the assumption by any such successor to the obligations of such party hereunder, or (3) to add to the obligations of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer.

(ii) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to the MSRB.

**Section 8.**     Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds (in each case in this paragraph 8, “Bonds” shall refer to each series of Bonds, respectively) shall have been paid in full or the Bonds shall have otherwise been paid or defeased in accordance with the Authorizing Document (a “Legal Defeasance”); but if the Rule (or any successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent the Rule (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any Legal Defeasance, the Issuer shall provide notice of such defeasance the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption. Upon any other termination pursuant to this Section 8, the Issuer shall provide notice of such termination to the MSRB.

**Section 9.**     The Trustee.

(i)     Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act as the case may be.

(ii)    The Trustee shall be indemnified and held harmless in connection with this Agreement, to the same extent provided in the Authorizing Document for matters arising thereunder.

**Section 10.**    Governing Law.

This Agreement shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

**Section 11.**    Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

THE BANK OF NEW YORK MELLON,  
Trustee for the benefit of Bondholders

NASSAU COUNTY INTERIM FINANCE  
AUTHORITY  
Issuer of the Bonds

By: \_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT E

to the Nassau County Interim Finance Authority Resolution  
Concerning the Sale and Issuance of Sales Tax Secured Bonds, Series 2015A

[ESCROW DEPOSIT AGREEMENT]

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**and**

**THE BANK OF NEW YORK MELLON,**

**as Trustee**

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**Sales Tax Secured Bonds Escrow Deposit Agreement**

**Dated October [23], 2015**

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
SALES TAX SECURED REFUNDING BONDS ESCROW DEPOSIT AGREEMENT**

This ESCROW DEPOSIT AGREEMENT, dated as of October [23], 2015, by and among the Nassau County Interim Finance Authority (the “Authority”) and The Bank of New York Mellon, as trustee under the Indenture dated as of October 1, 2000, as supplemented and amended (the “Indenture”), and its successor or successors and any other corporation which may be substituted in its place pursuant to the Indenture and as Paying Agent for the Refunded Bonds (as hereinafter defined) (the “Trustee”) and as escrow agent hereunder (hereinafter referred to, in either or both capacities, as the “Escrow Agent”).

WHEREAS, the Authority, under and pursuant to the provisions of the Indenture, authorized and issued multiple series of Sales Tax Secured Bonds under the Indenture; and

WHEREAS, the Authority wishes to refund all or a portion of its outstanding Sales Tax Secured Bonds, Series 2005A (the “Series 2005A Bonds”), Sales Tax Secured Bonds, Series 2005D (the “Series 2005D Bonds”) and Sales Tax Secured Refunding Bonds, Series 2009A (the “Series 2009A Bonds”), such bonds being more particularly identified in **Exhibit A** (the “Refunded Bonds”); and

WHEREAS, the Authority wishes to cause the covenants, agreements, and other obligations of the Authority to the holders of the Refunded Bonds to be discharged and satisfied within the meaning and with the effect expressed in the Indenture upon compliance by the Authority with the provisions of Section 202 of the Indenture; and

WHEREAS, the Authority has determined to issue Sales Tax Secured Refunding Bonds, Series 2015A (the “Series 2015A Bonds”) under the Indenture; and

WHEREAS, pursuant to the Indenture, a portion of the proceeds of the Series 2015A Bonds will be provided to the Trustee, along with certain other moneys, to enable the Trustee to purchase securities in order to pay the Refunded Bonds and discharge and satisfy the covenants, agreements and other obligations of the Authority to the holders of the Refunded Bonds under the Indenture; and

WHEREAS, the purchase and deposit of Escrow Securities (as defined below) and the deposit of the Cash Amount (as defined below) with the Trustee will accomplish the discharge and satisfaction of the covenants, agreements and other obligations of the Authority to the holders of the Refunded Bonds under the Indenture;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the same meanings in this Escrow Deposit Agreement as such terms are given in the Indenture. Reference herein to or citation herein of any provisions of the Indenture shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

2. The Bank of New York Mellon is hereby appointed as Escrow Agent by the Authority and, by its execution and delivery hereof, The Bank of New York Mellon accepts appointment as Escrow Agent hereunder.

3. There is hereby created and established with the Escrow Agent a special and irrevocable fund designated the “NIFA 2015A Refunding Escrow Deposit Fund” (the “Escrow Fund”) to be held by the Escrow Agent separate and apart from all other funds of the Authority or the Escrow Agent.

