

SECTION A: FORMS TO COMPLETE

APPLICATION COVER PAGE

**New York City Industrial Development Agency
Not-for-Profit [501(c)(3)]
Special Needs Facilities Pooled Program**

Application date: 9/30/03

Agency's Name: **QSAC, Inc.**

Address: **30-10 38th Street, Astoria, NY 11103**

Contact for this financing: **Cory Polshansky, Deputy Executive Director**

Phone #: [Redacted]

Executive Director: **Gary A. Maffei**
(Type Name) [Redacted]
(Signature) *[Handwritten Signature]*

Chief Financial Officer: **Paul Naranjo**

Applicant's Attorney: **Robert Wakeman** Phone: [Redacted]

Address: **39 No. Pearl Street, Albany, NY** Fax: [Redacted]

Applicant's Accountant: **BDO Seidman, LLP** Phone: [Redacted]

Accountant Address: **330 Madison Avenue, NY, NY 10017** Fax: [Redacted]

In-House Attorney: **Tom Hickey, Eaton & Van Winkle** Phone: [Redacted]

In-House Insurance Broker: **Aon Risk Services** Phone: [Redacted]

IRS Employer ID #: [Redacted]

SIC Code:

NYS Dept. of Labor Number (if applicable):

Applicant's State of Incorporation or Registration: **New York State**

Type of Organization (e.g., private school, human services, etc.)

Social Service MR/DD Agency

Brief description of services (e.g., special education, residential, foster care, vocational, etc.)

QSAC provides behavior, educational, recreational, residential and respite services to persons with autism or PDD (pervasive developmental disorder) and their families.

(Application Cover, Page 2)

NOTE: PLEASE FAX THIS PAGE TO IAC IMMEDIATELY UPON COMPLETION:**212-645-6360**

Project Address	block & Lot #	square footage	Total project cost
Project #: 1 IRA - WHITESTONE 149-36 12th Avenue Whitestone, NY 11357	Block 4504 Lot 23	Building:2,045 Land:	\$340,211
Project #: 2	Block Lot	Building: Land:	\$
Project #: 3	Block Lot	Building: Land:	\$
Project #: 4	Block Lot	Building: Land:	\$
Project #: 5	Block Lot	Building: Land:	\$
Project #: 6	Block Lot	Building: Land:	\$
Project #: 7	Block Lot	Building: Land:	\$
Project #: 8	Block Lot	Building: Land:	\$
Project #: 9	Block Lot	Building: Land:	\$
		TOTAL	\$340,211

PROJECT INFORMATION SUMMARY: Complete a separate set for each project**PROJECT #: 1**

Project Address: 149-36 12th Avenue, Whitestone, NY 11357

Cross Streets: 149th & 150th Streets

Title Company Used for Initial Purchase: n/a tele#:

Architect: Roger Morris, LBREM Design Tele#: (203) 366-4230

Number of floors including basement: 3 Zoning category: R2

Services Provided in Facility: Residential Services for MR/DD Population

Gov't Funding Source(s)(select one, enter additional sources in "other":
_____ OMRDD Other:**If owned**, initial closing date: n/a

is this a mortgage?

outstanding principal due (est.): \$

maturity date:

any pre-payment penalties?

Lending institution name & address:

If leased: lease term (start and end dates and available options): 6/1/2003 - 5/31/2018

Landlord Name & Address: Daviotis Demetrlos, 8-51 Astoria Blvd., Astoria, NY 11102

Date Program became (or is projected to become) operational: January 2004

Estimates for all COSTS involved in project:

Land & building acquisition	\$
New Construction	\$
Renovations/Building Improvements	\$281,321
Machinery/Equipment	\$
Fees/Other Soft Costs	\$41,285
Other (Explain)	\$17,605
Total Project Costs	\$340,211

Proposed SOURCES to finance the COSTS

Bonds (i.e., this financing)	\$340,211
Loans from other sources	\$
Fund Balance	\$
Capital Campaigns	\$
Other Sources	\$
Total Project Sources	\$340,211

LOAN AMOUNT REQUESTED: \$340,211

Provide brief responses to the following questions on a separate page and attach to the corresponding Project Information Summary, Page 1

Describe in detail the nature of the proposed project. Describe the site and any improvements on it. Describe proposed construction/renovation, if any.

