

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

Memorandum

To: Staff

From: Board of Directors of the Corporation

Date: May 4, 2017

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. Payment of the Corporation's expense deposit is not normally required at this stage.
- 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 (if applicable), 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. Incomplete Applications will not be considered by 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.
- If the Transactions Committee determines that the proposed project should be further considered, the Committee directs the Executive Director to proceed with the formal review process set forth below.

4. Application to the Corporation

- Applicant submits completed and executed Application for Financial Assistance, including Environmental Assessment Form and other required exhibits. Incomplete Applications will not be considered by the Agency.
- 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 at closing against the final invoices delivered by the applicable professionals.
- The Chief Financial Officer reviews financial statements and data received from the Applicant to assess the strength of the Applicant.
- 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 is authorized to hold such public hearing on behalf of the Corporation and is authorized to mail and/or publish notices of the public hearing, as applicable, all as required by applicable law.

- Corporation Contact prepares report of public hearing and delivers report to the directors. Alternatively, Corporation Contact is authorized to have a stenographer take minutes of the public hearing.
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).
 - If required for the transaction, the Chief Executive Officer assigns title work to a title company from the Nassau County Industrial Development Agency's then-applicable approved list of title companies (the "Title Companies") and Bond Counsel contacts the Title Company or the Applicant to order the title report; provided, however, that the cost thereof shall be borne by the Applicant. Assignments to the Title Companies will be made on a sequential basis in a manner designed to give full opportunity to all Title Companies to provide the required services; provided, however,

that the Chief Executive Officer shall have the authority to assign title for a project to a particular Title Company in his discretion if the circumstances warrant. Circumstances that may warrant assignment of a matter to a particular Title Company may include, but are not limited to, complexity of the transaction, special title issues and prior experience/involvement of the Title Company with respect to the subject property. In addition, the Chief Executive Officer shall have discretion to allow the Applicant to select a title company if circumstances warrant. In any instance that a title company is selected other than on a sequential basis, the Chief Executive Officer shall first document such selection in a memorandum explaining the reasons therefor, which memorandum shall be included in the project file and a copy of which shall be provided to the Corporation's Finance Committee.

- Bond Counsel/Administrative Director obtains volume cap from State (if required).
- Bond Counsel attempts to obtain, if applicable, bond issuance charge and Commissioner of Health charge waivers.
- Bond Counsel/General Counsel/Chief Executive Officer 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, which should be delivered to the board of directors at least one (1) week in advance of the Corporation meeting.
- The Chief Executive Officer or other agent or person prepares notice of Corporation meeting and an agenda for the Corporation meeting, posts notice as and to the extent required by Open Meetings Law, posts notice on Corporation website and e-mails notice to major television, radio and newspaper outlets as well as local community papers (to the extent applicable).
- 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.
- The Applicant's counsel shall deliver customary opinions in connection with the transaction, including, but not limited to, zoning and land use (where applicable) and compliance with applicable law.
- 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.

** The directors of the Corporation may waive or deviate from any of these procedures in their discretion if the circumstances warrant such waiver or deviation. **