4. On October [23], 2015, the Authority shall cause to be transferred from bond proceeds the amount of \$[ ] (the “Bond Proceeds Escrow Deposit”) to the Escrow Agent, and the Escrow Agent acknowledges receipt of the Bond Proceeds Escrow Deposit. In addition, the Authority directs the Escrow Agent to transfer \$[ ] from the Bond Account and \$[ ] from the Debt Service Liquidity Fund established under the Indenture to the Escrow Fund (collectively, with the “Bond Proceeds Escrow Deposit”, the “Escrow Deposit”).

5. The Authority directs and the Escrow Agent agrees to deposit such amounts in the Escrow Fund, and to apply amounts credited to the Escrow Fund to the purchase of the Defeasance Collateral listed in **Exhibit B** hereto (such Defeasance Collateral together with any Defeasance Collateral substituted therefore and any Defeasance Collateral purchased pursuant to paragraphs 5 or 6 hereof are collectively referred to herein as the “Escrow Securities”), maturing at times and in amounts sufficient (excluding reinvestment earnings) to pay principal or redemption price of and interest when due on the Refunded Bonds. Except as otherwise provided below under subparagraph (b) of paragraph 6 with respect to the Escrow Securities, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrow Securities held hereunder or to sell, transfer, or otherwise dispose of the Escrow Securities or moneys acquired hereunder except in accordance with written instructions of the Authority. Any amounts derived from Escrow Securities not required to be applied to the payment of the principal or redemption price of and interest when due on the Refunded Bonds shall, to the extent practicable, be reinvested at the written direction of the Authority.

6. (a) Other than as hereinafter provided in this paragraph 6, or in paragraph 7 below, with respect to any amounts received from principal or interest payments on such Escrow Securities (as defined above) remaining in the Escrow Fund, and principal or redemption price of and interest due or to become due on the Refunded Bonds, the Escrow Agent shall leave such amounts received from the maturing principal of and interest on the Escrow Securities to the extent not then used to pay the principal or redemption price of or interest on the Refunded Bonds uninvested in the Escrow Fund.

(b) The Authority hereby directs the Escrow Agent to enter into this Escrow Deposit Agreement, and to invest and reinvest the amount held in the Escrow Fund pursuant to the terms hereof. The Escrow Agent hereby agrees that it will take all of the actions required to be taken by it in its capacity as Trustee under the Indenture and as Escrow Agent hereunder in order to effectuate this Escrow Deposit Agreement. The liability of the Escrow Agent for the payment of the Refunded Bonds, pursuant to this paragraph and the Indenture shall be limited to the application of the Escrow Securities and the interest earnings thereon available for such purposes

in the related Escrow Fund. The Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment, liquidation or substitution of Escrow Securities in accordance with the written direction of the Authority. The Escrow Agent shall invest amounts held in the Escrow Fund in accordance with the terms of this Escrow Deposit Agreement. The Escrow Agent, at the written direction of the Authority and upon receipt of the opinions and certificates described below, shall invest and reinvest in Defeasance Collateral any moneys remaining from time to time in the Escrow Fund until such time that they are needed to provide for the payment of the principal or redemption price of and interest on the Refunded Bonds, except as provided by paragraph 7 below. Such moneys shall be reinvested at the direction of the Authority in Defeasance Collateral maturing no later than when required to meet an interest or principal payment on the Refunded Bonds, and at such interest rates or yields and for such periods that the Authority shall direct, provided that the Escrow Agent shall have received (i) a written opinion of a lawyer or a firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Escrow Agent (an "Opinion of Counsel") to the effect that such reinvestment of such moneys and the interest rates or yields on such moneys will not adversely affect the exclusion of interest on the Series 2015A Bonds or the Refunded Bonds from gross income for Federal income tax purposes and (ii) a certification from a firm of nationally recognized independent certified public accountants that, immediately following such transaction, the principal of and interest on the Defeasance Collateral in the Escrow Fund when due and paid will, without reinvestment, together with any other moneys or securities held in the Escrow Fund for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds when due.

7. The Authority may withdraw from the Escrow Fund at any time moneys or Defeasance Collateral not then or thereafter needed to pay the principal or redemption price of and interest due or to become due on the Refunded Bonds resulting from any activity described in paragraphs 5 or 6 above or any other action of the Authority permitted by the Indenture (including that certain of the Refunded Bonds have ceased to be Outstanding by virtue of the fact that such Refunded Bonds have been acquired by the Escrow Agent at the direction of the Authority) or this Escrow Agreement; the Authority shall provide to the Trustee an Accountant's Report that after any such withdrawal the principal of and interest on the moneys and securities on deposit in the Escrow Fund, together with other moneys or securities held in the Escrow Fund for such purpose, shall be sufficient to pay without reinvestment, when due, the principal or redemption price of and interest on the Refunded Bonds.

