

QUAKERTOWN AREA INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY  
July 8, 2014

The Quakertown Area Industrial & Commercial Development Authority met on Tuesday, July 8, 2014, 5:00 p.m.

The following officers and board members were present: Chairman L. James Roberts, Secretary David Erwin, Lisa Gaier, Douglas Propst, Daniel Williams and Executive Director Scott C. McElree. (Absent were Vice Chairman Donald Rosenberger, Michael Johnson and Solicitor Charles Fonzone). James Pawlikowski of Bucks County Economic Development Corporation was also present at the meeting.

RESOLVED, That, the Minutes of May 19, 2014 be approved as written. Motion of Chairman Roberts, seconded by Board Member Erwin. A roll call vote was taken and the motion was unanimously carried.

RESOLVED, That, the following Resolution IDA 5-14, request by TELEX METALS, LLC. for a project to be located at 105 Phyllis Drive, Croydon, Bristol Township, be adopted:

RESOLUTION IDA 5-14

WHEREAS, the Quakertown Area Commercial and Industrial Development Authority (hereinafter "Authority") has been incorporated to finance industrial and commercial development projects within Bucks County, Pennsylvania (the "County") for the public purpose of creating and preserving employment opportunities within the County and of promoting the economic and general welfare of its inhabitants; and

WHEREAS, the Authority has been requested by TELEX METALS, LLC. to adopt an Inducement Resolution for a project to be located at 105 Phyllis Drive, Croydon, Bristol Township, Bucks County, Pennsylvania; and

WHEREAS, the project to be developed is for the manufacturing of metals products into innovative solutions to recover and convert secondary metal materials into value added products; and

WHEREAS, the Authority is desirous of adopting a Resolution in order to induce TELEX METALS, LLC. to proceed with the necessary development of the project;

NOW, THEREFORE, BE IT RESOLVED That:

FIRST: The Authority hereby adopts this Inducement Resolution and approves the project, subject to the filing of a completed application, and subject to changes in the Internal Revenue Tax Code that would permit the Authority to finance this type of project.

SECOND: The proposed financing in the amount of Eight Million (\$8,000,000.00) Dollars is hereby approved, subject to the changes in the Internal Revenue Tax Code to allow the financing of the project by the Authority.

Motion of Board Member Erwin, seconded by Board Member Williams. A roll call vote was taken and the motion was unanimously carried. (Absent Vice Chairman Rosenberger and Board Member Johnson).

RESOLVED, That, the following Resolution IDA 6-14, request by GELEST, INC. for an increase of funds for a project to be located at 11 East Steel Road, Falls Township, be adopted:

RESOLUTION IDA 6-14

WHEREAS, the Authority is a public instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and a body public, corporate and politic created under the Pennsylvania Economic Development Financing Law, 73 P.S. §371, *et seq.*, as amended and supplemented (the "Act"); and

WHEREAS, the Authority exists and operates for, among other things, the public purposes of alleviating unemployment, maintaining employment at a high level, eliminating and preventing blight, and creating and developing business opportunities by the construction, improvement, rehabilitation, revitalization and financing of industrial, commercial and manufacturing enterprises; and

WHEREAS, Gelest Realty, Inc., a Pennsylvania corporation, (the "Borrower"), has requested this Authority to participate in the financing of the costs of a project consisting of: (1) the construction of a facility to be known as the Pilot Plant and Manufacturing Lab (the "Facility") located on a parcel on 11 East Steel Road, Morrisville, Township of Falls, Pennsylvania and the planning, designing, construction and furnishing of improvements to such Facility, to be used by Gelest, Inc., a Pennsylvania corporation and an affiliate of Borrower, in manufacturing specialty chemical products; (2) the reimbursement or refinancing of costs and expenses previously incurred in connection with the construction of the Facility; (3) the refunding of outstanding tax exempt obligations previously issued and outstanding for the benefit of Borrower and/or Gelest, Inc.; and (4) the payment of the costs and expenses of the financing (referred to herein collectively as the "Project"); and

WHEREAS, the Borrower proposes that the Authority provide such financing from the proceeds of one or more revenue notes or series of revenue notes (the "Authority Notes") to be authorized, issued, sold and delivered by the Authority in accordance with the Act; and

WHEREAS, Wells Fargo Bank, N.A. (the "Bank") has provided to the Borrower a commitment letter providing for financing for the Project (the "Commitment"); and

