



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

September 15, 2010

The Commonwealth Financing Authority (CFA) board meeting was held on September 15, 2010. Proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held at the Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania.

In addition to the Honorable Steven Kaplan, who chaired the meeting on behalf of the Honorable Austin Burke, the following Board members were present: Barbara McNeese, Jerry Pappert, Phil Condrone, and Steven Kniley designee of the Honorable Mary Soderberg. Michael Karp participated via telephone.

DCED staff members present were: Mandy Book, Scott Dunkelberger, Brian Eckert, Theresa Elliot, Ryan Emerson, Shereé Fagan, Matthew Karnell, Lynne Ruby, and Chief Counsel Steven Fishman.

Members of the public in attendance were: David Atkinson, Lisa Taglang, Mark Mekilo, Randy Albright, Colleen DeFrank, Robert Taylor, Andrew Place, Tony Moscato, Robert Swift, David Myron, Nancy Rowe, David Brightbill, Phillip Sanchez II, Vanessa Brubaker, Katherine Jueger, Cheri Amos, and Tom Heseltine. Dave Washburn and Cathy Washburn participated via telephone.

Chairman Kaplan called the meeting to order at 10:42 a.m.

Chairman Kaplan acknowledged the presence of a quorum of the Board and welcomed the guests.

On a motion by Mr. Pappert and seconded by Ms. McNeese, the Board unanimously approved the July 7, 2010 minutes.

On a motion by Mr. Condrone and seconded by Mr. Pappert, the Board unanimously approved payment of CFA expenses in the amount of \$441,596.55.

Cheri Amos and Tom Heseltine from Clifton Gunderson made a brief presentation in regards to the FY 2009-2010 CFA Audit.

On a motion by Ms. McNeese and seconded by Mr. Condrone, the Board unanimously approved the FY 2009-2010 CFA Audit.

Mr. Dunkelberger presented the following for the Board's consideration:

Building PA Program:**Project Recommendation**

On a motion by Ms. McNees and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$1,406,250 for the East Shop – Multi Occupancy Building / Keystone Commons on behalf of Regional Industrial Development Corporation.

Local Share Account Project Recommendations:**Luzerne County Projects**

On a motion by Mr. Karp and seconded by Ms. McNees, the following Luzerne County Projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>Grant Amount</u>
Jenkins Township	Highway Improvements	\$2,400,000
Nanticoke City	LCCC Culinary Institute	\$500,000
Pittston City	Riverfront Development	\$500,000
Plains Township	East Side Landfill Project	\$1,000,000
Wilkes-Barre City	Innovation Center	\$500,000
Nanticoke City	Health Sciences Center	\$1,023,331
Forty Fort Borough	Welles St Streetscape Phase II	\$273,650
Kingston Municipality	2010 Riverfront Development and Infrastructure Improvement	\$1,561,261
Hanover Township	Hanover Township Truesdale Terrace & Witinski's Villa Sewer	\$650,000
Hazleton City	Intermodal Transit Center	\$4,800,000*
Wilkes-Barre City	Former First National Bank Building- Property Stabilization	\$680,000
Wilkes-Barre City	Hotel Sterling Site- Property Stabilization	\$290,900
Dallas Borough	Dallas Borough Master Plan Downtown Revitalization Project	\$1,336,687
Hanover Township	South Valley K-9 Partnership	\$102,000
West Pittston Borough	The Hitchner	\$500,000
Bear Creek Township and Bear Creek Village Borough	Route 115 Safety Corridor	\$275,461
Duryea Borough	2009 Local Share Grant Project	\$200,000

* \$1,050,000 in FY 2009 and \$1,250,000 in each of the three consecutive years

Alternative and Clean Energy Program:**Energy Efficiency Project**

On a motion by Ms. McNees and seconded by Mr. Pappert, the Board unanimously approved a loan in the amount of \$86,681 for the County of Blair.

Manufacturing Project

On a motion by Mr. Condrón and seconded by Mr. Pappert, the Board unanimously approved a grant in the amount of \$520,000 for Alcoil, Inc.

High Performance Building Project

Mr. Dunkelberger announced the need to defer the Delta Commerce Park Developers, LLC project for a few weeks in order to gather further information. At the request of Mr. Dunkelberger, the Board agreed to participate in a special conference call to take action on this project in a few weeks.