8. The Authority hereby represents, warrants and certifies to the Escrow Agent that the Escrow Securities deposited in the Escrow Fund are Defeasance Collateral and that the Escrow Securities mature at such times and in such amounts such that, based solely upon calculations and certifications made to it by [VERIFICATION AGENT], verification agent, the maturing principal of and the interest on the Escrow Securities and the Cash Amount not applied to the purchase of the Escrow Securities, collectively, will be sufficient to pay when due the principal or redemption price, if applicable, of and interest due and to become due on the Refunded Bonds, on and prior to the redemption date or maturity date thereof, as the case may be, provided that amounts received from the Escrow Securities and not needed to pay amounts due on the Refunded Bonds, on the date received shall be held uninvested until applied to pay amounts due on the Refunded Bonds, or reinvested as provided in paragraph 6, all in accordance with and in satisfaction of the provisions of the Indenture and this Escrow Deposit Agreement.

9. The Authority hereby irrevocably designates the Refunded Bonds for redemption on the dates set forth in **Exhibit A** hereto. The forms of the notice required to be mailed pursuant to Section 202 of the Indenture are attached hereto as **Appendices A-1, A-2, A-3, A-4 and A-5** and the Issuer hereby irrevocably instructs the Trustee to mail such notices at the times and in the manner required by Section 202 of the Indenture. Further, the Authority hereby irrevocably instructs the Trustee to deliver the notice of defeasance, the form of which is attached hereto as **Appendix B**, on the date hereof.

10. The Authority irrevocably covenants that it will take all actions necessary to cause any Refunded Bonds anticipated to be redeemed to be so redeemed, including the timely mailing or publication of notices of redemption and the Escrow Agent shall have no obligation or liability with respect thereto.

11. The deposit of the Escrow Securities and moneys in the Escrow Fund shall constitute an irrevocable deposit in trust solely for the payment of the Refunded Bonds, and the principal of and interest earnings on such Escrow Securities and moneys shall be used solely for such purposes, as necessary, subject to paragraphs 6 and 7 hereof.

12. Neither the Authority nor the Escrow Agent shall sell, transfer or otherwise dispose of the Escrow Securities or the funds held uninvested under this Escrow Deposit Agreement, except as otherwise provided in paragraphs 6 and 7 hereof and except that the Escrow Agent may effect the transfer of such Escrow Securities or funds to a successor escrow agent in accordance with the Indenture relating to the transfer of rights and property to successor trustees.

13. Subject to the provisions of paragraphs 6 and 7 hereof, the lien and pledge hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all moneys and Escrow Securities deposited in the Escrow Fund pursuant to paragraphs 5, 6 and 7 hereof and the interest earnings thereon until paid out, used and applied in accordance with this Escrow Deposit Agreement. Nothing in this Escrow Deposit Agreement shall be deemed to imply that the Refunded Bonds have been paid or deemed paid by reason of the execution of this Escrow Deposit Agreement.

14. In consideration of the services rendered by the Escrow Agent under this Escrow Deposit Agreement, the Authority agrees to and shall pay to the Escrow Agent such fees and expenses as the Authority and the Escrow Agent shall agree in writing, including all reasonable expenses, charges, counsel fees and other disbursements incurred by the Escrow Agent or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any moneys of the Authority lawfully available therefor and the Escrow Agent shall have no lien, claim, or right of setoff whatsoever upon or against any of the Escrow Securities, Defeasance Collateral, or the funds held uninvested in said Escrow Fund for the payment of such proper fees and expenses. The Authority further agrees to indemnify and save the Escrow Agent, any successor escrow agent, and its officers, directors, agents, and employees harmless against any liabilities which it may incur as a result of entering into this Escrow Deposit Agreement or which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Escrow Agent's negligence, willful misconduct or

bad faith. The provisions of this paragraph 14 shall survive the discharge of this Escrow Deposit Agreement or the earlier resignation or removal of the Escrow Agent.

15. The Authority hereby acknowledges that the rights, duties, immunities and indemnities of the Trustee set out in Article VIII of the Indenture, and the obligations of the Authority in respect thereof shall be applicable to the Trustee in its capacity as Escrow Agent hereunder.

16. This Escrow Deposit Agreement shall terminate when the Escrow Agent shall have transferred all amounts to be transferred hereunder in accordance with **Exhibit C** hereto.

17. This Escrow Deposit Agreement and the rights and duties of the parties hereunder shall be governed by, and construed in accordance with the law of the State of New York.

18. If any one or more of the covenants or agreements provided in this Escrow Deposit Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Deposit Agreement.

