

**THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY**

**CHAIRMAN'S BRIEFING**

**January 8, 2014**

The Chairman's Briefing of The Pennsylvania Industrial Development Authority (PIDA) was held on January 8, 2014, in the 4 East Conference Room, Commonwealth Keystone Building, 400 North Street, 4<sup>th</sup> Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 9:30 a.m. The following members were present: the Honorable Glenn E. Moyer, Jared Grissinger, designee of the Honorable George Greig, B. Michael Schaul and the following seven members via telephone: James J. Black, III, Thomas Chiomento, John Kameen, Charles McGroarty, David Nasatir, Alan Papernick, and Michelle Staton, Designee of the Honorable Julia K. Hearthway. Also present were PIDA Staff: Kevin Rowland, Laurie Henry, Frank Tokarz, Mike Cortez, Tim Anstine, legal counsel; and James Bowman, financial consultant to the Authority. Ms. Newhouse reviewed new loan applications and special requests with the Board. The meeting was adjourned.

## THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

January 8, 2014

The regular meeting of The Pennsylvania Industrial Development Authority (PIDA) was held after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"), on January 8, 2014, in PUC Hearing Room #1, Commonwealth Keystone Building, 400 North Street, Second Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 10:19 a.m. The following members were present: the Honorable Glenn E. Moyer, Jared Grissinger, designee of the Honorable George Greig, B. Michael Schaul and the following seven members via telephone: James J. Black, III, Thomas Chiomento, John Kameen, Charles McGroarty, David Nasatir, Alan Papernick, and Michelle Staton, Designee of the Honorable Julia K. Hearthway. Also present were PIDA Staff: Kevin Rowland, Laurie Henry, Frank Tokarz, Mike Cortez, Tim Anstine, legal counsel; and James Bowman, financial consultant to the Authority. The following persons were also present: Chris Witmer, Greater Berks Development Fund; and Charlie Bernard, Eagle Brass Company. The Board approved the minutes of the December 4, 2013 PIDA Board Meeting and the bills received during the previous month (see following page).

## Bills January 8, 2014 PIDA Board Meeting

### Reinsel Kuntz Leshner, LLP

#### PIDA Financial Consultant

Services rendered November 25th, 2013 through December 27th, 2013

\$6,814.50

\$6,814.50

### General Gov't. Appropriation

November 2013 wage alloc: Exec, Legal, Admin

\$83,347.00

\$83,347.00

### **GRAND TOTAL:**

\$90,161.50

### NEW LOAN APPLICATIONS

The following applications were voted on and unanimously approved unless otherwise indicated below. Confidential financial information reviewed by the Board has been omitted.