Research and Development Projects

On a motion by Mr. Pappert and seconded by Ms. McNees, the following Research and Development Projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>Grant Amount</u>
Y-Carbon, Inc.	Development of Y-Carbon's Alternative Energy Manufacturing	\$67,190
Illuminex Corporation	Development of NanoStructured Lithium Ion Battery Anodes	\$63,976

Energy Generation Projects

On a motion by Mr. Pappert and seconded by Ms. McNees, the following Energy Generation Projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>Loan Amount</u>
City of York	Micro-turbine Co-generation System Project	\$1,500,000
Kurt Weiss Greenhouses of Pennsylvania, Inc.	Renewable Energy Biomass Boiler Project	\$959,500
Evangelical Community Hospital	Evangelical Community Hospital Biomass Boiler	\$800,000

Renewable Energy Projects:**Wind Energy Generation Project**

On a motion by Ms. McNees and seconded by Mr. Pappert, the Board unanimously approved a grant in the amount of \$100,000 for Hillandale Farms East, Inc.

Geothermal Energy Projects

On a motion by Ms. McNees and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$10,478 for Joseph and Marilyn Ging.

Tax Increment Financing Guarantee Program:

On a motion by Mr. Pappert and seconded by Mr. Condrón, the Board unanimously approved a guarantee in the amount not to exceed \$3,500,000 for Chester County Industrial Development Authority.

Ratifications:

On a motion by Ms. McNees and seconded by Mr. Pappert, the following special requests and First Industries loans and loan guarantees were ratified:

First Industries

First Industries Loan Guarantee

<u>Applicant</u>	<u>Project</u>	<u>Loan Guarantee</u>
AgChoice Farm Credit ACA	Mervin S. and Arlene M. Martin	\$450,000
AgChoice Farm Credit ACA	Brent M. and Rachel A. King	\$123,200

Machinery & Equipment Loan Fund

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>
Chickies Creek Farm, LLC	Chickies Creek Farm, LLC	\$418,390
C.P. Yeatman & Sons, Inc.	C.P. Yeatman & Sons, Inc.	\$358,000
Wen-Crest Farms, LLC	Wen-Crest Farms, LLC	\$302,318
FC Pennsylvania Stadium LLC	FC Pennsylvania Stadium LLC	\$500,000

Small Business First Loan

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>
EDC Finance Corporation	Robert L. & Andrea R. Brubaker Jr.	\$155,000
Lebanon Valley Economic Development Corporation	Brubaker & Kuhn, Inc.	\$200,000
Cumberland Area Economic Development Corporation	John F. Stamy and Diane B. Stamy	\$200,000
EDC Finance Corporation	Joel A. & Jaclyn L. Frey and Craig A. & Cynthia J. Frey	\$160,000
Adams County Economic Development Corporation	Zeigler Bros, Inc.	\$200,000
The Progress Fund	David Kadagishvili d/b/a Chef Dato	\$110,000
North Central PA Regional Planning & Development Commission	Patricia McDowell dba Elk Country Store	\$100,000
North Central PA Regional Planning & Development Commission	Buena Vista Ventures Inc. dba Wilcox Tannery House and Elkco Holdings LLC	\$60,000

Special Requests

Fifteen special requests for the following entities (details attached):

<u>Applicant</u>	<u>Program</u>
Rock Solid Dairy, LLC	First Industries SBF
Center Hardwood , Inc.	First Industries SBF
Dean Hess d/b/a Country Comfort Container & Repair	First Industries SBF
PA Solar Park, LLC	Solar Energy Program
Ambler BH Development Partners, LP	Business In Our Sites
Larry R. Frederick & Sharon Frederick d/b/a Rich-Lou Farms	First Industries MELF
Johnson & Johnson Merck Consumer Pharmaceuticals	Solar Energy Program
Chester County Economic Development Council	Building PA
Wilmer S. and Kathy S. Horst	First Industries SBF
Yards Brewing Company	First Industries MELF
John K. and Norma L. Struthers	First Industries SBF
Melvin and Marylee Swisher	First Industries SBF
PIDC Industrial Development Corporation	Building PA
TreeCycle, LLC	First Industries MELF
Warrington Township	Solar Energy Program

Mr. Karp proposed a few adjustments to the special requests approval process which takes place via email before ratification at the meeting. Mr. Karp requested the Board's agreement to reply to the emails requesting approval rather than approving the special requests unless a reply is received indicating non-approval. Mr. Karp also requested to have an itemized report included in the board books to summarize each special request being voted on for ratification. After brief discussion, the Board agreed to reply to emails requesting approval within a set time frame and Mr. Dunkelberger agreed to include an itemized report in the board books.