19. This Escrow Deposit Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.



IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

NASSAU COUNTY INTERIM FINANCE  
AUTHORITY

By: \_\_\_\_\_  
Name: Evan L. Cohen  
Title: Executive Director

THE BANK OF NEW YORK MELLON  
*as Escrow Agent*

By: \_\_\_\_\_  
Name:  
Title:

**Refunded Bonds**

See the schedule from Verification Report (Schedule B1) dated October [ ], 2015  
issued by [VERIFICATION AGENT] attached hereto.

**Defeasance Collateral for Refunded Bonds**

See the schedule from Verification Report (Schedule D1) dated October [ ], 2015  
issued by [VERIFICATION AGENT] attached hereto.

**Escrow Cash Flows**

See the schedules from Verification Report (Schedules E1 and E2) dated October [ ], 2015 issued by [VERIFICATION AGENT] attached hereto.

**\*[TO BE UPDATED WHEN REFUNDED BONDS FINALIZED]\***

**FORMS OF NOTICE OF REDEMPTION**

**NOTICE OF REDEMPTION**

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**SALES TAX SECURED BONDS,  
SERIES 2005A**

**Dated July 14, 2005**

NOTICE IS HEREBY GIVEN to the holders of the Nassau County Interim Finance Authority Sales Tax Secured Bonds described below (the “Refunded Bonds”) that the Nassau County Interim Finance Authority (the “Authority”) has irrevocably determined to redeem all of the Refunded Bonds on the Redemption Dates at the Redemption Prices referred to below with interest accrued thereon to the Redemption Dates. As of the date of this notice, the Authority has deposited with The Bank of New York Mellon, the Trustee, moneys sufficient to redeem the Refunded Bonds.

<u>Maturity Date (November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Redemption Date</u>	<u>CUSIP Number</u>
2016	\$1,425,000	3.700%	100%	[ ], 2015	631663HU8
2016	8,970,000	5.000	100		631663HV6
2020	1,515,000	4.000	100		631663HW4
2022	7,935,000	5.000	100		631663HX2
2023	2,705,000	5.000	100		631663HY0
2024	110,000	4.000	100		631663HZ7
2024	12,675,000	5.000	100		631663JA0

On the Redemption Date of a Bond there shall become due and payable, upon presentation and surrender of the Bond at the principal corporate trust office of The Bank of New York Mellon, the redemption price together with interest accrued on such Bond to its Redemption Date, and from and after the Redemption Date, interest on the Bond will cease to accrue and be payable. Payment for the Bonds to be redeemed will be made, to or upon the order of the registered owner, upon presentation and surrender of said Bonds to:





Neither the Authority nor the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders.

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Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, payers are required to withhold 28% of the amount paid upon redemption to those bondholders who have not returned a correctly completed Form W-9 entitled "Payer's Request for Taxpayer Identification Number". If you need a copy of the Form W-9, you should be able to obtain one at your local bank or IRS Service Center, or you may obtain a Substitute Form W-9 from the Trustee at the above address. Please return a correctly completed Form W-9 with your bonds to avoid any such withholding.

Neither the Authority nor the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders.



**NOTICE OF REDEMPTION**  
**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**SALES TAX SECURED REFUNDING BONDS,**  
**SERIES 2009A**

**Dated April 21, 2009**

NOTICE IS HEREBY GIVEN to the holders of the Nassau County Interim Finance Authority Sales Tax Secured Bonds described below (the “Refunded Bonds”) that the Nassau County Interim Finance Authority (the “Authority”) has irrevocably determined to redeem all of the Refunded Bonds on the Redemption Dates at the Redemption Prices referred to below with interest accrued thereon to the Redemption Dates. As of the date of this notice, the Authority has deposited with The Bank of New York Mellon, the Trustee, moneys sufficient to redeem the Refunded Bonds.

<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Redemption Date</u>	<u>CUSIP Number</u>
2019	\$930,000	3.625%	100%	May 15, 2019	631663LY5
2019	18,275,000	5.000	100	May 15, 2019	631663LZ2
2020	21,775,000	5.000	100	May 15, 2019	631663MA6
2021	1,875,000	4.000	100	May 15, 2019	631663MB4
2021	16,355,000	5.000	100	May 15, 2019	631663MC2
2022	1,470,000	4.125	100	May 15, 2019	631663MD0
2022	20,650,000	5.000	100	May 15, 2019	631663ME8
2023	1,065,000	4.250	100	May 15, 2019	631663MF5
2023	6,560,000	5.000	100	May 15, 2019	631663MG3
2024	605,000	4.375	100	May 15, 2019	631663MH1
2024	4,075,000	5.000	100	May 15, 2019	631663MJ7
2025	10,545,000	4.500	100	May 15, 2019	631663MK4