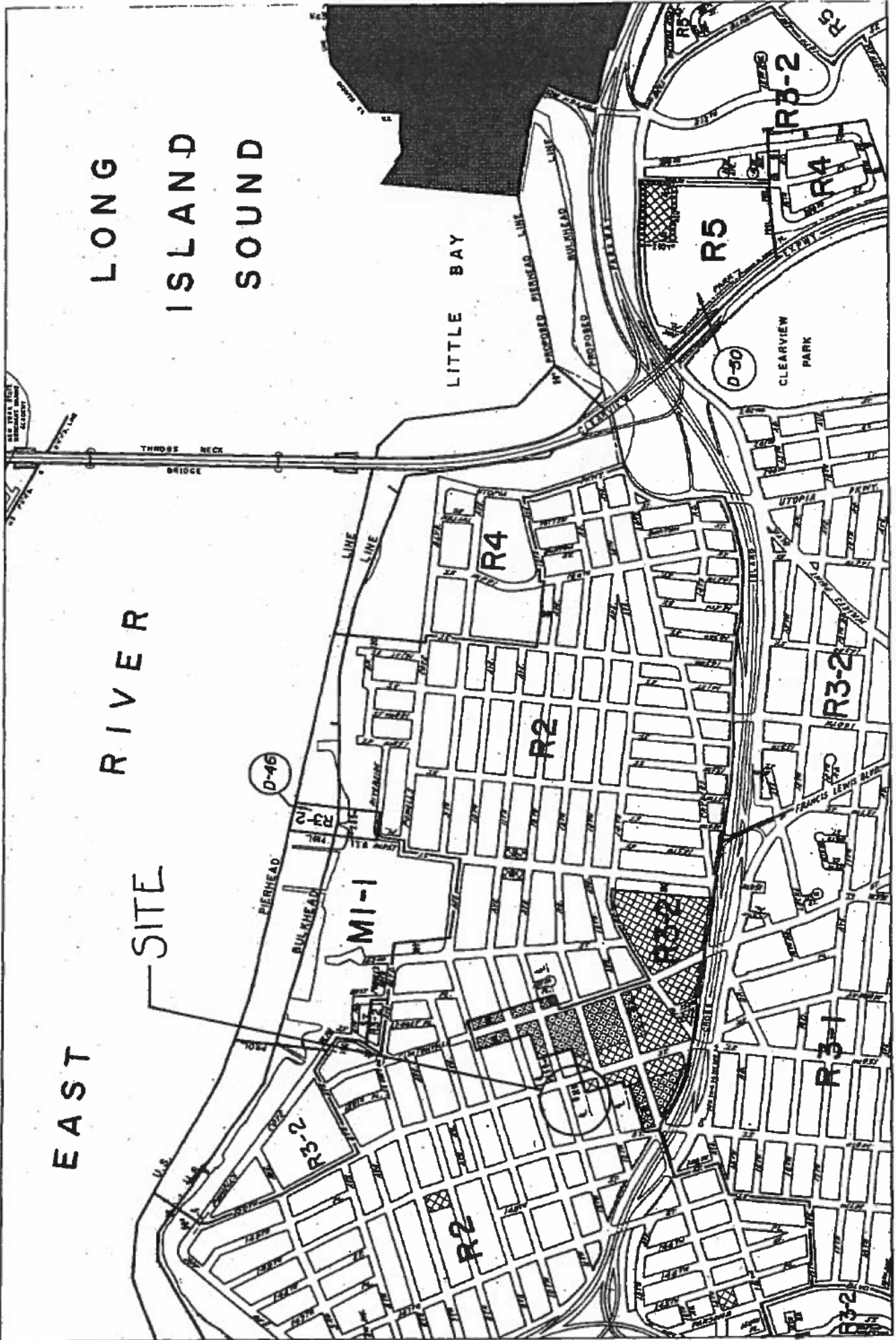
This site will provide residential services to 7 developmental disabled young adults. The residence is a 2 story colonial house with a basement. Renovations include painting/plastering, hardwire smoke detection system, refinish wood floor, new carpet, replace light fixtures, installation of air conditioners, enclose property with a fence, minor renovations to porch. Additional renovations include complete renovation of kitchen, dining room and living room and extension of roof on east end of house.