Local Share Account Program:

On a motion by Mr. Condron and seconded by Mr. Pappert, the Board unanimously approved the Luzerne County Local Share Account Guidelines for next fiscal year as presented to the Board.

Tax Increment Financing Guarantee Payment:

On a motion by Ms. McNees and seconded by Mr. Condron, the following TIF Guarantee Payments were unanimously approved:

A TIF Guarantee Payment to M&T Investment Group in the amount of \$5,128.50 for The Painter Stadium (City of Lock Haven) TIF project.

A TIF Guarantee Payment to M&T Investment Group in the amount of \$31,246.36 for The City of Butler (West-End Revitalization Area) TIF project.

There being no further business to come before the Board, the meeting was adjourned at 11:27 a.m.

DATE: April 8, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Cathy Onyeaka, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Rock Solid Dairy, LLC
(Cumberland County)

Approved: December 10, 2007
\$200,000 (Loan)

Requested Change:

On December 10, 2007, the CFA Board approved an SBF First Industries Agriculture loan to Rock Solid Dairy, LLC to acquire a 156-acre dairy farm in Shippensburg, Cumberland County. Due to low milk prices, 2009 was a challenging year for the dairy industry. Rock Solid Dairy recorded a loss but was able to significantly increase overall milk production per cow. In order to cut costs and maximize profits, the farm is planning to prepay for this years crops so they can receive a discount and was approved for a \$100,000 operating loan through Farm Service Agency to do so. The borrower recently submitted a request for the CFA to subordinate its 2nd lien position in all business assets so that Farm Service Agency is able to secure the operating loan with a first lien position in the crops and crop inventory. The CFA will remain in a second position in all other business assets. The value of planted crops and crop inventories were not used in determining the overall value of business assets when the loan was approved, so the First Industries loan will continue to hold a 75% loan to value.

Previous Collateral:

A second mortgage on the 156-acre farm property located at 200 Ott Road, Shippensburg, Cumberland County, subject to a first mortgage in favor of F&M Trust Company in an amount not to exceed \$1,950,000.

A blanket second lien security interest in all business assets of the borrower, subject to a first lien in favor of F&M Trust Company in an amount not to exceed \$2,425,000.

Proposed Collateral:

A second mortgage on the 156-acre farm property located at 200 Ott Road, Shippensburg, Cumberland County, subject to a first mortgage in favor of F&M Trust Company in an amount not to exceed \$1,950,000.

A blanket second lien security interest in all business assets of the borrower, subject to a first lien in favor of F&M Trust Company in an amount not to exceed \$2,425,000 and subject to the specific lien in crops and crop inventory in favor of Farm Service Agency in an amount not to exceed \$100,000.

Staff Recommendation: Approval

DATE: April 12, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Cathy Onyeaka, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Center Hardwood, Inc.
Blair County

Approved: 2/9//2007
\$108,800 (Loan)

Requested Change:

On February 9, 2007, the CFA Board approved a First Industries SBF loan to Center Hardwood, Inc. to renovate and expand its current facility, purchase new equipment and finance working capital needs in Tyrone, Blair County. The company previously requested and was approved a three (3) month principal moratorium on the First Industries SBF loan, starting February 1, 2010 and ending April 30, 2010. Due to continued tight cash flow, Center Hardwood, Inc. is requesting an additional month of an interest-only payment for May 2010. The company will resume principal and interest payments on June 1, 2010.