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # 9557	
				DATE: January 8, 2014	
APPLICANT (Industrial Development Agency): Greater Berks Development Fund					
ADDRESS: P.O. Box 8621, 201 Penn Street, Suite 500, Reading, Pennsylvania 19603					
PERSON TO CONTACT: Christopher S. Witmer			TELEPHONE NUMBER: 610-376-6739		
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)					
Occupant: Eagle Brass Company			Beneficial Owner: - SAME - <input type="checkbox"/>		
PRESIDENT: Charles J. Bernard		MAILING ADDRESS: 1243 Old Bernville Road, Leesport, PA 19533		TELEPHONE NUMBER: 610-926-4111	
PRODUCT: Metals reroll mill	NAICS # 3314	PERSON TO CONTACT AND TITLE: Charles J. Bernard, President		TELEPHONE NUMBER: 610-926-4111	
TYPE OF ENTERPRISE:					
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Regional or National Headquarters	<input type="checkbox"/> Research & Development	<input type="checkbox"/> Agri-Business		
<input type="checkbox"/> Warehouse & Terminal	<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center			
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)				Check box if SMALL BUSINESS	
Pennsylvania 48		Worldwide, Include Pa. 48		(Less than 50 existing employees) <input checked="" type="checkbox"/>	
EMPLOYMENT THIS SITE ONLY:			TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)
Existing Employment (Include jobs transferred to this site)			42	\$2,850,000	\$67,857
New Employment in Three Years (Do Not Include Existing Employment)			2	\$100,000	\$50,000
SIZE OF PROJECT (Sq. Ft.) 9,000	SIZE OF SITE (Acres) 6.34	LOCATION OF PLANT (Include Municipality & Mailing Address): 1243 Old Bernville Road, Leesport, Pennsylvania 19533 (Bern Township)			COUNTY: Berks County
PURPOSE OF PROJECT (Please check appropriate box(es))					
<input type="checkbox"/> To construct new building	<input type="checkbox"/> To expand in new location within Pa. (Not a relocation)				
<input checked="" type="checkbox"/> To expand existing building	<input type="checkbox"/> To relocate/expand existing plant from _____ (Name of State)				
<input type="checkbox"/> To acquire existing building	<input type="checkbox"/> To acquire and renovate existing building				
Other:					
PIDA LOAN REQUESTED \$600,000	TOTAL PROJECT COST \$1,000,000	COST PER SQ. FT. (Building Costs Only) \$88.91	COST PER JOB TOTAL PROJECT \$22,727	COST PER JOB-PIDA \$13,636	
METHOD OF FINANCING					
1. FIRST MORTGAGE _____ % Participation			3. OTHER PARTICIPATION 25 % Participation		
a. Amount _____			a. Amount \$249,100		
b. Name of Mortgagee _____			b. Interest Rate 4.25%		
c. Interest Rate _____			c. Term 7 years		
d. Term _____			d. By Whom VIST Bank		
e. Person to contact _____			4. OTHER PARTICIPATION 15 % Participation		
Telephone number _____			a. Amount \$150,900		
2. PIDA MORTGAGE 60 % Participation (Second Mortgage)			b. Interest Rate na		
a. Amount \$600,000			c. Term na		
b. Interest Rate 2.5% (resets after 7 years)			d. By Whom Eagle Brass Company		
c. Term 15 years					
PIDA USE ONLY					
<input type="checkbox"/> State or Federal Enterprise Zone	<input type="checkbox"/> Brownfield Site	<input type="checkbox"/> Financially Distressed (Act 47)	<input type="checkbox"/> Advanced Technology	<input type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ
<input type="checkbox"/> KOEZ					
CRITICAL ECONOMIC AREA Berks County	UNEMPLOYMENT RATE 8.0% <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.		PIDA PARTICIPATION 60 %	GENERAL FUNDS <input checked="" type="checkbox"/>	BOND FUNDS <input type="checkbox"/>

*Greater Berks Development Fund*  
*Eagle Brass Company*  
*#9557*

---

Company Background: Eagle Brass Company was incorporated in March of 1990.

Product: The company is a specialty reroll mill which manufactures copper based alloys, stainless steel, nickel based alloys and carbon steel strip metals. They produce light gauge materials which have applications in telecommunications, medal, solar panel, aerospace and automotive industries.

Ownership: 100% Charles Bernard

Market/Customers: Geographic market area is nationwide.

Approximately 400 customers including:

Ulbrich Solar	8%
KTI, Inc.	6%
Hanen	6%

Other Data: Eagle Brass Company is currently operating at the project site in a 46,286 square foot building which it owns. This project will construct a 9,000 square foot addition, electrical upgrades, and expand the parking lot.

Existing Mortgages:

VIST Bank \$370,000

Non-Prejudicial:

