

**NASSAU COUNTY LOCAL
ECONOMIC ASSISTANCE CORPORATION
(THE “CORPORATION”)**

Memorandum

To: Staff

From: Board of Directors of the Corporation

Date: March 28, 2013

Re: Transaction Process Guidelines

The following are the Corporation’s updated guidelines for the review and processing of potential project applications from initial contact to closing of the transaction. The following are intended to provide overall guidance but are by no means exhaustive or all inclusive and may not be applicable to all matters:

1. Initial Contact
 - The Chief Executive Officer or other designated official or agent (“Corporation Contact”) shall make a written record of the initial contact including time, date and method of contact, name of applicant, address, type of enterprise and applicant point of contact.
 - Corporation Contact provides Pre-Application Questionnaire to the potential applicant and schedules a meeting to review the applicant’s response.
 - Logs of initial contacts shall be distributed to the directors periodically.

2. Meeting with Corporation Contact
 - Applicant should bring documentation of and/or be prepared to discuss: (i) location of proposed project, (ii) nature of proposed project, (iii) location of existing facilities of the applicant, (iv) proposals for job

retention/creation, (v) likely community impacts and reaction, and (vi) requested types and amounts of financial assistance.

- If the Corporation Contact determines that the proposed project is viable, the applicant is invited to appear before the Transactions Committee and the Chief Executive Officer or other Corporation Contact provides the appropriate form of Application for Financial Assistance to the applicant. The applicant is asked to complete the Application (to the extent possible) and to deliver it to the Corporation in draft form.
- General Counsel to the Corporation will generally participate in the initial meeting with the applicant.

3. Presentation to Transactions Committee

- Prior to presentation, the Corporation Contact provides the pre-application questionnaire response, the draft Application for Financial Assistance from the applicant, the results of searches and background checks, if any, and any other relevant materials to the Transactions Committee.
- Transactions Committee shall consist of two (2) directors of the Corporation, the Chief Executive Officer and such other directors, agents and persons as the directors of the Corporation shall appoint. The Committee's function shall be advisory in nature and all final decisionmaking shall remain with the directors of the Corporation.
- Applicant informally presents the proposed project to the Transactions Committee and receives feedback as to the anticipated financial assistance package, either at the end of the proposal or shortly thereafter. Transactions Committee authorizes the Corporation Contact to further negotiate the terms of the financial assistance package and to initiate the SEQR and public notice(s) process upon receipt of a completed and executed Application for Financial Assistance.
- Corporation Contact, at the direction of the Transactions Committee, advises the applicant that the Corporation will authorize the applicant to file the completed and executed Application for processing if made within 30 days following the date of the presentation.
- Corporation Contact provides a form of Preliminary Agreement to the applicant which may be signed at the conclusion of the Transactions Committee meeting but shall be signed in no event later than the submission of the formal Application by the applicant. The Preliminary Agreement constitutes an agreement by the applicant to pay or reimburse the Corporation for its expenses in connection with the processing, review and evaluation of the Application.
- The Chief Executive Officer presents to the Transactions Committee a proposed purchase order setting forth expense "charge backs" to be paid to the Nassau County Industrial Development Agency ("NCIDA") pursuant

to the cooperation agreement or similar arrangement between the Corporation and NCIDA for services rendered in connection with the proposed project. The Transactions Committee reviews the purchase order and makes recommendations for adjustments, if any. Such purchase order may need to be amended during the review period based on actual facts and circumstances and the Chief Executive Officer is authorized to make such adjustments as required with prior notice to the Chairman. If the Chairman objects to a proposed adjustment, same shall be presented to the Transactions Committee for discussion and final determination. If the Chairman does not object to a proposed adjustment within a reasonable period of time, such adjustment shall be deemed approved.

4. Application to the Corporation

- Applicant submits completed and executed Application for Financial Assistance, including Environmental Assessment Form and other required exhibits.
- Applicant deposits with the Corporation: (i) \$1,000 application fee, (ii) \$3,500 expense deposit for bond counsel fees, and (iii) \$2,500 expense deposit for cost/benefit analysis, if applicable. In the event that the transaction does not close, the Corporation shall use the expense deposits to defray the costs of the applicable professionals and return any balance to the applicant. In the event that the transaction closes, such expense deposits shall be credited against the final invoices delivered by the applicable professionals at closing.
- Bond Counsel reviews the Application and provides due diligence memo (if required).

5. Public Hearing

- Corporation Contact schedules and conducts public hearing (if required).
- Corporation Contact prepares report of public hearing and delivers report to the directors.

6. SEQR Review Process

- Initiated by Bond Counsel upon receipt of Environmental Assessment Form from applicant.
- Additional documentation supplied as necessary.
- Bond Counsel drafts appropriate findings/resolution.

7. Cost-Benefit Analysis

- The Corporation will perform a cost/benefit analysis with respect to each proposed project only where the Chief Executive Officer or the

Transactions Committee determines that such analysis is warranted and beneficial under the circumstances presented and is not cost prohibitive under the circumstances presented. When the Chief Executive Officer or the Transactions Committee determines in a particular instance that a formal cost/benefit analysis is warranted, the Corporation will obtain such analysis from an independent, third-party consultant engaged by the Corporation, unless the size or type of the proposed project does not warrant the expense of such a third-party analysis, in which event the Corporation's staff shall perform the cost/benefit analysis for the Corporation. The directors of the Corporation recognize that a formal cost/benefit analysis will not be warranted except in extraordinary circumstances.

- When the Chief Executive Officer or the Transactions Committee determines that a cost/benefit analysis shall be performed, such analysis shall be ordered upon receipt of the Application and shall be distributed to all directors of the Corporation.

8. Bond Counsel prepares transaction documents

- Bond Counsel/General Counsel obtains "public approval" of tax-exempt bonds from County Executive (if applicable).
- Bond Counsel/Administrative Director obtains volume cap from State (if required).
- Bond Counsel attempts to obtain bond issuance charge and Commissioner of Health charge waivers (no longer likely to be granted).
- Bond Counsel/General Counsel/Executive Director negotiate and revise applicable documents.

9. Inducement/Approving/Bond Resolution

- The Chief Executive Officer or other agent or person prepares, prior to the Corporation meeting, the requisite internal forms and summaries.
- Closing documents may not be in final form, but all major issues should be resolved.
- Directors of the Corporation ratify/approve the recommended expense "charge back" with NCIDA to be paid pursuant to the cooperation agreement or similar arrangement between the Corporation and NCIDA, as adjusted during the review period.

10. Closing

- General Counsel and Bond Counsel deliver requisite opinions.

- Bond Counsel delivers ST-60 to New York State Department of Taxation and Finance, if applicable.
- Bond Counsel makes applicable filings with the Internal Revenue Service.