Staff Recommendation: Approval

DATE: April 12, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Cathy Onyeaka, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

**Dean Hess d/b/a
Country Comfort Container & Repair
Adams County**

Approved: 05/22/2006
\$150,000 (Loan)

Requested Change:

On May 22, 2006, the CFA Board approved a First Industries SBF loan to Dean Hess d/b/a Country Comfort Container & Repair for the purchase of machinery and equipment at their sawmill in Biglerville, Adams County. The borrower has the opportunity to sell three (3) acres of his land to neighbors as lot additions. The proceeds will be used to pay for some past due payments, including an over due line of credit, and install a new roof on the property located at 1310 Quaker Valley Road, Biglerville, Adams County. The borrower will also pay \$3,800 in past due interest and \$3,000 in principle on the First Industries SBF loan. The borrower is requesting the release of the mortgage against the three (3) acres to be sold located at 1310 Quaker Valley Road, Biglerville, Adams County.

Staff Recommendation: Approval

DATE: May 5, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Lynne O. Ruby, Director
Grants Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

PA Solar Park, LLC
(Carbon County)

Approved: July 14, 2009
\$5,500,000 (Grant)

Requested Change:

On July 14, 2009, the CFA Board approved a Solar Energy Program grant to PA Solar Park, LLC for engineering, site preparation and the purchase and installation of solar PV panels associated with the development of the PA Solar Park Nesquehoning, a 10 MW solar photovoltaic facility located in Nesquehoning Borough, Carbon County. The grant commitment letter contains a condition that rescinds the grant and requires the funds to be returned if PA Solar Park, LLC, subsequent to CFA approval, enters into a long-term Solar Renewable Energy Credit (SREC) contract of at least 10 years or longer. This grant condition presents a significant hurdle to securing adequate project financing to build PA Solar Park. PA Solar Park, LLC has substantiated the need for a long-term SREC contract in addition to the CFA grant to make the project successful and is requesting that this grant condition be waived, allowing them to enter into a long-term SREC contract of 10 years for their utility-scale solar facility.

Staff Recommendation: Approval

DATE: June 28, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Brian D. Eckert
Director, Site Development Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Ambler BH Development Partners, LP
Keasbey & Mattison Boiler House Rehab. Project
Montgomery County

Approved: January 25, 2006
\$1,250,000 (Loan)
\$900,000 (Grant)

Requested Change: On January 25, 2006, the CFA Board approved a \$1,250,000 BOS loan to Ambler BH Development Partners, LP in conjunction with a \$1,250,000 BOS grant to BVK, Inc. The BOS funds will be used to assist with the remediation and rehabilitation costs associated with the Keasbey & Mattison Boiler House for a 36,553 sq. ft. Class A office building in Ambler Borough, Montgomery County. The loan is secured by a second mortgage lien behind \$5,500,000 first mortgage in favor of Harleysville National Bank on the tract of land consisting of 43,860 sq. ft. Ambler BH Development Partners, LP is requesting that the CFA make the following modifications to the BOS loan and grant:

- Assignment of BOS grant to Redevelopment Authority of Montgomery County.
- BOS loan to be subordinate only to \$2,200,000 in favor of a yet to be named financial institution.
- CFA to waive the requirement for the overall plan of financing to be in place at closing of the BOS loan.
- John J. Zaharchuk, Principal of Summit Realty Advisors, LLC, will personally guarantee acquiring the remainder \$2,200,000 in project financing.
- BOS loan to share a 2nd mortgage position with \$3,500,000 from HUD 108.

Collateral Value: 36,553 sq. ft. office building, as completed \$7,500,000

Staff Recommendation: Staff recommends approval of the above request.

DATE: June 28, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Kevin Rowland, Director
Machinery and Equipment Loan Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

**Larry R. Frederick & Sharon Frederick dba Rich-Lou Farms
MELF F.I. (AG) #333050041**

Approved: 09/14/06

Background:

On September 14, 2006 the Commonwealth Financing Authority approved a \$290,000 MELF First Industries loan for Larry R. Frederick & Sharon Frederick dba Rich-Lou Farms. The term of the loan was for 7 years.

Request:

The company is requesting:

- A) Interest only payments for 12 months
- B) Extend the loan maturity for a period of 7 to 10 years.