11/8/2013

<b>THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION</b>				PIDA # 9498	
DATE: January 8, 2014					
APPLICANT (Industrial Development Agency): Greater Berks Development Fund					
ADDRESS: P.O. Box 8621, Reading PA 19603					
PERSON TO CONTACT: Christopher S. Witmer			TELEPHONE NUMBER: 610-376-6739		
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)					
Occupant: Brentwood Industries, Inc.				Beneficial Owner: - Same - <input checked="" type="checkbox"/>	
PRESIDENT: Palle Rye		MAILING ADDRESS: 610 Morgantown Road, Reading PA 19611		TELEPHONE NUMBER: 610-236-1157	
PRODUCT: Plastic products		NAICS # 3261		PERSON TO CONTACT AND TITLE: Peter Pellicano, VP-Finance	
				TELEPHONE NUMBER: 610-236-1157	
TYPE OF ENTERPRISE:					
<input checked="" type="checkbox"/>	Manufacturing	<input type="checkbox"/>	Regional or National Headquarters	<input type="checkbox"/>	Research & Development
<input type="checkbox"/>	Warehouse & Terminal	<input type="checkbox"/>	Industrial	<input type="checkbox"/>	Agri-Business
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Computer or Clerical Operation Center
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)				Check box if SMALL BUSINESS	
Pennsylvania 412 Worldwide, Include Pa. 625				(Less than 50 existing employees) <input type="checkbox"/>	
EMPLOYMENT THIS SITE ONLY:			TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)
Existing Employment (Include jobs transferred to this site)			325	\$15,485,876	\$47,649
New Employment in Three Years (Do Not Include Existing Employment)			30	\$1,550,790	\$51,693
SIZE OF PROJECT (Sq. Ft.) 94,792		SIZE OF SITE (Acres) 19		LOCATION OF PLANT (Include Municipality & Mailing Address): 500 Spring Ridge Drive Wyomissing, Pennsylvania 19610 (Spring Township)	
				COUNTY: Berks	
PURPOSE OF PROJECT (Please check appropriate box(es))					
<input type="checkbox"/>	To construct new building	<input checked="" type="checkbox"/>	To expand in new location within Pa. (Not a relocation)		
<input type="checkbox"/>	To expand existing building	<input type="checkbox"/>	To relocate/expand existing plant from _____ (Name of State)		
<input checked="" type="checkbox"/>	To acquire existing building	<input type="checkbox"/>	To acquire and renovate existing building		
Other:					
PIDA LOAN REQUESTED \$2,000,000		TOTAL PROJECT COST \$10,500,000		COST PER JOB TOTAL PROJECT \$29,577	
				COST PER JOB-PIDA \$5,634	
METHOD OF FINANCING					
1. MORTGAGE 75 % Participation			3. OTHER PARTICIPATION _____ % Participation		
a. Amount \$7,875,000			a. Amount _____		
b. Name of Mortgagee PNC Bank			b. Interest Rate _____		
c. Interest Rate 3.528			c. Term _____		
d. Term 7 years			d. By Whom _____		
e. Person to contact Jacqueline MacKenzie					
Telephone number _____					
2. PIDA MORTGAGE 19 % Participation			4. OTHER PARTICIPATION 6 % Participation		
a. Amount \$2,000,000			a. Amount \$625,000		
b. Interest Rate 2.25%			b. Interest Rate na		
c. Term 7 years			c. Term na		
			d. By Whom Company		
PIDA USE ONLY					
<input type="checkbox"/>	State or Federal Enterprise Zone	<input type="checkbox"/>	Brownfield Site	<input type="checkbox"/>	Financially Distressed (Act 47)
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Advanced Technology
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	GAT Project
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	KOZ
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	KOEZ
CRITICAL ECONOMIC AREA Berks County		UNEMPLOYMENT RATE 8.0% <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.		PIDA PARTICIPATION 50 %	
				GENERAL FUNDS <input checked="" type="checkbox"/>	
				BOND FUNDS <input type="checkbox"/>	

Greater Berks Development Fund  
 Brentwood Industries, Inc.  
 #9498 DCED # 2012 10298802

Company Background: Founded and incorporated in Pennsylvania in 1965.

Product: Manufactures plastic products including water cooling and filtration media, and sludge collection systems.

Ownership:

.35%	Palle Rye
4.15%	Rita Rye
25.43%	Peter Rye
.64%	Leigh Rye
1.64%	Oliver P. Rye
1.64%	Caitlin A. Rye
25.43%	Birgette Sorensen
.64%	Sev Sorensen
1.64%	Samuel R. Sorensen
15.38%	Trust for B. Sorensen
<u>23.06%</u>	Trust for Peter Rye
100 %	

Market/Customers: Geographic market area is international.

They have over 1,350 customers including:

Cooling Tower Depot	4%
Mack Trucks	4%
Midwest Towers	3%

Other Data: The company is currently operating in two buildings\* 3.5 miles from the project site where they employ 325 people. 90 employees will transfer to the new location.

In December 2012 PIDA approved a \$2,000,000 loan to purchase a 31,000 square foot building on 2.5 acres through a Sheriff Sale. That building was purchased by Brentwood but has since been sold because they found a more suitable building. This is the former J.C. Ehrlich building and is approximately 6 miles from the current location.

