



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

September 9, 2015

The Commonwealth Financing Authority (CFA) board meeting was held on September 9, 2015. 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 #1, on the second floor of the Commonwealth Keystone Building located at 400 North Street in Harrisburg, Pennsylvania.

In addition to Chairman Davin, the following Board members were present: the Honorable Randy Albright, the Honorable Robin L. Wiessmann, Marc Little, Austin Burke and John Verbanac. Michael Karp participated via teleconference.

CFA staff in attendance: Scott Dunkelberger, Executive Director and Arthur McNulty, Chief Counsel.

Members of the public in attendance: Mandy Book, Yesenia Bane, Jason Brehouse, Stephen Bruder, Steven D'Ettorre, John Diehl, Brian Eckert, Ryan Emerson, Matt Fine, Josh Funk, Mike Grigalonis, Danielle Guyer, Chelsea Guzowski, Laurie Henry, Nic Horting, Randy Johnston, Ron Jumper, Lyndsay Kensinger, Chris Kovoloski, Steve Kuntzelman, Matt Loper, Jared Lucas, Greg Mahon, Antoinette Marchowsky, Sarah Miller, Larry Pellegrini, Marisa Price, Andrew Ritter, Sherwood Robbins, Kevin Rowland, Peggy Schaeffer-Montgomery, Michael Shorr, Lisa Taglang, Coleen Terry, Kate Totino, Janice Vollero, and Barry Wickes.

Chairman Davin called the meeting to order at 12:01 P.M. after acknowledging a quorum of the Board.

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

On a motion by Ms. Wiessmann and seconded by Mr. Little, the Board unanimously approved the July 8, 2015 CFA Board meeting minutes and the August 14, 2015 CFA Special Board meeting minutes.

On a motion by Mr. Burke and seconded by Ms. Wiessmann, the Board unanimously approved payment of CFA expenses in the amount of \$982,088.26.

On a motion by Mr. Little and seconded by Ms. Wiessmann, the Board unanimously approved the Fiscal Year 2014-2015 Commonwealth Financing Authority Audit, as presented.

Mr. Dunkelberger briefly outlined the process that was used to select Public Financial Management, Inc. to provide financial advisory services to the Commonwealth Financing Authority.

Scott noted that there is neither a retainer, nor a monthly fee. He added that the CFA would only pay for services rendered.

On a motion by Ms. Wiessmann and seconded by Mr. Verbanac, the Board unanimously approved to engage Public Financial Management, Inc. in a four-year contract, not to exceed \$201,000 over the life of the contract.

First Industries Policy Discussion:

Mr. Dunkelberger explained to the public that the Board is currently engaged in policy discussions regarding the First Industries loan programs for Tourism and Agriculture. He added that the Board is discussing how to deploy resources. He stated there was no voting item at today's meeting.

Alternative and Clean Energy Program Recommendations:

Alternative Energy Production Project

Mr. Dunkelberger briefly outlined the request from Norfolk Southern Railway Company for a combined heat and power project.

Upon motion by Mr. Verbanac and seconded by Mr. Little, a grant in the amount of \$1,400,000 and a loan in the amount of \$315,985 to Norfolk Southern Railway Company for the Norfolk Southern Juniata Locomotive Shop CHP project located in the City of Altoona, Blair County was rejected on a vote of 6 to 1, with Mr. Karp casting the dissenting vote, as the statutory supermajority was not met.

Building PA Program Recommendations:

Strategy Amendment

Mr. Dunkelberger briefly outlined a strategy amendment request to allow Chester County Economic Development Company to include the entire state of Pennsylvania, specifically areas that are currently not served by an approved Building PA Fund Manager, in its service area portfolio.

Upon motion by Mr. Verbanac and seconded by Mr. Little, the Board unanimously voted to allow Chester County Economic Development Company to amend their Building PA strategy to service the entire State of Pennsylvania.

Project Recommendation

Mr. Dunkelberger briefly outlined a project request in the amount of \$3,192,154 from the EDC Finance Corporation on behalf of Rock Lititz, LP to construct a 252,000 square foot building on the Rock Lititz Campus.