WHEREAS, the Commitment contemplates that the Authority Notes will be sold to the Bank; and

WHEREAS, this Authority is willing to provide financing for the Project by issuance of the Authority Notes upon the terms and conditions set forth in the Commitment, and upon such further terms and conditions as shall be mutually acceptable to the Authority, the Borrower, the Bank; and

WHEREAS, the Act requires that this Authority obtain the approval of the Secretary of the Pennsylvania Department of Community and Economic Development (the "Department") before it sells and issues the Authority Notes, and this Authority desires to obtain such approval of the Department; and

WHEREAS, an application will be filed for state volume cap allocation so that the Authority Notes may be issued as "qualified small issue bonds" within the meaning of Section 144(a) of the Code to be sold as obligations the interest on which is excludible from the gross income of the Bank for federal income tax purposes; and

WHEREAS, Section 147(f) of the Code requires that this Authority secure approval to finance any portion of the Project on a tax-exempt basis from the applicable governmental unit, following a public hearing duly advertised and held in accordance with the requirements of Section 147(f) of the Code, as a condition precedent to the issuance of the Authority Notes as tax exempt obligations; and

WHEREAS, the Borrower has paid, or may pay, certain costs of the Project with its own funds prior to the date of issuance of the Authority Notes, and desires that the Authority reimburse it for such costs out of the proceeds of the Authority Notes, to the extent permitted under the Code, and the Authority desires to express its official intent to make such reimbursement; and

WHEREAS, after inquiry and based upon representations of the Borrower, the Authority has determined that the financing of the Project through the issuance of the Authority Notes will serve the public purposes of the Act by reducing interest costs and thus assisting in the creation and preservation of employment and providing financing for a manufacturing facility within the Commonwealth; and

WHEREAS, the Authority desires to take all action necessary to authorize the financing of costs of the Project and the issuance of the Authority Notes, subject to receiving all required approvals.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Authority, as follows:

1. The Authority's application to the Department for approval to finance the Project by issuance of the Authority Notes in the aggregate principal amount not to exceed \$8,500,000 is hereby authorized. Such application and any additions, amendments or supplements thereto shall be made in such form as shall be prescribed by the Department and shall contain such information regarding the Borrower and the Project and its financing as shall be provided by the Borrower and the Bank. The Chairman, the Vice Chairman, the Secretary and the Assistant Secretary of this Authority are each authorized to sign such application in the name of this Authority.
2. This Authority does hereby authorize and direct that a public hearing regarding the Project and the issuance of the Authority Notes be advertised and held in accordance with the requirements of the Code. Curtin & Heefner LLP, as bond counsel (hereafter, "Bond Counsel"), and the Solicitor to this Authority are hereby authorized and directed to make all necessary arrangements for the public hearing to be held and to publish the required public notice of the hearing in such form as shall be prepared or approved by counsel. The Solicitor to this Authority or its delegate is further authorized to conduct such public hearing and to make a report on such public hearing to the applicable elected representative.
3. Subject to approval to issue the Authority Notes being received from the Department as required by the Act, this Authority shall finance a portion of the costs of the Project by issuing and selling the Authority Notes and making a loan of the proceeds of sale of the Authority Notes to the Borrower, all upon such terms and conditions as are mutually satisfactory to the Authority and its Solicitor, Bond Counsel, the Borrower and the Bank. The Authority Notes shall bear interest at such rate or rates and shall have the interest payment dates, maturity date or dates, redemption provisions, tender provisions and other terms and provisions as are described in the Commitment or as shall otherwise be acceptable to the Borrower and not inconsistent with the Act.
4. Subject to the further conditions of (1) approval being received from the applicable governmental unit to issue the Authority Notes following the required public hearing, as required by Section 147(f) of the Code, (2) receipt of volume cap allocation for the Authority Notes, as required by Section 146 of the Code, and (3) appropriate representations, covenants and warranties being made by the Borrower in the Loan Documents (as defined below) to qualify the Authority Notes, and to maintain the qualification of the Authority Notes, as tax-exempt obligations under Section 103 and Section 144(a) of the Code, the Authority Notes shall be issued by the Authority as tax-exempt obligations in accordance with the Code.