On the Redemption Date of a Bond there shall become due and payable, upon presentation and surrender of the Bond at the principal corporate trust office of The Bank of New York Mellon, the redemption price together with interest accrued on such Bond to its Redemption Date, and from and after the Redemption Date, interest on the Bond will cease to accrue and be payable. Payment for the Bonds to be redeemed will be made, to or upon the order of the registered owner, upon presentation and surrender of said Bonds to:

By Mail:	or	Hand Delivery/Overnight Mail:
The Bank of New York Mellon P.O. Box 396		The Bank Of New York Mellon 111 Sanders Creek Parkway

East Syracuse, NY 13057

East Syracuse, NY 13057

NASSAU COUNTY INTERIM FINANCE  
AUTHORITY

By: THE BANK OF NEW YORK MELLON,  
as Trustee

Dated: [April 15, 2019]

Neither the Authority nor the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders.

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Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, payers are required to withhold 28% of the amount paid upon redemption to those bondholders who have not returned a correctly completed Form W-9 entitled "Payer's Request for Taxpayer Identification Number". If you need a copy of the Form W-9, you should be able to obtain one at your local bank or IRS Service Center, or you may obtain a Substitute Form W-9 from the Trustee at the above address. Please return a correctly completed Form W-9 with your bonds to avoid any such withholding.

Neither the Authority nor the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders.

\*[TO BE UPDATED WHEN REFUNDED BONDS FINALIZED]\*

**FORM OF NOTICE OF DEFEASANCE**

**NOTICE TO HOLDERS  
OF CERTAIN  
NASSAU COUNTY INTERIM FINANCE AUTHORITY  
SALES TAX SECURED BONDS  
SERIES 2005A, SERIES 2005B AND SERIES 2009A**

NOTICE IS HEREBY GIVEN to the holders of the Nassau County Interim Finance Authority’s (the “Authority”) Sales Tax Secured Bonds described below (the “Refunded Bonds”) that the Issuer has deposited with The Bank of New York Mellon, the Trustee for the Refunded Bonds, cash and obligations of the United States of America, the principal of and interest on which when due together will provide monies sufficient to pay when due the interest on the Refunded Bonds through the applicable maturity or redemption date, and the principal together with any applicable redemption premium thereon. As a result of such deposit, said Refunded Bonds and the covenants, agreements and other obligations of the Authority to the Bondholders shall be discharged and satisfied in accordance with the applicable provisions of the Indenture.

**Series 2005A**

Dated July 14, 2005

<u>Maturity Date (November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Redemption Date</u>	<u>CUSIP Number</u>
2016	\$1,425,000	3.700%	100%	[ ], 2015	631663HU8
2016	8,970,000	5.000	100		631663HV6
2020	1,515,000	4.000	100		631663HW4
2022	7,935,000	5.000	100		631663HX2
2023	2,705,000	5.000	100		631663HY0
2024	110,000	4.000	100		631663HZ7
2024	12,675,000	5.000	100		631663JA0

**Series 2005D**

Dated December 15, 2005

<u>Maturity Date (November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Redemption Date</u>	<u>CUSIP Number</u>
2025	\$50,000	4.500%	100%	[ ], 2015	631663PF2

**Series 2009A**

Dated April 21, 2009

<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Redemption Date</u>	<u>CUSIP Number</u>
2019	\$930,000	3.625%	100%	May 15, 2019	631663LY5
2019	18,275,000	5.000	100	May 15, 2019	631663LZ2
2020	21,775,000	5.000	100	May 15, 2019	631663MA6
2021	1,875,000	4.000	100	May 15, 2019	631663MB4
2021	16,355,000	5.000	100	May 15, 2019	631663MC2
2022	1,470,000	4.125	100	May 15, 2019	631663MD0
2022	20,650,000	5.000	100	May 15, 2019	631663ME8
2023	1,065,000	4.250	100	May 15, 2019	631663MF5
2023	6,560,000	5.000	100	May 15, 2019	631663MG3

[<sup>1</sup> Partially refunded maturity. \$  
the CUSIP Number . ]

aggregate principal amount remain outstanding and have been assigned

NASSAU COUNTY INTERIM FINANCE  
AUTHORITY

By: THE BANK OF NEW YORK MELLON,  
as Trustee

Dated: October 11, 2015

Neither the Authority nor the Trustee shall be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of the bondholders.

DRAFT – SUBJECT TO REVIEW AND REVISION

**7. Adjournment**

The Chairman made a motion to adjourn. The meeting was adjourned at 9:17 AM.