Upon motion by Mr. Verbanac and seconded by Ms. Wiessmann, the Board unanimously approved a loan in the amount of \$3,192,154 to EDC Finance Corporation on behalf of Rock Lititz, LP for their Pod #2 at Rock Lititz project located in Lancaster County.

Additional Allocation Recommendation

Mr. Dunkelberger outlined a request from EDC Finance Corporation to allocate an additional \$10,000,000 under the Building PA program. He explained that EDC Finance Corporation has done an outstanding job of packaging loans and that staff recommends approval.

Upon motion by Ms. Wiessmann and seconded by Mr. Little, the Board unanimously approved an additional \$10,000,000 allocation to the EDC Finance Corporation to assist funding projects under the Building PA program.

TIF Guarantee Project Recommendation:

Mr. Dunkelberger briefly outlined the TIF Guarantee project. Upon motion by Mr. Little and seconded by Ms. Wiessmann, the Board unanimously approved a TIF Guarantee to the Redevelopment Authority of the County of Montgomery, not to exceed \$4,243,792, for the Seven Tower Bridge project located in Conshohocken, Montgomery County.

Act 13 Programs Project Recommendations:

Chairman Davin stated that Act 13 project recommendations would not be considered at this time.

Special Requests

Mr. Dunkelberger briefly outlined the nine special requests for consideration by the Board. Upon motion by Mr. Albright and seconded by Mr. Verbanac, the Board unanimously approved the following nine special requests with details attached:

<u>Applicant</u>	<u>Type</u>	<u>Reason</u>
City of Pittston	Luzerne County Local Share Account	Request change in scope of work
Redevelopment Authority of Allegheny County	Gaming Economic Development and Tourism Fund – Allegheny County	Request change in scope of work
Waymart Borough	Monroe County Local Share Account	Request change in scope of work
Monroe County Industrial Development Authority	Monroe County Local Share Account	Request change in scope of work
Wyoming Borough	Luzerne County Local Share Account	Request to alter grantee and change in scope of work
Charles R. and Mavis A. Bosch	First Industries Agriculture SBF	Subordination request
Mayday Gettysburg, LLC	First Industries Tourism SBF	Subordination and re-amortization request

Jason and Rhonda Saylor bda Witmer Farms	First Industries Agriculture SBF	Subordination request
Pietro Industries, Inc. and Alonzo and Alonzo, LLC	First Industries Agriculture MELF	Request to release collateral

Chairman Davin abstained from voting on the request from the Redevelopment Authority of Allegheny County due to his previous position with the organization.

There being no further business to come before the Board, upon motion by Mr. Albright and seconded by Mr. Verbanac, the meeting was adjourned at 12:15 P.M.

DATE: August 12, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
LSA Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

City of Pittston	Approved:	09/09/2014
Main Street Revitalization – Phase III		\$450,000 (Grant)
(Luzerne County)		

Requested Change: On September 9, 2014, the CFA Board approved a \$450,000 Local Share Account – Luzerne County Grant for the City of Pittston. Funds of \$2.2 million were requested for a variety of projects associated with the city’s Main Street Revitalization effort. A total of \$450,000 was awarded for Phase III and the city scaled the project back to include a portion of Phase III to include interior rehabilitation/code compliance for Penn Park, façade grants, funds to rehabilitate a park in the city with a new mural along Main Street; construction of an outdoor theater, and involvement in the neighborhood initiative. The construction of the outdoor theater, expected to cost \$175,000, is not moving forward at this time.

Additionally, the City of Pittston applied for a 2014 LSA Luzerne grant for Phase IV of the Main Street Revitalization project. A portion of that request included funds for the construction of a support structure for the Tomato Festival and a Main Street Commercial Construction or Rehab project. The \$1.8 million request received an award of \$98,848 necessitating a reduction in the planned scope of work to focus on the purchase of materials for several rehabilitation projects.