<u>PA Locations</u>	<u>S. F.</u>	<u>Employees</u>
*621 Brentwood Drive, Reading	200,000	240
*610 Morgantown Road, Reading	123,000	85
Lebanon	<u>102,000</u>	<u>87</u>
	425,000	412

\* Located across the road from each other along Route 10.

Non-Prejudicial:	Acquisition Price:	\$10,500,000
10/9/2012	Appraisal Brief:	\$10,500,000

<u>Previous PIDA Loans</u>	<u>Location</u>	<u>Closed</u>	<u>Original Amount (Balance)</u>	<u>Jobs Retained / Created</u>
#8443	610 Morgantown Road	3/14/02	\$1,750,000 paid off	retain 135/created 190

RESOLVED, THAT EACH OF THE LOANS HERETOFORE APPROVED IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. In the event that the Premises to be mortgaged has been or at any time during the term of the loan is identified as being in a Flood Hazard Area by the United States Federal Emergency Management Agency, the Industrial Occupant shall obtain flood insurance as provided by the National Flood Insurance Act of 1968, as amended.
2. The Beneficial Owner and/or the Industrial Occupant shall be obligated to and do hereby agree to promptly provide whatever information relating to the project is required and requested by this Authority. Upon failing to do so the Authority may, at its discretion, declare that a material default has occurred and take such action as it deems appropriate.
3. All contracts for the construction, renovation, expansion or improvement of the Authority project shall include the Commonwealth's Standard Non-Discrimination Clause, which is attached hereto and incorporated herein as Exhibit "A".
4. There shall be no material adverse change in the financial condition of the above captioned company, or the guarantors, if any, from that disclosed by the financial statements delivered to this Authority as a part of the Application.
5. Prior to the closing, the Industrial Agency shall provide this Authority with satisfactory evidence on behalf of said Company and its affiliates, that all taxes and other monies due and owing to the Commonwealth of Pennsylvania are paid current as of the closing date, unless any of said taxes or other payments are being contested, in which case this Authority will require that funds be escrowed to pay said taxes or other payments in the event of any adverse decision.



## EXHIBIT "A"

### NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the contract, Contractor agrees as follows:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
3. Contractors and subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. Contractors shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relate.
5. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to their books, records, and accounts by the contracting agency and the Bureau of Contract Administration and Business Development, for purposes of investigation, to ascertain compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, the Contractor or subcontractor shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Contract Administration and Business Development.
6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.
7. The Commonwealth may cancel or terminate the contract, and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

OTHER LOAN MATTERS:

**A.) SPECIAL REQUESTS – BOARD ACTION REQUIRED**

The Board was presented with the following special requests which the Board unanimously approved unless otherwise indicated below. B. Michael Schaul abstained from voting on #203

#203	Centre County Industrial Development Corporation Industrial Park (Centre County)	Closed 5-27-10 \$2,000,000 Bal. \$1,004,780
------	--	---

Request: Waive the accrued and deferred interest on the outstanding PIDA industrial park loan, which totals approximately \$270,000 through December 31, 2013.

Staff Recommendation: The PIDA loan for this project (The Benner Commerce Park) has been reduced from its original amount of \$2,000,000 to a principal balance of \$1,004,780. PIDA agreed to capitalize \$196,280 of accrued interest, which was due on August 1, 2012. PIDA further agreed to defer and accrue interest only payments required from August 1, 2012 through September 1, 2013. The IDC has not paid interest on the loan through December 1, 2013. The total interest now due is approximately \$270,000.

PIDA holds a shared first mortgage on the remaining 135.7 usable acres in the project, sharing the first lien with a bank mortgage, with a current balance of \$568,320. The IDC has an agreement to sell approximately 87 acres to an investment group for \$2,710,000 and also has a tentative agreement to sell an additional 37 acres to the local YMCA for \$300,000. The proceeds from these land sales will be sufficient to repay the entire bank loan balance, the total principal balance on the PIDA loan and pay off a PIB loan of \$361,000 and a PennWorks loan of \$631,628. Following payment of these obligations, funds will be available to repay the accrued interest on the PIDA loan as well as provide approximately \$148,000 in excess funds to the IDC. Due to the struggling budget and cash flow issues the Chamber and the IDC are facing, forgiveness of the \$270,000 in interest is being requested so that these funds can be used for additional operating cash.