Justification:

2009 was the worst dairy year on record with milk prices falling drastically due to world economic and U.S. export problems. As a result, the company experienced a loss of \$14,000 for 2009. Since the loan was approved in September of 2006, the company's tangible net worth has dropped from \$2 million to \$1.4 million. Their cash flow has also decreased from \$250,000 to \$114,000 over that same period.

Recommendation:

Due to the deteriorating financial condition of the company, staff recommends that the Authority grant a moratorium on principal payments for a period of 12 months beginning with the July 01, 2010 payment.

However, staff recommends the Authority reject the request to extend the maturity by an additional 7 to 10 years. Future consideration would be given to the maturity extension based on the company's financial position going forward.

DATE: June 28, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Lynne O. Ruby, Director
Grants Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Johnson & Johnson Merck Consumer Pharmaceuticals **Approved: November 10, 2009**
(Lancaster County) **\$876,000 (Grant)**

Requested Change: A Solar Energy Program grant to Johnson & Johnson Merck Consumer Pharmaceuticals (J&J MCP) was approved for the purchase and installation of a 619.76 kW rooftop solar photovoltaic power system on their manufacturing facility located at 1838 Colonial Village Lane, Lancaster, PA. J&J MCP is requesting the grantee be changed to McNeil Consumer Healthcare, a sister company owned by Johnson & Johnson. In addition, J&J MCP is requesting the project site location be changed from 1838 Colonial Village Lane in Lancaster, PA to 400 W. Lincoln Ave in Lititz, PA. The new location is another manufacturing facility with 490 employees. The proposed system would increase from 619.76 kW to 622.2 kW.

Staff Recommendation: Approval

DATE: June 24, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director
FROM: Brian Eckert
Director, Site Development Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

Chester County Economic Development Council
Uptown Worthington

Approved: 12/9/2008
Approved Amount: \$20,000,000

Requested Change:

On December 9, 2008, the CFA Board approved a Chester County Economic Development Council (CCEDC) Building PA project application for Uptown Worthington in the amount of \$20,000,000. At that time, the project outlined a financing strategy whereby the developer would separately finance five projects within the Uptown Worthington development. The project financed by the Building PA funding is the combination of one office building (M-6/R-6) and three retail buildings (R-2, R-3, R-9) which total 368,093 sq. ft. This project does not include the office building, C-10. The original commitment required evidence for all other sources of financing by June 17, 2009 and an approved amendment extended that requirement to June 15, 2010. CCEDC is requesting a 120 day extension of this requirement to October 13, 2010.

Collateral Value: \$149,000,000

Staff Recommendation: Approval of extension to provide evidence of all other funding sources by October 13, 2010.

DATE: June 28, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Cathy Onyeaka, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Wilmer S. and Kathy S. Horst
Snyder County

Approved: 3/31/2009
\$200,000 (Loan)

Requested Change: On March 31, 2009, the CFA Board approved a First Industries SBF loan to Wilmer S. and Kathy S. Horst for the construction of a layer house in Mount Pleasant Mills, Snyder County. The Horsts plan to construct a second layer house on their 93-acre farm and have secured a new loan from AgChoice Farm Credit. They are requesting that the First Industries SBF loan share the third mortgage position with the new loan from AgChoice Farm Credit. The new loan to value actually improves to 74% due to the increased appraised value of the farm.

Previous Collateral: A third mortgage on the real estate located 3631 Pine Swamp Road, Mount Pleasant Mills, Snyder County, Pennsylvania, subject to a first and second mortgage in favor of AgChoice Farm Credit in an aggregate amount not to exceed \$435,000.

Proposed Collateral: A third mortgage on the real estate located 3631 Pine Swamp Road, Mount Pleasant Mills, Snyder County, Pennsylvania, shared pro rata with AgChoice Farm Credit in an amount not to exceed \$292,000, subject to a first and second mortgage in favor of AgChoice Farm Credit in an aggregate amount not to exceed \$435,000.

Staff Recommendation: Approval

DATE: June 28, 2010
SUBJECT: Special Request
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Kevin M. Rowland
Director – Loans Division

SPECIAL REQUEST

Yards Brewing Company Approved: 4/8/2008
MELF First Industries Agriculture #333-050090 \$772,000 (Loan)
(Philadelphia County)

Requested Change: First Industries MELF funds were used to purchase and install additional equipment necessary to increase brewing capacity. The applicant is now requesting that F. I. MELF consent to a reorganization which includes a change in ownership, name, and structure. The company is also refinancing existing debt and has asked MELF to subordinate to \$525,000 in additional senior debt. The restructuring will result in an additional equity injection of \$1,700,000.