1. What is the purpose of this project? What services are/will be provided?
The purpose of this project is to provide residential services to 7 young adults with autism. These individuals require 24 hours supervision. Therapeutic and recreational services will be provided.
2. Indicate, if applicable, the estimated dates for construction/renovation start and completion and financing drawdowns.
Renovation has started and is being financed through a bridge loan from FJC. Renovation is expected to be completed by early December 2003.
3. When is payment due date for improvements /construction costs ? (i.e. contractors)
Payment is due in installments as work is finished in phases.
What source of funds is the Applicant intending to use to pay for these improvements if the proceeds of a tax exempt bond issue are not available right away ?
The renovations are continuing and some payments have already been made. QSAC has obtained temporary financing from FJC.

If the project costs have already been paid, please identify what source of funds was applied to these costs in the first instance, when the cost was initially paid.**Some payments have already been made but the renovations are not complete and are continuing. QSAC has used the funds available through a bridge loan from FJC.**

4. Will any entity/person other than the Applicant use the project facility? **No**
Does the applicant intend to lease any portion of the project facility. **No** List all present tenants including Name, contact person and telephone, square feet and floor(s) occupied, and lease expiration/renewal dates. In addition, indicate if additional space will be leased out and to what extent. No other entity/person other than QSAC will use this facility. QSAC does not intend to lease any portion of the facility.
5. Will the project facility be operated by the Applicant or by someone else ? **QSAC will operate the facility.**
If the operator is expected to be an entity other than the Applicant, who will operate the facility ?
n/a
If applicable, please provide a copy of the contract pursuant to which the operator will be present. **n/a**
6. If any of the present or proposed tenants in this project are related to, or affiliated with the Applicant, please identify and indicate the percentage of occupancy.**n/a**

7. If any of the present or proposed tenants in this project are related to, or affiliated with the seller of the property, please identify and indicate the percentage of occupancy. n/a
8. Is there a relationship, legally, by virtue of common control, or through related personnel, directly or indirectly, between the Applicant and the present owner of the project site"? if so, please provide details.n/a
9. Has the Applicant, any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefited from with the past six months, or is contemplating to receive or benefit from within the next six months, tax-exempt financing anywhere within the United States? No If yes, please provide details.



PROJECT COST WORKSHEET: *OMRDD Projects*

A2a

AGENCY:

Project:

Costs You Wish to Finance		PPA Letter Amounts				
<i>Actual Costs enter final/projected costs</i>		<i>Enter the amounts exactly as they appear in the PPA letter</i>				
COSTS	Amount	Total PPA – Purchase	Building		Land	Option Paid by OMRDD
Purchase Price		\$0				
options paid by agency						
(minus OMR paid options)						
Subtotal (available for financing)	\$0					
		Total PPA –Rehab	Rehab	Contingency	Design	(Asst. Tech)
Rehab/Renovation	\$288,993	\$322,606	\$263,418	\$25,575	\$33,613	
Design	\$33,613					
minus Assistive Tech paid by OMR						
Subtotal (available for financing)	\$322,606					
		Total PPA – Soft Costs	all other soft costs	legal/accounting	interest on land	
Soft Costs						
closing costs on initial purchase		\$0				
short term interest paid on interim financing						
environmental						
appraisals						
other legal and accounting costs						
Subtotal (available for financing)	\$0					
		Total PPA –Start Up				
Start Up						
furniture & equipment	\$17,605	\$17,605				
pre-op staffing						
staff training						
perishables						
miscellaneous						
subtotal (available for financing)	\$17,605					
GRAND TOTALS	\$340,211	\$340,211				

IDA DUE DILIGENCE QUESTIONNAIRE

Employment

1. How many employees does your agency employ in New York City at the present time?

Full time: 200
Part time: 450
2. How many employees does the agency have outside New York City, but within NY State?