Due to a variety of issues including, but not limited to, timing, urgency, and lower than requested 2014 LSA Luzerne funds, the City of Pittston is requesting an expansion in the scope of work for the Phase III project. The expansion will be covered by funds made available as a result of the stalled theater construction and will include the Tomato Festival support structure and additional façade and/or rehabilitation work. The city is also requesting to use \$25,000 of these funds as a grant-to-loan to a local business to improve a Pittston Redevelopment Authority-owned property in order to open a clothing boutique. The repaid funds will be placed in a revolving loan fund for continued façade and rehabilitation projects in the city.

Recommendation: Approval.

DATE: August 12, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
GEDTF Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

Redevelopment Authority of Allegheny County **Approved:** 09/09/2014
Project #3 – Thorn Hill Road Intersection **\$350,000 (Grant)**
(Local Project #14-GEDF-003)

Requested Change: On September 9, 2014, the CFA Board approved a \$6,531,000 GEDTF grant to the Redevelopment Authority of Allegheny County (RAAC) which includes a \$350,000 sub-grant to Marshall Township for the Thorn Hill Road Intersection project. Funds were approved to replace a traffic signal and widen the westbound approach of Thorn Hill Road at the Commonwealth Drive/Brush Creek Road intersection to provide a right turn lane.

RAAC, on behalf of Marshall Township, is requesting a change in the scope of work to a similar turning lane installation on Brush Creek Road. At this time, the PA Turnpike Commission is working on a portion of Thorn Hill Road and the work at the original GEDTF project location can be completed more economically and timely through a contribution agreement with the Turnpike Commission.

Recommendation: Approval.

DATE: August 12, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
LSA Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

**Waymart Borough
Public Services Building Project
(Wayne County)**

**Approved: 03/20/2014
\$87,588 (Grant)**

Requested Change: On March 20, 2014, the CFA Board approved an \$87,588 Local Share Account – Monroe County Grant for Waymart Borough. Funding was a grant to construct a 300 square foot addition to the municipal building to create new office space for the borough's secretary, treasurer, and zoning officer. The grantee has indicated that the costs for the project came in under budget at \$76,779 resulting in a remaining grant balance of \$10,809.

Waymart Borough is requesting an expansion in the project scope to include the purchase and installation of furnishings for the new office space. The total estimated cost is \$13,235. The borough has committed to covering all costs beyond the available grant funds.

Recommendation: Approval.

DATE: August 20, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
LSA Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

Wyoming Borough Approved: 07/08/2015
Multi-Municipality Sanitary/Stormwater Sewer Replacement \$500,000 (Grant)
(Luzerne County)

Requested Change: On July 8, 2015, the CFA Board approved a \$500,000 Local Share Account – Luzerne County Grant for Wyoming Borough, in partnership with Exeter and West Pittston Boroughs. The boroughs requested \$2,981,511 for improvements to the existing storm water and sewer system along Wyoming Avenue across all three municipalities. In order to most effectively use the grant funds, a new multi-year strategy has been developed to address the infrastructure issues over three subsequent years with a focus starting in the most upstream community of West Pittston Borough.

Wyoming Borough, with consensus from Exeter and West Pittston Boroughs, is requesting the grantee be changed to West Pittston Borough and the scope of work be changed to address an acute sewer infrastructure issue within West Pittston that developed subsequent to the filing of the LSA application. The revised project will result in storm water and sewer system improvements along Erie and Fourth Streets and Mercer and East Pacific Avenues. The improvements will positively impact performance in the original project area along Wyoming Avenue.

Recommendation: Approval of both the change in grantee from Wyoming Borough to West Pittston Borough and the requested change in scope of work.

DATE: September 9, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Charles R. and Mavis A. Bosch
Lycoming County

Approved: 07/21/2008
\$200,000 (Loan)
\$129,000 (Principal Balance)

Requested Change:

On July 21, 2008, the CFA Board approved a First Industries Agriculture SBF loan in the amount of \$200,000, at a term of 180 months and a fixed interest rate of 3% to Charles R. and Mavis A. Bosch whose farm is located in Muncy, Lycoming County. The primary operation of the business is dairy and crop production. The First Industries (FIF) loan funds were used to construct a dairy barn, manure pit and silo on their 114-acre dairy farm. The business is current with its monthly payments.