The PIDA staff recommends a compromise to the IDC's request, which includes capitalizing all deferred and accrued interest on the PIDA loan, totaling \$270,000, through December 31, 2013 and suspending payment without accruing or compounding interest on that amount, until two remaining parcels (lots 9 and 10 containing eleven acres) are subsequently sold. Payment of the suspended amount would be due upon the sale of the two lots or December 31, 2018, whichever comes first. This compromise would allow the IDC some cash flow relief without forgiving the interest obligation on the industrial park loan and will allow the IDC to restructure its operation and budget. This recommendation is subject to the following condition:

The entire principal balance on the PIDA loan must be satisfied at the time of the pending land sale, which is expected to be finalized in the next several months.

#8796	Bucks County Economic Development Corporation DVL Group, Inc. (Bucks County)	Closed 6-10-03 \$1,320,000 Bal. \$475,801
-------	--	---

Request: Consent to an increase in the existing M&T Bank first mortgage, from \$1,015,440 to \$1,500,000, with the additional funds being used to complete improvements to the PIDA project site.

Staff Recommendation: The bank mortgage has been paid down from an original amount of \$1,650,000 and the PIDA loan has been paid down substantially to \$475,801. The company had an ESOP leveraged buyout in 2011. At that time PIDA required that the selling owners, who also own the PIDA project, present a 50% bank letter of credit as additional security for their guarantee of the PIDA loan, due to the severe leveraging of the company's balance sheet at that time.

Company financial statements as of December 31, 2012, reflect a highly leveraged financial position but also showed a substantial improvement in operating performance and cash flow. The company had a negative tangible equity of (\$7,439,919). However, the company's income statement showed a significant increase in sales, from \$39.2 million in 2011 to \$50.0 million in 2012. Net income improved from \$50,000 in 2011 to \$2,883,662 in 2012. An internal interim operating statement through October 31, 2013 reflected a continual upward trend in sales of \$42.7 million with a net income of \$3.0 million. The company cash flow based on these results is more than adequate to support the company's debt service. The new mortgage debt service will not result in an increase over the existing mortgage debt service because the existing balance of \$1,015,440 is being extended for a new fifteen (15) year amortization period, with a five (5) year maturity. The PIDA loan will be fully satisfied in slightly under five (5) years.

Based on the above factors and considering that the PIDA loan is also secured by a 50% bank letter of credit and the balance of the PIDA loan subordinate to the new Bank first mortgage will represent a 52% loan to value, the PIDA staff recommends approval of the subordination of the existing PIDA balance to an increase in the M&T Bank first mortgage from \$1,015,440 to \$1,500,000.

#8891 Montgomery County Industrial Development Corporation Closed 4-11-06  
Multi Occupancy Building \$807,811  
(Montgomery County) Bal. \$467,018

Request: Release the guarantee of Beth Fuhr, due to a recent divorce.

Staff Recommendation: The PIDA second mortgage has a current balance of \$467,018 and the bank first mortgage has a current balance of \$628,919. A recent appraisal of the PIDA project property reflects a current fair market value of \$2,125,000. The combined loan to value for the bank and PIDA mortgages is 52%. The two tenants currently in the building have leases that mature in one year. The PIDA loan has in excess of nine years remaining on its amortization.

An updated personal statement of the proposed remaining guarantor, John Fuhr, shows a revised personal net worth of \$3,759,000, as of November 23, 2013. In light of the reduction in significant personal equity that will occur upon the removal of Beth Fuhr's personal guarantee and the short term leases of the two existing tenants in the project site, the PIDA staff recommends approval for the release of the personal guarantee of Mary Fuhr, subject to the following condition:

Subject to the pledge of \$100,000 in marketable securities as additional security for the remaining personal guarantee of John Fuhr. PIDA shall agree to release these pledged securities upon receipt of evidence of the extension of existing leases for this PIDA multi-occupancy building or execution of new lease (or leases) with third parties, that have terms of not less than five years and which provide annual rental revenue sufficient to support both the Bank and PIDA debt service on this project.

