

DECD Contracting Process & Security

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DECD Contracting Process

Step #1: Award Letter Issued to Recipient

Step #2: DECD Project Manager Assigned

Step #3: Draft Financial Assistance Proposal (“Term Sheet”) sent to Recipient (1-2 weeks)

- Includes major terms and conditions (2-3 weeks)
 - Security
 - Rate/Maturity/Deferral/Forgiveness (loans only)

Step #4: Final Financial Assistance Proposal sent to Recipient

- Remediation Rounds: 30 days to sign and return
- Assessment Rounds: 15 days to sign and return

DECD Contracting Process (Cont.)

Step #5: Assistance Agreement

- DECD Legal Counsel is assigned by AG's office (1-2 weeks)
- An Assistance Agreement ("Contract") is then formulated between DECD's Attorney and the Recipient's Attorney (2-3 weeks)
 - Can vary widely depending on complexity of project and volume of Recipient comments
- Signing of Assistance Agreement and collection of closing documents
 - Project Manager & Recipient develop Budget
- AG's Review/Approval (3-4 weeks)
- Closing
 - Recordings on land records, as necessary

Security/Collateral

Every project is different, but in order to receive State funds, recipients must provide some form of security/assurance ...

- Negative Pledge
- Use Restriction
- Lien (consistent with DECD position in the capital structure)
 - Flexible/Subordinable
- Letter of Credit
- Personal Guaranty/Corporate Guaranty