

Pennsylvania Economic Development Financing Authority
March 17, 2010

A meeting of the Pennsylvania Development Financing Authority (PEDFA) was held on March 17, 2010 after proper notice was given pursuant to the terms of the Act of July 3, 1986 (The "Sunshine Act"). The meeting was held in PUC Hearing Room #5, Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania at 11:00 a.m.

The following Board Members were present: the Honorable Dorothy Kaplan; Kevin Pyle for the Honorable Steven Kaplan; Patrick Beaty for the Honorable Sandi Vito; Jared Grissinger for the Honorable Russell Redding; Cathy Washburn for the Honorable Jane Earll; and David Washburn.

The following Board Members were present by telephone: Herb Vederman; George Komelasky; Timothy Johnson; Nicholas Haden; William Brucker; and Helen Billak.

The following PEDFA staff members were present: Carol Longwell, Esq., Office of Chief Counsel; Craig Petrasic, Center for Private Financing; Brian Deamer, Center for Private Financing; and Melanie Clark, Center for Private Financing.

Ms. Kaplan called the meeting to order at 11:00 a.m.

It was moved by Mr. Beaty and seconded by Mr. Grissinger that the Board approve the Minutes of the January 20, 2010 Board Meeting. The motion carried unanimously.

MOOSIC REALTY PARTNERS, LP – PROJECT SUMMARY

Mr. Petrasic stated, "The beneficial owner of the first project is Moosic Realty Partners, LP. This is located in the Borough of Moosic in Lackawanna County.

Signature Building Systems, Incorporated ("SBSI") was incorporated in 1992 and is a manufacturer of custom-built modular homes. In July of 2000 SBSI entered into an agreement with Moosic Realty Partners, LP to lease a new production facility and offices built on a 17.7 acre parcel of land in Moosic, Pennsylvania. The facility contains 81,932 square feet of manufacturing space and 7,134 square foot of office space. Currently SBSI employs 129 employees in Pennsylvania and 139 worldwide and anticipates creating an additional 38 jobs. The total sales are \$15 million dollars.

Moosic Realty Partners, LP received a PEDFA bond of \$3,000,000 for that project in 2000. A balloon payment of approximately \$1,975,000 will become due in April 2010. The loan is secured by property, a lease assignment and the guarantee of Signature Building Systems, Incorporated. The company is seeking to refinance the balance of their 2000 PEDFA bond.

The project consists of the refinancing of the balance of the company's 2000 PEDFA tax-exempt bond, as well as other project-related costs.

If approved by the Board, we would recommend a PEDFA Tax Exempt Bond Issue in an amount not to exceed \$2,000,000.

We have Amy Luyster of SLIBCO and Vic DePhillips from the company."

Ms. Luyster stated, "Thank you for having us here today. As we move forward with this project I would like to express our thanks to the PEDFA staff for their assistance."

After a brief discussion by the Board, it was decided to approve the project.

It was moved by Mr. Pyle and seconded by Mr. Haden that the Board approve the Moosic Realty Partners, LP a PEDFA Tax-Exempt Bond Issue in an amount not to exceed \$2,000,000. The motion was approved unanimously.

HAWLEY SILK MILL, LLC – PROJECT SUMMARY

Mr. Petrasic stated, "the second project is Hawley Silk Mill, LLC. Its sponsor is the Wayne Economic Development Corporation. The project is located in the Borough of Hawley, Wayne County.

Hawley Silk Mill, LLC was organized in 2009 in order to acquire, develop and lease the Hawley Silk Mill property. The Hawley Silk Mill building, built in 1881, totals 60,000 square feet and is the only building of its kind in the world. It was built as a throwing mill to manufacture silk thread from cocoons, and is constructed entirely of native Pennsylvania Bluestone.

The project consists of renovating the property in order to create a workforce development and education facility, as well as a retail center. Lackawanna College will relocate and expand into 16,000 square foot top floor of the building. The second floor will provide office space, including individual office suites. A retail center will be created on the first floor. The PEDFA bond will also finance project-related costs.

If approved by the Board, we would recommend a PEDFA Taxable Bond Issue in an amount not to exceed \$5,000,000.

There is a change with the bank. The bank wrote a new commitment letter and they are providing the credit support for a \$5,000,000, which was made contingent on the fact that \$1.7 million dollars of the PEDFA money be used to pay down the existing bank loan of Dime Bank, which was provided to pay for the project costs and acquisition of this project.

Mary Beth Wood from the Wayne Economic Development Corporation, as well as Troy Bystrom, from Hawley Silk Mill, LLC are here to discuss the project.”

Ms. Wood stated, “This is our first venture in PEDFA financing and PEDFA application. I would like to thank Craig and Brian for the support they have given us throughout this project.”

After a brief discussion by the Board, it was decided to approve the project.

It was moved by Mr. Grissinger and seconded by Mr. Vederman that the Board approve Hawley Silk Mill, LLC for a PEDFA Taxable Bond Issue in an amount not to exceed \$5,000,000 and the April Pool Resolution. It was approved by the Board unanimously.

NEW BUSINESS

None

ADJOURNMENT

The Board adjourned at 11:35.