Full time: 10
Part time: 30
3. Does your agency intend to employ new additional employees at the proposed project site, Yes or will you transfer current employees from current facilities? Yes What will be the net gain in employees as a result of this project? 7

Disclosure

1. Has the Agency ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)? No
If Yes, provide all details on an attached sheet.
2. Has the Agency's Board President or Executive Director (CEO) ever been convicted of any criminal proceedings? No
If Yes, provide all details on an attached sheet.
3. Is the Agency a plaintiff or defendant in any civil or criminal proceedings? No
If Yes, provide all details on an attached sheet.
4. In what litigation is the Agency involved either as plaintiffs or as named defendants?
Provide all details on an attached sheet. (If none, please state here) (none)None
5. Does the Agency have any contingent liabilities? (e.g., pending claims, federal, state, or city tax liabilities; judgments or liens, etc.) No
If Yes, please provide all details on an attached sheet.
6. Has the Agency filed all required tax returns with appropriate government entities?
Yes

Attached Forms: Complete the following forms that are attached:

- A. Executive Management
- B. Funding Sources
- C. Unions
- D. Banks

DUE DILIGENCE SHEET A: EXECUTIVE MANAGEMENT

Please provide the following information (Required for NYC Vendex check):

Board President

Name: Co-Presidents: Edna Kleiman & Yvette Watts

Home Address: [REDACTED]

Social Security # [REDACTED]

Date of Birth E.K. - [REDACTED]

Executive Director/CEO

Name: Gary Maffei, M.P.A.

Home Address: [REDACTED]

Social Security [REDACTED]

Date of Birth [REDACTED]

Fiscal Director/CFO

Name: Paul Naranjo

Home Address: [REDACTED]

Social Security # [REDACTED]

Date of Birth [REDACTED]

DUE DILIGENCE SHEET B: FUNDING SOURCES

Please provide the following information regarding the agency's funding sources (e.g., NYS OMRDD, NYSED, NYSDOH, etc.):

1. Source: **New York State OMRDD**
Address: **75 Morton Street, New York, NY 11014**

Contact person: **Denise Alton**

Phone #: [REDACTED]

Fax #: [REDACTED]

2. Source: **New York City Department of Health and Mental Hygiene**
Address: **125 Worth Street**
New York, NY 10013

Contact person: **Sandra Piggee**

Phone #: [REDACTED]

Fax #: [REDACTED]

3. Source: **NYC Board of Education Bureau of Contract Aid**
Address: **65 Court Street, Room 1502**
Brooklyn, NY 11201

Contact person **John Cahalin**

Phone #: [REDACTED]

Fax #: [REDACTED]

4. Source: **Nassau County Department of Mental Health & Developmental Disabilities**
Address: **240 Old Country Road, Room 606, Mineola, NY 11501**

Contact person: **Renate Nixdorf**

Phone #: [REDACTED]

Fax #: [REDACTED]

5. Source:
Address:

Contact person:

Phone #:

Fax #:

DUE DILIGENCE SHEET D: BANKS

Please provide the following information regarding agency bank accounts:

1. Bank Name: Astoria Federal Savings

Contact person: **Frank Ryan**

Phone # [REDACTED] Fax #: [REDACTED]

Account Number [REDACTED]

2. Bank Name:

Contact person

Phone #: Fax #:

Account Number

3. Bank Name

Contact person

Phone #: Fax #:

Account Number:

4. Bank Name:

Contact person:

Phone #: Fax #:

Account Number:

CONFIDENTIALITY

All information contained in this Application will be treated confidentially to the extent permitted by law (see "Certification" section V of this Application). Since under the "New York State Freedom of Information Law" information must be disclosed unless such information contains trade secrets (which, if disclosed, would cause irreparable harm), Applicant must, in the space provided below, indicate which information provided in this Application it believes falls into such category and an explanation as to why.