Respectfully submitted,

Laurie A. Giardina  
Corporate Secretary

**FOR CONSIDERATION**

October 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Replacement Liquidity Facility

REQUEST FOR: Authorization to Enter into a Liquidity Facility in Connection with NIFA's 2008D-1 Bonds and to Take Related Actions

---

**Introduction:**

You are being asked for authorization to enter into a liquidity facility with BMO Harris Bank N.A. ("BMO"). The liquidity facility would be in the form of a standby bond purchase agreement, initially for \$96,785,000. It will relate to the Authority's Series 2008D-1 variable rate demand bonds ("VRDBs") that are currently in weekly mode. The liquidity facility will run through the final maturity of the Bonds on November 15, 2017.

**Discussion:**

After publication in the "New York State Contract Reporter," NIFA released a Request for Bids ("RFP") on July 29, 2015. The RFP was for a liquidity facility in the form of a standby bond purchase agreement with a maturity co-terminus with the final maturity of the VRDBs, initially in the amount of \$96,875,000, and lower amounts in future years concomitant with the following amortization schedule:

<b>Date</b>	<b>Principal Due</b>	<b>Outstanding Balance 2008B</b>
11/15/2015	4,910,000	91,875,000
11/15/2016	61,275,000	30,600,000
11/15/2017	30,600,000	0

In addition to the publication, we sent the RFP directly to approximately 11 other potential bidders.

NIFA received responses from four banks. After reviewing the bids we are recommending that you accept the bid from BMO, which is – by far - the lowest bid for this transaction. Their bid was for 20bps. Details of all the bids can be discussed in Executive Session.

Staff also recommends the use of Sidley Austin LLP as NIFA's outside counsel and Lamont Financial Services Corporation as our Financial Advisor. Each has unique experience in dealing

with NIFA and knowledge of our variable rate bonds that would be hard, if not impossible, to duplicate by similarly situated professionals.

**Requested Action**

It is requested that the Directors authorize the Chairman or his designee(s) to negotiate and execute an agreement(s) with BMO substantially upon the terms and conditions discussed in the materials and resolution attached hereto, together with such additional or related actions as they may find necessary.

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 15-**

**AUTHORIZATION TO ENTER INTO LIQUIDITY FACILITY IN CONNECTION WITH  
NIFA'S 2008D-1 BONDS AND TO TAKE RELATED ACTIONS**

---

RESOLVED, that the materials presented to this meeting (the "Materials") are ordered to be filed with the records of the Nassau County Interim Finance Authority ("NIFA"); and be it further

RESOLVED, that in accordance with the Materials, the Chairman or his designee(s) is hereby authorized to negotiate and execute one or more agreements with BMO Harris Bank N.A. in connection with NIFA's 2008D-1 Bonds (the "Bonds") substantially upon the terms and conditions discussed in the Materials; and be it further

RESOLVED, that in connection with the substitution of liquidity providers for the Bonds, the Chairman or his designee(s) is authorized to cause a mandatory tender of said Bonds, and to take such steps as are necessary for the reoffering of said Bonds by the Remarketing Agent, including the preparation and distribution of a reoffering circular with respect to such Bonds, in such form as he may deem reasonable and appropriate; and be it further

RESOLVED, that reasonable outside counsel fees and disbursements for this liquidity provider substitution are hereby approved, as well as fees and disbursements for Sidley Austin LLP as NIFA's outside counsel and Lamont Financial Services Corporation as NIFA's financial advisor, as well as such other expenditures as are deemed necessary or appropriate in connection with the completion of the aforesaid actions; and be it further

RESOLVED, that all actions heretofore taken by the Chairman or his designee(s) in furtherance of the foregoing resolutions are hereby ratified and approved; and be it further

RESOLVED that the Chairman or his designee(s) are further authorized to take all actions deemed necessary or appropriate to implement the foregoing and related actions.

---

Jon Kaiman  
Chairperson

October 19, 2015



## NASSAU COUNTY INTERIM FINANCE AUTHORITY

### **FOR CONSIDERATION**

October 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Media Consultant

REQUEST FOR: Authorization to Employ a Media Consultant and to Take Related Actions

---

### **Background**

The complexity of recent decisions made by NIFA, combined with the desire to fully and clearly inform the public, convinced the Directors that the Authority should explore the possibility of hiring a media consultant.

### **Discussion**

NIFA has maintained a staff of five very specialized individuals in recent years; however, none of the aforementioned professionals have experience in dealing with both the old and new media.

Consequently, NIFA issued an RFP for a media consultant in the “The New York State Contract Reporter” on June 24, 2015 that was returnable on July 14, 2015. NIFA received only two responses.

A subcommittee, Chaired by Director Petracca, was established to interview the respondents. In addition to Director Petracca, the other subcommittee members were Directors Annunziato and Haber.

The subcommittee unanimously agreed that the consulting firm of Zimmerman/Edelson (“ZE”) was the best all-around respondent.