The borrower is seeking to enter into an agreement with the Lycoming County Conservation District, to sell the development rights on the project property located at 7904 Armstrong Road, Muncy, Lycoming County, Pennsylvania. Upon executing the agreement, Charles and Mavis Bosch will receive \$114,000, which will be used to pay down their debts, including \$20,000 to pay down the FIF loan. The borrower is requesting the CFA approve the subordination of its mortgage to the Conservation Easement so the development rights can be sold.

Two appraisals have been completed on this property. The most recent “full scope” land and building appraisal on the property was completed as is on 05/30/2007, showing an appraised value of \$875,000. The borrower has been working with the Lycoming County Conservation District since 2011 to finalize the sale. A “limited scope”, land only, appraisal was completed on 6/28/2011. This appraisal showed the easement would lower the value of the land by \$1,100 per acre after the sale of the development rights. The subject farm, being 114 acres, would thus decrease in value by \$125,400. If the requested subordination is approved, the value of the land will decrease to \$749,600 bringing the LTV to 52.7%.

Sales have increased nearly 20% from \$406,646 in 2013 to \$494,283 in 2014 because of the increase in dairy and grain prices. Mavis is also employed beyond the farm operation and contributes, after taxes, \$32,200 of additional net income. The borrower has a two year historical average net income of \$3,400 from farming operations. After adding back depreciation, interest, and the off farm income of Mavis, the borrowers had \$99,117 of cash available to service their debt, which results in a debt coverage ratio of 1.5 to 1. The borrower’s most recent personal financial statement shows a total personal net worth of \$1.43 million.

Project Collateral:

A second mortgage on the real property owned by Charles R. and Mavis A. Bosch located at 7904 Armstrong Road, Muncy, Lycoming County, subject to a first mortgage in favor of Susquehanna Bank in the original filing amount of \$356,000 (current balance - \$265,800).

Staff Recommendation:

Staff recommends that the CFA approve the subordination of its mortgage to the conservation easement to be put in place by the Lycoming County Conservation District as there is adequate collateral. The borrower's balance sheet shows considerable equity and they have shown that they can cash flow their debt. Staff recommends the approval subject to \$20,000 of the proceeds being used to pay down the FIF-SBF loan.

DATE: August 18, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Mayday Gettysburg, LLC
Adams County

Approved: 7/21/2008
\$200,000 (Loan)
\$126,013 (Principal Balance)

Requested Change:

On July 21, 2008, the CFA Board approved a First Industries Tourism SBF loan in the amount of \$200,000, at a term of 180 months and a fixed interest rate of 4.0% to Mayday Gettysburg, LLC which is located in Gettysburg, Adams County. The primary operation of the business is a bed and breakfast. The First Industries (FIF) loan funds were used to purchase real estate and the business is current with its monthly payments. The borrower has been approved for a \$522,000 loan from Susquehanna Bank and is requesting the CFA to subordinate its mortgage on the project property. The new loan will be used to refinance the Susquehanna Bank loan secured by a first mortgage on the project property and to pay off credit card debt as well as seller financing on the property. The consolidation of the various debts will save the company \$1,089 per month, \$13,068 per year, which is a significant cash flow enhancement. In consideration of this request, the company is proposing to pay down the principal balance of the FIF loan by \$22,000. The company is also requesting the CFA approve the re-amortization of their existing balance over the remaining life of the loan. As a result of the subordination and principal pay down, the loan to value will be 79.6%, and based on the 2014 financials the refinance provides a debt service coverage ratio of 1.73:1.