Collateral: The collateral to secure this F. I. MELF loan includes the following: 1) second lien on the machinery and equipment purchased subordinate to the \$375,000 first lien of Eagle National Bank; 2) the personal guaranty of Thomas L. Kehoe, Jr. secured by a fourth lien on real property located at 623 Grove Street, Haddonfield NJ; and 3) loans from shareholders shall be subordinated to F. I. MELF in the event of default of the F. I. MELF loan.

Proposed:

It is proposed that F. I. MELF approve the following:

1) A change in ownership and structure

<u>from</u>		<u>to</u>	
<u>Yards Brewing Company</u>		<u>Yards LLC</u>	
Thomas L. Kehoe, Jr.	80.0%	5.6% <u>Yards Brewing Company</u>	
Jeffrey J. Kehoe	4.8%	Thomas L. Kehoe, Jr.	80.0%
Daniel & Catherine LaGrua	3.1%	Jeffrey J. Kehoe	4.8%
Thomas A. LaGrua	6.1%	Daniel & Catherine LaGrua	3.1%
James C. LaGrua	3.1%	Thomas A. LaGrua	6.1%
5 other individuals totaling	<u>2.9%</u>	James C. LaGrua	3.1%
	100 %	5 other individuals totaling	<u>2.9%</u>
			100 %
		94.4% Thomas Kehoe and	
		<u>Blue Earth Group. LLC</u>	
		100%	

2) Replacing the existing liens in favor of Eagle National Bank with a new first lien in favor of Firsttrust Bank in the amount of \$900,000 including a term loan in the amount of \$800,000 and a line of credit in the amount of \$100,000

This approval is subject to the following conditions:

1) F. I. MELF will be secured by a) A second lien on all company assets including but not limited to accounts receivable, inventories, existing and future equipment, furniture and fixtures and all intangibles; b) the guaranty of Thomas Kehoe Jr.; c) the subordinate lien on the Haddonfield real estate; and d) loans from shareholders shall be subordinated to F. I. MELF in the event of default of the F. I. MELF loan.

2) The F. I. MELF shall immediately receive payment in an amount sufficient to bring the loan current.

3) Receipt of evidence from an independent CPA that the \$1,700,000 cash injection has occurred.

Staff Recommendation: Approval

DATE: July 23, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Acting Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

John K. & Norma L. Struthers
Mercer County

Approved: 12/18/2007
\$200,000 (Loan)

Requested Change: On December 18, 2007, the CFA Board approved a First Industries Agriculture SBF loan to John K. and Norma L. Struthers for the purchase of a 184-acre farm in Fredonia, Mercer County. The Struthers request permission to sell a mobile home/trailer for \$27,000 and use the proceeds to pay down their loan with AgChoice Farm Credit. The trailer is part of the real estate located at 1666 District Road, Fredonia, Mercer County, Pennsylvania, which is used to secure the First Industries SBF loan. The borrowers will pay down the AgChoice Farm Credit loan so that the First Industries SBF loan is behind AgChoice for a lesser amount. The new loan to value improves from 79% to 76%.

Previous Collateral: A second mortgage on the real estate to be purchased and to be located at 1666 District Road, Fredonia, Mercer County, Pennsylvania, subject to a first mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$335,000.

A second mortgage on the real estate located at 347 Turner Station Road, Mercer, Mercer County, Pennsylvania, subject to a first mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$335,000.

Proposed Collateral: No change.

Staff Recommendation: Approval

DATE: July 23, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Acting Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Melvin and Marylee Swisher
Snyder County

Approved: 10/10/2008
\$200,000 (Loan)

Requested Change: On October 10, 2008, the CFA Board approved a First Industries Agriculture SBF loan to Melvin and Marylee Swisher for the construction of a swine finishing barn in Unityville, Lycoming County. The Swishers are requesting a subordination of the First Industries SBF loan mortgage position to a new loan from Muncy Bank & Trust Company in the amount of \$600,000 to refinance all of their existing debt with AgChoice Farm Credit along with some other unsecured debts and working capital. The First Industries SBF loan would move from a third to a second mortgage position on the real estate. The new loan to value would increase from 76% to 78% if approved.