5. The Authority shall enter into a note purchase agreement, loan agreement, assignment documents and such other financing agreements and security agreements with the Bank and the Borrower, all as shall be necessary or desirable to provide for the sale, issuance, and delivery of the Authority Notes and the repayment of the Authority Notes out of the amounts to be paid by or on behalf of the Borrower to this Authority, or to the Bank as assignee of the Authority, and containing such other terms, conditions, representations, warranties and financial covenants as shall be mutually agreeable among the parties (the "Loan Documents").

6. The Chairman or Vice Chairman and the Secretary or Assistant Secretary, respectively, of the Authority are authorized and directed to execute, to attest and to deliver the Authority Notes and the Loan Documents, in such forms as shall be approved by such officers after consultation with the Solicitor to this Authority and Bond Counsel, the execution and delivery of the Authority Notes and the Loan Documents by such officers to constitute conclusive evidence of their approval.

7. The obligations of this Authority in connection with the financing of the Project shall be special and limited obligations of the Authority, payable solely and exclusively from the income, revenues and the property of the Project, together with such other collateral as shall be pledged by the Borrower and its affiliates to secure the repayment of such obligations. Such obligations shall not constitute a general obligation of the Authority, a debt of the Commonwealth, or any political subdivision thereof, including the Township of Falls, and neither the Commonwealth nor any political subdivision thereof, including the Township of Falls, shall be liable thereon.

8. No recourse under or upon any obligation, covenant or agreement made with respect to the Project or the Authority Notes shall be had against any past, present or future member, officer or employee of this Authority or any successor of this Authority under any rule of law, statute or constitutional provision, it being expressly agreed and understood that all obligations relating to the Project and the Authority Notes are solely corporate obligations of this Authority and that no personal liability whatsoever shall be attached to or shall be incurred by such members, officers or employees of this Authority or any successor of this Authority or any of them by reason of any obligation, covenant or agreement relating to the Project or the Authority Notes. Furthermore, the Authority Notes and the Loan Documents shall provide that the Borrower shall indemnify this Authority and its members, officers, and employees for acts, omissions and liabilities arising from or in any manner in connection with the Project, all as shall be deemed necessary or appropriate by the Solicitor to this Authority.

9. The Borrower shall be responsible to pay, at the time of issuance of the Authority Notes, the Authority's administrative fee, the fees and expenses of the Authority's Solicitor and all costs of issuance of the Authority Notes, including printing costs, advertising costs and fees, costs and expenses of the Bank, Bond Counsel and other professionals engaged by the Authority, the Borrower or other parties to the financing.

10. The proper officers of this Authority are authorized and directed to execute and to deliver such other documents and to do such other things as may be necessary to obtain all approvals for the issuance of the Authority Notes, to qualify the Authority Notes as tax-exempt obligations, and to carry out the covenants and obligations of the Authority in the Loan Documents, including such documents and acts as may be necessary to comply with requirements of Section 103(b)(2), and the intent and purpose of this Resolution; and said officers are hereby authorized to do such other things as may be necessary or appropriate to consummate the transaction herein contemplated.

11. The Authority acknowledges that the Borrower has expended or, from time to time may expend, certain of its own funds to pay costs of the Project, including fees and expense of architects, lawyers and financial advisors, advertising costs, filing fees, printing costs, and costs of acquisition or construction, prior to the date of issuance of the Authority Notes, but with the intent that such expenditures be reimbursed out of the proceeds of the Authority Notes. The Authority hereby declares its intention to reimburse the Borrower of such Project expenditures out of proceeds of the Authority Notes to the extent permitted by Treasury Regulation Section 1.150-2, as applicable.

12. The Authority approves, ratifies and confirms all actions heretofore taken by officers and other persons on behalf of the Authority in connection with the undertakings herein contemplated to the extent not inconsistent herewith.

13. In the event any provision, section, sentence, clause or party of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Authority that such remainder shall be and shall remain in full force and effect.

14. All resolutions or parts of resolutions inconsistent herewith expressly are repealed.

15. This Resolution shall become effective immediately.

Motion of Board Member Erwin, seconded by Board Member Propst. A roll call vote was taken and the motion was unanimously carried. (Absent Vice Chairman Rosenberger and Board Member Johnson).

Chairman Roberts adjourned the meeting at 5:09 p.m.

QUAKERTOWN AREA INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY

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David Erwin, Secretary