CERTIFICATION

I, the undersigned, request on behalf of **QSAC, Inc.** ("Applicant") that this Application be submitted for review by the Board of Directors of the New York City Industrial Development Agency (IDA). I hereby certify that the information contained herein and in the attachments hereto, are, to the best of my knowledge and belief, accurate, true and correct. I understand that any intentional misstatements or misleading information contained herein, or the omission of relevant information, could be cause for rescission of IDA approval and IDA benefits. I acknowledge receipt from the IDA of a memorandum explaining legal, insurance and various real estate related requirements, all of which will be necessary for the contemplated project financing.

On behalf of Applicant, I hereby acknowledge and agree that Applicant shall be, and is responsible for, and shall promptly pay all costs incurred by IDA, in connection with document negotiations, closing and, where applicable, bond issuance and sale, whether or not closing occurs and whether or not bond issuance and sale occur in applicable instances. The aforesaid costs, and Applicant's obligation hereunder to pay for same, shall include, but not be limited to, attorney's fees. Applicant's obligations hereunder are absolute and shall in no event be contingent upon closing.

On behalf of myself, the Board President, Executive Director/CEO, and Fiscal Director/CFO (collectively, the "Executive Management") and Applicant, I hereby authorize New York City Industrial Development Agency and the New York City Department of Investigation (DOI) to initiate their background clearance procedure with respect to myself, Executive Management, and Applicant. I, Executive Management, and Applicant agree to give DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, Executive Management, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, Executive Management, and the Applicant agree to hold IDA and the City of New York harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance procedure not be completed satisfactorily.

On behalf of Applicant and its existing and future affiliates, I authorize any private or governmental entity, including but not limited to The New York State Department of Labor ("DOL"), to release to IDA and/or to the New York City Economic Development Corporation ("EDC") and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to Applicant and its existing and future affiliates and the employees of same. In addition, upon IDA's request, Applicant shall provide to IDA any employment information in Applicant's possession or in the possession of any of Applicant's existing and future affiliates, which is pertinent to Applicant and Applicant's existing and future affiliates and the employees of same. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by Applicant itself (collectively, "Employment Information"), may be disclosed by the Information Recipients in connection

with the administration of the programs of the IDA, and/or DEC, and/or the successors and assigns of either, and/or The City of New York, and/or as may be necessary to comply with law, and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (y) other reports required of IDA, and (z) any other reports required by law. If IDA approves this Application and the IDA Board of Directors approves the financing project which is the subject of this Application, this authorization shall remain in effect through the term of the financing lease which the Applicant and IDA will enter into at closing. If IDA does not approve this Application, and/or the IDA Board of Directors does not approve the financing project which is the subject of this Application, this authorization shall remain in effect through the earlier to occur of the aforesaid decisions not to approve.

I, Executive Management, and Applicant, understand that IDA may be requested to disclose the information contained in this Application and the attachments hereto, under applicable disclosure laws, or at the request of investigative law enforcement or other governmental bodies. On behalf of myself, Executive Management, and Applicant, I authorize IDA to disclose any such information, under such law or where so requested, and I, Executive Management and the Applicant release IDA from any liability to the Applicant, Executive Management and/or myself for such disclosure. I also authorize IDA at its discretion to transmit this Application or any financial data submitted herewith to prospective lenders, such as banks or insurance companies, and to IDA's financial advisors.

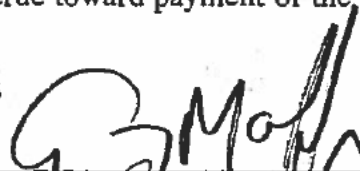
On behalf of Applicant, I acknowledge and agree that IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expenses, and shall be in form and substance satisfactory to IDA.

CERTIFICATION

Approval of this Application may only be granted by IDA's Board of Directors through the Board's adoption of an inducement or authorizing resolution for the project described in this application. Additionally, it is understood and agreed that the Application fee accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Applicant acknowledges and accepts that: the Application fee will accrue towards payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 10 basis points of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date: October 1, 2003

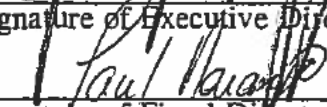
Certification By:



Signature of Executive Director/CEO

Gary A. Maffei, M.P.A.
Printed Name

Attested By:



Signature of Fiscal Director/CFO

Paul Naranjo
Printed Name