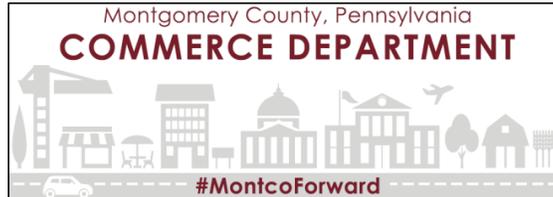


Montgomery County, Pennsylvania

MontcoForward Loan Program



Program Guidelines

July 2020

Montgomery County Commerce Department
Human Services Center
P.O. Box 311
Norristown, Pennsylvania 19404-0311

Redevelopment Authority of Montgomery County
104 West Main Street, Suite 2
Norristown, Pennsylvania 19101

MontcoForward Loan Program – July 2020 Guidelines

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Section I – Program Overview¹

A. Introduction

Montgomery County, through its Commerce Department and the Montgomery County Redevelopment Authority (MCRDA) utilizes a coordinated approach to providing economic & workforce development services and assistance to individuals, entrepreneurs, investors, businesses, communities, and institutions. Through our component entities and expanding network of partners & stakeholders, we collaborate every day to make Montgomery County the place to **live, work, learn, & invest**. The Commerce Department's flagship economic development program is the MontcoForward Loan Program (MFL). A cooperative initiative of the County government and MCRDA, the MFL is designed to help businesses grow, increase productivity, and maximize the value of investments in Montgomery County, Pennsylvania.

MFL financing is primarily meant to be used as traditional economic development gap financing. Eligibility for favorable rates and terms under MFL are based upon the applicant having financing from a bank, credit union, (or other regulated financial institution) or a community development financial institution (CDFI), (together, Financial Institution) in addition to the Applicant's equity invested in a project. At the sole and complete discretion of the MCRDA (Administrative Entity for MFL), a loan may be awarded for a project with or without financing from a Financial Institution.

B. General Eligibility Requirements

An applicant must be a duly formed and existing corporation, partnership, limited liability company, or partnership, sole proprietorship, or not-for-profit entity (Applicant) engaged in a project whereupon the scope of work for the subject loan occurs wholly within the geographic boundaries of Montgomery County, Pennsylvania. Applicants may be a for-profit or non-profit entity. An Applicant may only receive one (1) loan per twelve month period and one (1) loan for a particular project. For the avoidance of doubt, while an Applicant may receive multiple loans for multiple projects so long as no two loans are within the same twelve month period, in no circumstances may an Applicant receive multiple loans for the same project, even if such loan requests are more than twelve months apart, except by written exception of the RDA Board. The submission of a MFL Application does not guarantee funding and the approval of a loan is subject to (at minimum) the availability of funds in addition to a MFL Application review, eligible uses of funds, and credit worthiness for the Applicant and the project to be funded. All MFL Applications are reviewed by a Loan Review Committee appointed by the MCRDA, the Board of Directors of the MCRDA, and the Montgomery County Board of Commissioners (County) to ultimately be considered for approval by the MCRDA.

A MFL loan is primarily intended to be used for a project in conjunction with financing from a Financial Institution. Applicants and their Financial Institution(s) are strongly encouraged to complete the MFL Application process together in order to ensure a thorough MFL Application that is acceptable to the Financial Institution. Applicants are also expected to demonstrate their

¹ All applications are subject to underwriting review and approval. MCRDA and the County reserve the right to change, amend, or modify these guidelines from time to time without further notice. Available rates and terms may be subject to change without further notice. These guidelines do not constitute an offer to lend and the MCRDA and the County make no representations about the availability of funds.

own commitment to the project through the inclusion of Applicant equity in the proposed financing.

C. Eligible Uses

In general, MFL funds can be used for (but may not be limited to, subject to review of the Loan Review Committee and approval of the MCRDA Board), the following:

- Land costs which may include, but are not limited to, acquisition, site preparation and testing, utilities, site mapping, and other related costs. Land costs must be directly associated with the development of an industrial park or the purchase, renovation, or new construction of a building or a production facility that will be used by the Applicant.
- Building costs may include, but are not limited to, building acquisition, construction, renovation, engineering, architectural, legal and other related costs.
- Machinery and equipment costs may include, but are not limited to, acquisition, delivery, and installation costs. Such costs are eligible if associated with acquisition of machinery and equipment that the business newly purchases, even if such machinery had previously been in service with another user. Costs of mobile equipment are eligible if such equipment is not titled or registered for highway use.
- Other associated project costs deemed eligible by the MCRDA based on the intended economic impact(s) of the project.

D. Ineligible Uses

Ineligible uses of MFL include (but may not be limited to, subject to consideration of the Loan Review Committee and MCRDA), the following:

- Working capital lines of credit and/or working capital lines of credit costs.
- Accounts receivable lines of credit and/or accounts receivable lines of credit costs.
- Refinancing any portion of a total project cost.
- Financing for a project located outside the geographic boundaries of Montgomery County, Pennsylvania.
- Any activities which are illegal under local, Commonwealth, or Federal law and/or are a potential disruption to public health, public welfare, and/or public safety (determined at the discretion of the Loan Review Committee, the MCRDA, and/or the County).