Previous Collateral: A third mortgage on the real estate located at 5742 Moreland Baptist Road, Unityville, Lycoming County, Pennsylvania, subject to a first mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$175,000, and a second mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$240,000.

Proposed Collateral: A second mortgage on the real estate located at 5742 Moreland Baptist Road, Unityville, Lycoming County, Pennsylvania, subject to a first mortgage in favor of Muncy Bank & Trust Company in an amount not to exceed \$600,000.

Staff Recommendation: Approval

DATE: July 20, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Brian Eckert
Director, Site Development Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

PIDC Industrial Development Corporation

Approved: 07/07/2010
Campus Realty Partners-V L.P.
Homewood Suites Extended Stay
Approved Amount: \$2,000,000

Requested Change: On July 7, 2010, the CFA Board approved a Building PA loan to PIDC Industrial Development Corporation (PIDC) on behalf of Campus Realty Partners-V L.P for the construction of an 110,000 sq. ft. Hilton “Homewood Suites” extended-stay hotel located at 4109 Walnut Street in the University City District of Philadelphia. The project was submitted and reviewed with a Building PA interest rate equal to that of the senior financing. The Beneficial Bank loan rate is based on the 7-year Federal Home Loan Bank of Pittsburgh rate plus 275 which was assumed to be 8%. Campus Realty Partners-V L.P. is getting ready to close on their financing and the current rate on their senior financing would be 5.2%. Campus Realty Partners-V L.P is requesting an adjustment of the Building PA rate to be equal to the senior loan at the time of closing.

Staff Recommendation: Approval

DATE: July 28, 2010

SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority

FROM: Kevin Rowland, Director
Machinery and Equipment Loan Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Re: TreeCycle, LLC
MELF F.I. (AG) #333050110

Requested Change:

The Commonwealth Financing Authority approved a MELF First Industries Agriculture loan for TreeCycle, LLC in the amount of \$625,000. The company has requested that we allow them to pay interest only for the term of 6 months for the period June 1, 2010 through December 1, 2010.

We are recommending approval subject to:

- 1) Evidence that the USDA has consented to the seven month deferment of principal on the Farm Credit East, ACA equipment loan with a balance of approximately \$4.8 million.
- 2) Evidence of the additional equity investment of \$1,000,000 in TreeCycle, LLC subsequent to April 30, 2010 has been made.
- 3) Payment of \$6,035.05 on July 1, August 1, September 1, and October 1 representing one full principal and interest payment of \$6,035.05 per month to bring the MELF F.I. (AG) loan current up to May 1, 2010.

So long as the Company makes the above payments in a timely manner, MELF F.I. (AG) shall waive all penalty charges on the delinquent MELF amounts. Interest only payments for June 1, July 1, August 1, September 1, October 1, and November 1 will be due on November 1st, 2010.

All remaining terms and conditions set forth in the loan documents remain in full force and effect.

Staff Recommendation: Approval

DATE: July 28, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Lynne Ruby
Director, Grants Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

Warrington Township

Approved: 11/10/2009
Approved Amount: \$278,240
Revised Amount: \$153,768

Requested Change: On November 10, 2009, the CFA Board approved a grant from the Solar Energy Program to Warrington Township to assist in funding the purchase of a 148 kW solar photovoltaic energy system to be installed on the Tradesville Station wastewater treatment plant at 3430 Pickertown Road, Warrington Township. Since approval in November of 2009, Warrington Township has decided to change the system technology, system size, and site location for the project. The new project will be the installation of a 103.2 kW canopy-mounted photovoltaic system at the township-owned Mary Barnes Tennis and Swim Club located at 2501 Freedoms Way. Due to the modifications, another competitive analysis was done. In order to keep the project at the same score at which it was originally approved, the grant amount needs to be lowered to \$153,768. Therefore, Warrington Township is requesting approval from the CFA to proceed with the project as revised.

Staff Recommendation: Approval of an amendment to originally approved funding request.