ZE has an understanding of Nassau County, and the media that covers the County. For more than 20 years, they have worked with various municipalities, as well as state authorities, to develop effective messaging platforms and execute communications initiatives. Moreover, they have existing relationships with local and regional media, in particular, with government and public affairs reporters and editors. They have agreed to work at a blended hourly fee of \$250 per hour, not to exceed \$5,500 per month.

**Requested Action**

Authorization for the Chairman or his designees to develop a scope of service and execute a contract substantially upon the terms and conditions outlined in these materials.

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 15-**

**AUTHORIZTION TO EMPLOY A MEDIA CONSULTANT AND TO TAKE RELATED ACTIONS**

---

RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (“Authority”); and be it further

RESOLVED, that the Directors of the Authority have determined that there is a need for a media consultant to help the public understand the role of and decisions made by the Authority; and be it further

RESOLVED, the consulting firm of Zimmerman/Edelson (“ZE”) shall be employed substantially upon the terms and conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman of the Authority or his designees(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider necessary or proper to employ ZE as a media consultant for the Authority and to take any related actions.

---

Jon Kaiman  
Chairperson

October 19, 2015

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

October 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Tax Anticipation Note Borrowing, 2015 Series A&B TANs

REQUEST FOR: Consideration of Tax Anticipation Notes Borrowing by Nassau County

---

### **Introduction:**

Nassau County has requested NIFA's approval of a proposed sale of Tax Anticipation Notes ("TANs"). The maximum amount of proceeds will be \$202,507,400, but after costs of issuance they will retain \$200,000,000. The TANs will be sold at the same time, but one will mature in September (\$141,705,200-proceeds) and the other in October (\$60,802,200-proceeds) of 2016.

The reason for the County's request is found in section 3669 2(e) of the NIFA Act, which states that during a Control Period:

"The authority shall review the terms of each proposed long-term and short-term borrowing by the county and any covered organization to be effected during any control period, and no such borrowing shall be made during any control period unless it is approved by the authority."

Issuance of the County's TANs was delegated to the County Executive by Ordinance 116-1959; consequently, it does not require new authorization by the County Legislature.

### **Discussion:**

TANs are a common device used by public entities to help with cash flow until taxes are received.

The County typically does two cash flow borrowings each year – a Revenue Anticipation Notes issue in May / June and a Tax Anticipation Notes ("TAN") issue in November / December. The Notes are issued to provide monies to meet cash flow deficits expected to occur during the period the Notes are outstanding.

The County's lowest cash positions are typically in January and July, just prior to the receipt of the tax levy in March and September.

After discussions between NIFA and County staff, we are convinced that this issuance is needed in order to meet the County's financial obligations.

**Requested Action:**

Although cash flow borrowings of any kind are not the sign of a robust financial position, they are commonly used by public entities. In this case, the County's rationale appears to be sound. You are requested to approve the County's proposed cash flow borrowing through TANs, subject to the final review and approval of the Chairman or his designee(s).

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**RESOLUTION NO. 15-**

**CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY**

---

RESOLVED, that the materials presented to this meeting of the Committee (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (the “Authority”); and be it further

RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance of TANs and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$202,507,400 including costs of issuance, and be it further

RESOLVED, that the final terms of the sale are subject to the review and approval of the Chairman of the Authority or his designee(s); and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

---

Jon Kaiman  
Chairperson

October 19, 2015

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

October 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: County General Obligation Bonds

REQUEST FOR: Consideration of Issuance of General Obligation Bonds by Nassau County

---

### **Introduction:**

The County has communicated with NIFA its desire to raise money for Nassau Community College (the "College") termination payments through its sale of general obligation bonds in the amount of \$7,500,000 (plus costs of issuance):

The bonds which will finance the College termination payments will mature within two (2) years of issuance, and the College will reimburse the County for debt service on such bonds within two (2) years.

The bonds have been authorized by the County Legislature.

### **Background:**

The reason for the County's request is found in section 3669 2(e) of the NIFA Act, which states that during a Control Period:

"The authority shall review the terms of each proposed long-term and short-term borrowing by the county and any covered organization to be effected during any control period, and no such borrowing shall be made during any control period unless it is approved by the authority."

### **Discussion:**

The issuance of the bonds is expected in December of 2015. Background data related to the bonds can be found in attachments lettered A.

Bonds issued for the purposes described in these Materials need not be reduced for any premium generated. Bond premium will be applied as required by law. The County has agreed that an

equivalent amount of debt service surplus resulting from the application of bond premium shall be used in a timely manner to pay judgments and settlements of any kind.

**Requested Action:**

You are requested to approve/disapprove the County's proposed issuance of bonds, subject to the terms and conditions outlined in these materials and the attached resolution.