Proposed Collateral:

A second mortgage on the real property located at 231 Hanover Street, Gettysburg, Adams County, Pennsylvania, subject to a first mortgage in favor of Susquehanna Bank in the original filing amount of \$522,000. (Appraised at \$725,000 on 5/14/15)

A first lien security interest in all business assets. (Appraised at \$61,250 on 5/14/15)

Guarantees of Michael and Marjorie Day.

Staff Recommendation:

Staff recommends that the CFA subordinate its mortgage to the new Susquehanna Bank loan of \$522,000 and re-amortize the SBF-FIF Tourism loan upon receipt of the \$22,000 principal pay down.

DATE: September 9, 2015
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Jason and Rhonda Saylor d/b/a Witmer Farms	Approved: 8/7/2006 and 02/18/2011
Loan#555050110 and Loan#555100506	\$64,800 and \$200,000 (Loan)
Perry County	\$24,432.46 and \$162,718.63(Principal Bal.)

Requested Change:

On August 7, 2006, the CFA Board approved a First Industries Agriculture SBF loan in the amount of \$64,800, at a term of 144 months and a fixed interest rate of 4% to Sidney Witmer d/b/a Witmer Farms which is located in Liverpool, Perry County. Jason and Rhonda Saylor received approval by the CFA to assume this loan in February 2011. On February 18, 2011, the CFA Board approved a second First Industries Agriculture SBF loan in the amount of \$200,000, at a term of 180 months and a fixed interest rate of 5% to Jason and Rhonda Saylor d/b/a Witmer Farms. The primary operation of the business is pullet production. The business is current with its monthly payments on both of these loans.

On August 5, 2015, the Pennsylvania Industrial Development Authority approved a \$300,000 loan to construct an additional 27,500 square foot pullet house. This loan is being matched with a Tompkins VIST Bank loan in the amount of \$300,000. The borrower is requesting the CFA subordinate its current sole first mortgage and its current third mortgage. The borrower is requesting the subordination of the sole first mortgage (Loan#555050110) to be shared with a first mortgage in favor of Tompkins VIST Bank in the filing amount of \$300,000. The borrower is also requesting the subordination of the sole third mortgage (Loan#555100506) to be shared with a third mortgage in favor of the Pennsylvania Industrial Development Authority loan in the filing amount of \$300,000.

An “as-completed” appraisal of the farm property was completed on March 27, 2015, showing an appraised value of \$2,630,000. If the requested subordinations are approved, the LTV for FIF Loan#555050110 will be 12.3% while the LTV for FIF Loan#555100506 will be 41%. The borrower has a three year historical average net earnings before tax of \$94,705 from farming operations, which provides a pro-forma debt service ratio of 1.4 to 1.

Proposed Collateral if Special Request is Approved:

The real property located at 261 State Route 235, Liverpool, PA 17045 will be secured by a shared first mortgage in favor of SEDA-COG/FIF-SBF (FIF#555050110) in the original filing amount of \$64,800 (current balance - \$24,432) to be shared pro-rata with Tompkins VIST Bank in the original filing amount of \$300,000, a second mortgage in favor of Farm Service Agency in the original filing amount of \$300,000 (current balance - \$291,100), and a shared third mortgage in favor of SEDA-COG/FIF-SBF (FIF#555100506) in the original filing amount of \$200,000 (current balance -

\$162,718) to be shared pro-rata with the Pennsylvania Industrial Development Authority in the original filing amount of \$300,000.

Staff Recommendation:

Staff recommends that the CFA subordinate its mortgage position on the respective FIF loans to shared first and third mortgages on the project real estate since there is sufficient equity in the collateral property and the borrower can satisfactorily cash flow its debts.

DATE: September 9, 2015
SUBJECT: Special Request -- CFA Board
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

**Pietro Industries, Inc. and Alonzo & Alonzo, LLC
Chester County**

Approved: 08/09/2007
\$1,650,000 (Loan)
\$862,457 (Principal Balance)

Requested Change:

On August 9, 2007, the CFA Board approved a First Industries Agriculture MELF loan in the amount of \$1,650,000, at a term of 120 months and a fixed interest rate of 4.00% to Pietro Industries, Inc., which is located in Kennett Square, Chester County. The primary operation of the business is mushroom production. The First Industries MELF (FIF-MELF) loan funds were used to purchase machinery and equipment that was installed in the company's new mushroom growing facility. The business is current with its monthly payments.