#9444 Capital Region Economic Development Corporation AA 6-1-11  
Tex Visions LLC \$2,000,000  
(Cumberland County)

Request: Waive the requirement of a \$750,000 bank letter of credit as additional security for the \$2,000,000 PIDA loan prior to closing.

Staff Recommendation: When the PIDA loan was approved in June of 2011, the automatic release provision required a future year end CPA reviewed financial statement to reflect a tangible total equity of not less than \$2,500,000, a combined debt to tangible equity ratio of not more than 3.0 to 1 and a debt service coverage ratio of not less than 1.2 to 1. CPA reviewed financial statements for December 31, 2012, show the company has met the proposed thresholds for release of the letter of credit requirement, prior to the loan closing. The PIDA staff recommends approval of waiving the requirement of a \$750,000 bank letter of credit as additional collateral for this PIDA loan.

#9500 Franklin County Area Development Corporation  
Gate 7, LLC  
(Franklin County)

AA 12-5-12  
\$637,500

Request: Approve the elimination of the Susquehanna Bank first mortgage, elevating PIDA to a first mortgage position and the elimination of required additional collateral in the form of a letter of credit or marketable securities.

Staff Recommendation: Compiled company financial statements dated December 31, 2012 show revised equity of \$608,226. The company earned a net profit of \$127,958 after income taxes on sales of \$1,891,000 for 2012. The total debt service of the company will be approximately \$63,200. Cash flow before debt service for 2012 was \$204,000. In light of the satisfactory operations of the company, adequate demonstrated cash flow and PIDA being elevated to a sole first mortgage position, the PIDA staff recommends eliminating the requirement of additional collateral in the form of a one half bank letter of credit for this PIDA loan. This recommendation is subject to the PIDA loan of \$637,500 having a sole first mortgage on the PIDA project site.

**B.) SPECIAL REQUESTS – STAFF APPROVED**

The following special requests have been approved by staff under authority delegated by the Board.

#8853	Greater Berks Development Fund Sweet Street Desserts, Inc. (Berks County)	Closed 7-13-04 \$1,750,000 Bal. \$757,132
-------	---	---

Staff Action: Consented to the termination of the Installment Sale Agreement between Greater Berks Development Fund and Sweet Street Desserts, Inc. and conveyance of the property to the Industrial Occupant subject to the PIDA mortgage.

#8918	Bucks County Economic Development Corporation PAC Industries, Inc. (Bucks County)	Closed 7-21-05 \$304,079 Bal. \$152,079
-------	---	---

Staff Action: Consented to the merger of the Beneficial Owner of the project, PAC Industries, a Pennsylvania general partnership, into PAC Industries Partners, LLC, a new limited liability company. The personal guarantees of the individual partners remain intact and unchanged.

#9444	Capital Region Economic Development Corporation Tex Visions LLC (Cumberland County)	AA 6-1-11 \$2,000,000
-------	---	--------------------------

Staff Action: Approved an extension of the PIDA loan closing deadline until March 1, 2014.

#9454	Bucks County Economic Development Corporation Refrigeration Design & Service, Inc. (Bucks County)	Closed 12-17-13 \$1,740,000 Bal. \$1,740,000
-------	---	--

Staff Action: Consented to the placement of a \$415,000 subordinate mortgage on the project in favor of Citizen's Bank, which will secure reimbursement obligations relating to the letter of credit being given to PIDA.

#9462 Northampton County New Jobs Corp. AA 11-2-11  
Ecopax, LLC \$1,155,000  
(Northampton County)

Staff Action: Approved an extension of the PIDA loan closing deadline until January 31, 2014.

#9471 North Central Enterprise, Inc. AA 3-7-12  
Arete QIS, LLC \$270,000  
(Elk County)

Staff Action: Approved an extension of the PIDA loan closing deadline until March 31, 2014.

#9556 York County Economic Development Corporation AA 12-4-13  
Pet Food Experts, Inc. \$2,000,000  
(Lancaster County)

Staff Action: Approved an extension to the deadline for accepting the PIDA commitment until February 4, 2014.

C.) SPECIAL REQUESTS – LOAN DECREASES

None.

D.) SPECIAL REQUESTS – LOAN RESCISSIONS

None.



NEW BUSINESS

None.

There being no further business to bring before the Members at this time, the meeting was on motion duly adjourned at 10:26 a.m.

---

Assistant Secretary