**Attachments:**

Attachment Lettered A  
Resolution



**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**RESOLUTION NO. 2015-**

**CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY**

---

RESOLVED, that the materials presented to the Directors (the “Materials”) are incorporated into this Resolution and are ordered to be filed with the records of the Nassau County Interim Finance Authority (the “Authority”); and be it further

RESOLVED, that based upon the discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Directors have reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to \$7,500,000 in bonds (plus costs of issuance not to exceed 2% of par) for the purposes described in Attachment A (Nassau Community College Termination Payments) in the Materials and upon the conditions outlined in the Materials; and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

---

Jon Kaiman  
Chairperson

October 19, 2015

**Attachment A**  
**Nassau Community College Termination Pay**

A capital expenditure was approved by the Nassau County Legislature for financing the cost of certain payments to Nassau Community College Federation of Teachers Member Employees at Nassau Community College upon separation from employment from the College in the amount of \$7,650,000. This includes total separation payments in the amount of \$7,500,000 plus two percent for costs of issuance for the making of said payments.

The bonds for the termination payments have a 10-year PPU. Notwithstanding the foregoing, the bonds shall mature within two (2) years of issuance, and the College will reimburse the County for debt service on such bonds within two (2) years.

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

October 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Contract Amendment from County Attorney's Office

REQUEST FOR: Consideration of Contract Amendment from the County Attorney's Office

---

### **Introduction:**

Pursuant to Section 3669 2(d) of the Authority Act, NIFA may require the review of certain contracts during a control period. The Directors have determined that the proposed contract amendment with the law firm of Pannone Lopes is one such contract.

### **Discussion:**

You have before you for consideration the fourth amendment to a special counsel contract with Pannone Lopes in the amount by \$495,000. This amendment will bring the maximum amount of the contract to \$1,415,000.

This contract amendment provides increased funding for Panonne Lopes services related to the Nassau Coliseum and projects at the Nassau Hub. These activities relate to:

- The administration of the Nassau Coliseum lease with Nassau Events Center LLC.
- The wind down of the existing leases for Nassau Coliseum with the New York Islanders and SMG.
- The settlement of a dispute with Lighthouse Development Group related to the Nassau Coliseum site.
- The termination of the agreement between the County and Suez Energy NA (formerly known as Trigen Nassau Energy Corporation), the operator of the County's 57 megawatt plant in Uniondale and exploration of possible alternatives.
- The drafting and negotiation of a possible transaction with Memorial Sloan Kettering Cancer Center at the Nassau Hub and various infrastructure funding opportunities to facilitate further development of the Nassau Hub.

The Nassau Hub services also includes advice, counsel and research regarding any other legal issues that arise in connection with the Nassau Hub and related matters.

**Requested Action:**

You are requested to review and approve or disapprove entering into the contract amendment referenced in the prior discussion.

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 15-**

**REVIEW OF CONTRACT AMENDMENT FROM THE COUNTY ATTORNEY'S OFFICE**

---

RESOLVED, that the materials presented to this meeting of the Directors (the "Materials") are ordered to be filed with the records of the Nassau County Interim Finance Authority (the "Authority"); and be it further

RESOLVED, that the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County's current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; and be it further

RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves/disapproves the Pannone Lopes contract amendment in the Materials (because the Directors find that the expenditures required by this contract amendment is are not consistent with the adopted financial plan); and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

---

Jon Kaiman  
Chairperson

October 19, 2015

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 15-**

**ADOPTING THE STAFF REPORT CONCERNING THE PROPOSED NASSAU COUNTY  
MULTI-YEAR FINANCIAL PLAN, FISCAL 2016-2019 AND THE RECOMMENDATIONS  
CONTAINED THEREIN**

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WHEREAS, Nassau County continues to operate in a control period, which the Nassau County Interim Finance Authority (“NIFA”) imposed on January 26, 2011; and

WHEREAS, on September 15, 2015, as required by law, the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2016 – 2019 (“Proposed Plan”), the first year of which is his proposed 2016 Budget; and

WHEREAS, the NIFA Staff has prepared a report (the “Staff Report”) on the County Executive’s Proposed Plan in which the Staff identified a number of risks; and

WHEREAS, the County Legislature has the opportunity to address the risks that NIFA staff has identified; and

WHEREAS, in accordance with Section 3667(2) the NIFA Act, NIFA will not take further action in regard to the Proposed Plan until “approval by the county of a budget in accordance with the provisions of the county charter and approval of the financial plan by the legislature;”

NOW, THEREFORE, BE IT RESOLVED, that the NIFA Directors adopt the Staff Report on the County Executive’s Proposed Plan.

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Jon Kaiman  
Chairperson

October 19, 2015

Sent Under  
Separate Cover