

Pennsylvania Economic Development Financing Authority

April 17, 2013

A meeting of the Pennsylvania Economic Development Financing Authority (PEDFA) was held on April 17, 2013 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: Stephen Drizos, for the Honorable C. Alan Walker; Gwenn Dando, for the Honorable Julia Hearthway; and Richard Harper.

The following Board Members present via telephone: Honorable Glenn Moyer; George Komelasky; Robert Kane; Nicholas Haden; Fred Rinaldi; Timothy Johnson; Thomas Petrone; and Ronald Brown.

The following DCED 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.

Mr. Drizos called the meeting to order at 11:00 a.m.

Mr. Drizos stated, "I would like to welcome Ron Brown. He is a new board member. He is from Pittsburgh. We are very pleased to have him involved. Ron's background has been in the municipal bond area. He is an attorney. Welcome aboard and we look forward to working with you."

Mr. Brown stated, "Thank you. I look forward to working with you and everyone else as well."

It was moved by Mr. Harper and seconded by Mr. Petrone that the Board approve the Minutes of the October 24, 2012. The motion carried.

CFDC, LLC

Mr. Petrasic stated, "The request before the Board is a note modification for CFDC, LLC. On December 10, 2008, the Board approved a PEDFA Tax Exempt Note in an amount not to exceed \$8,400,000 to fund the construction of an approximately 67,000 square foot AC drive manufacturing facility on approximately 11.74 acres in the Chambers-5 Business Park, Chambersburg, Franklin County, Pennsylvania. The initial fixed rate was 4.78%. Farmers and Merchants Trust Company of Chambersburg has agreed to lower the fixed rate. PEDFA, the Borrower, and the Bank will execute a Note Modification Agreement to change the fixed rate. Effective May 31, 2013, the rate thereafter shall be fixed at 2.97% per annum through the tenth anniversary of the date hereof. Thereafter, the interest rate shall be re-set to a floating interest rate equal to the "Prime Rate" adjusted to a tax equivalent yield by the Bank.

Dave Twaddell from Rhodes and Sinon, which acted as note counsel is here if there are any questions.”

Mr. Harper asked, “What is the maturity on this note?”

Mr. Twaddell stated, “It is a 20 year loan. It was 2008 and we are five years into it. At first the rate was fixed for 10 years of the 20 year amortization and we are five years into it. It will be fixed for another five years to the end of the 10th year and then it will go to the floating rate. Assuming that this transaction is completed this morning it will save the company \$6,300 a month for that five year period. There is no cap.”

CFDC, LLC RESOLUTION

Mr. Drizos stated, “I assume everyone has had an opportunity to read the Resolution.”

It was moved by Mr. Petrone and seconded by Mr. Haden that the Board approve the CFDC, LLC Resolution. Motion carried.

ADJOURNMENT

It was moved by Mr. Kane and seconded by Mr. Komelasky that the Board adjourn.