The borrower is seeking the release of a collateral first mortgage held by FIF-MELF. The collateral for the FIF-MELF loan, at the time of approval, was a sole second lien on the project machinery and equipment, a second mortgage on the project property and the personal guarantees of the principals, Peter Alonzo Jr. and Christopher Alonzo. Following the original approval of the FIF-MELF loan, a special request was approved by the CFA Board, allowing for the placement of a Bank second mortgage on the project property. This addition increased the superior mortgage balance from \$3,510,000 to \$4,330,000 and placed FIF-MELF in a third mortgage position. A condition of the special request approval was FIF-MELF taking a collateral first mortgage on the property located at 1592 Embreeville Road, Kennett Square, Chester County.

The borrower would now like to sell the collateral property and is requesting FIF-MELF release its collateral mortgage. The Bank's two mortgage balances on the project property total \$1,286,000, reduced from an original loan balance of \$4,330,000 and the Bank's machinery and equipment loan has been paid down to a balance of \$762,107, from an original balance of \$1,650,000. The FIF-MELF loan has been paid down to a balance of \$862,457, from the original balance of \$1,650,000. The borrower has pledged to make a \$70,000 prepayment on the FIF-MELF loan from proceeds of the sale of the Embreeville Road property.

A revised loan to value, based on FIF-MELF continuing to hold a third mortgage on the project property and a sole second lien on the project equipment, is 63.87%. The significant reduction of the two superior mortgages and both the Bank and FIF-MELF equipment loans allow for a satisfactory loan to value, without factoring in the collateral mortgage. Combined 2014 financial statements for Pietro Industries, Inc. and Alonzo & Alonzo, LLC show revenues of \$19.5 million and net income of \$625,000. Combined tangible net worth was \$2.9 million.

Existing Project Collateral:

A third mortgage on the real property owned by Alonzo & Alonzo, LLC, located at 524 & 530 N. Walnut Road, Kennett Square, Chester County, subject to a first and second mortgage in favor of The People's Bank of Oxford, in an amount not to exceed \$4,330,000.

A first mortgage on the real property owned by Peter Alonzo Jr., located at 1592 Embreeville Road, Kennett Square, Chester County.

A second lien security interest on the project equipment owned by Pietro Industries, Inc., subject to a first lien in favor of the People's Bank of Oxford, in an amount not to exceed \$1,650,000.

The guarantees of Peter Alonzo Jr. and Christopher Alonzo.

Proposed Collateral if Special Request is Approved:

A third mortgage on the real property owned by Alonzo & Alonzo, LLC, located at 524 & 530 N. Walnut Road, Kennett Square, Chester County, subject to a first and second mortgage in favor of The People's Bank of Oxford, in an amount not to exceed the current loan balance of \$1,286,000. (Appraised at \$2,880,000 on November 25, 2014.)

A second lien security interest on the project equipment owned by Pietro Industries, Inc., subject to a first lien in favor of the People's Bank of Oxford in an amount not to exceed the current loan balance of \$762,107. (Depreciated value of \$1,567,147)

The guarantees of Peter Alonzo Jr. and Christopher Alonzo.

Staff Recommendation:

Staff recommends that the CFA approve the release of the collateral mortgage on the property located at 1592 Embreeville Road, Kennett Square, Chester County. This recommendation is based on the satisfactory loan to value based on the revised collateral, the significant reduction in the Bank and FIF-MELF mortgage balances and the Bank and FIF-MELF equipment loan balances. The satisfactory financial performance and excellent repayment history of the borrower is also a significant consideration in recommending approval of this request.

Approval for the release of the collateral mortgage is conditioned upon \$70,000 of the proceeds from the sale of the collateral property be paid to the Commonwealth Financing Authority as a pre-payment on the FIF-MELF loan.