E. Restrictions

Applicants will be ineligible should any of the following be at issue prior to and/or during the MFL Application review process as well as prior to loan closing and disbursement (the items below apply to the Applicant, subsidiaries, and/or loan Guarantors as well as the ownership of the Applicant where appropriate):

- Delinquency of the Applicant on any public or private debts. The Applicant and any owner of 20 percent (20%) or more of the Applicant (Principal) may not be delinquent or in default of any existing private or public loan relating to the Applicant, unless they have entered into a workout agreement satisfactory to the respective creditor(s) and are fully in compliance with the terms of that agreement.
- Current on all taxes and public obligations. The Applicant, its Principals, and/or all Guarantors of the loan must be current in payment of all applicable federal, state, and local taxes unless they have entered into a workout agreement satisfactory to the respective taxing authority and are fully in compliance with the terms of that agreement. There can be no tax liens against the Applicant, its Principals, and/or the Guarantors of the loan for the previous thirty-six (36) months.
- Conflicts of interest. The Applicant, its Principals, and managerial officers must disclose any potential conflicts of interest and/or business relationship with any officials and/or employees of Montgomery County, the Redevelopment Authority of Montgomery County (MCRDA), the Industrial Development Authority of Montgomery County (MCIDA), MontcoWorks (the Workforce Development Board for Montgomery County), and/or any of the entities represented on the Loan Review Committee.
- Bankruptcy – the Applicant cannot have filed for bankruptcy in the previous seven (7) years, nor been discharged from bankruptcy in the previous ten (10) years. The Applicant Principals and/or any Guarantors of the loan cannot have filed for bankruptcy in the previous seven (7) years, nor been discharged from bankruptcy in the previous ten (10) years.
- A Loan-to-Value ratio of approximately eighty percent (80%) or greater.
- A Debt-to-Income ratio of approximately twenty-eight percent (28%) or greater.

F. Loan Amounts and Matching Investment Requirements

The maximum amount an Applicant can request when applying for MFL funding is the lesser amount of \$1,000,000.00 or 50% of eligible project costs. Funding may be approved, at the discretion of the MCRDA, at an amount less than what is requested. Consideration will be given to loans above the maximum amount \$1,000,000.00 on a case-by-case basis after review of the Loan Review Committee and the approval of the MCRDA (with additional conditions including, but not limited to, the availability of funds).

G. Interest Rates and Terms

The interest rate for MFL Program loans will be determined based upon prevailing interest rates as determined by MCRDA from time to time. Available interest rates may be subject to change without further notice from MCRDA, the County or the Loan Review Committee.

The rate determination will be based on the recommendation of the Loan Review Committee and the approval of the MCRDA Board based on the underwriting of the MLF Application.

The determination of the interest rate will be a function of the credit-worthiness of the project, the other funding involved, the collateral and guarantees to be pledged, the performance and credit-worthiness of the Applicant and any Guarantors, and other pertinent financial and market conditions as determined by the Loan Review Committee with the approval of MCRDA Board.

The term of the loan will be dependent upon the credit underwriting review; MCRDA may require that the term of the loan not exceed the term of any matching lending source with a lien senior to or shared with the MCRDA lien. In general, the following term lengths are standard practice: (subject to the review of the Loan Review Committee and approval of the MCRDA):

- Loans used for land and/or building acquisition, as well as those for the renovation, expansion, or construction of a building may have a repayment term of up to fifteen (15) years or one hundred eighty (180) months.
- Loans used for machinery and equipment acquisition may have a repayment term of up to ten (10) years or one hundred twenty (120) months; except that the term of the loan cannot exceed the useful life of the equipment being financed.

H. Collateral

Collateral will be evaluated on a project-by-project basis. Criteria for the evaluation of collateralization will be based on the funding amount requested, the availability of funding, and the overall creditworthiness of the project. The following guidelines are generally applicable in the evaluation of a project for funding and with consideration of the underwriting review (but are not limited or exhaustive and are subject to the discretion of the MCRDA, including upon recommendation of the Loan Review Committee):

- For land and/or building acquisition, as well as those for the renovation, expansion, or construction of a building, the MFL will be secured by no less than a sole third mortgage or a second mortgage in a shared position on the property financed when additional financing is included in the project. If the MFL is the sole financing for project acquisition in the project, the MFL loan shall be secured by a first mortgage. The Loan Review Committee and the MCRDA may require additional collateral for projects in which MFL is the sole financing for a non-acquisition project and the property is already encumbered by a mortgage.
- For machinery and equipment acquisition the MFL will be secured by no less than a second lien position on the equipment financed and may require additional pledged assets if in a subordinate lien position. The preferred position on all machinery and

equipment acquisition MFL loans will be a sole first on the specific equipment being purchased with MFL loan monies.

- Any person or entity having at least twenty percent (20%) ownership in the Applicant (a Principal) is required to guarantee the MFL. If no Principal owns at least 20% of the Applicant, the Loan Review Committee and/or MCRDA may, at their sole and complete discretion, request personal guarantees from others and/or additional collateral as part of the MFL Application review and approval process.
- Such additional collateral as the MCRDA may, at its sole and complete discretion, deem appropriate.

I. Job Creation and/or Retention

Applicants are expected to demonstrate and provide documentation of the jobs to be created and/or retained as part of a project along with the projected salary for those jobs.

J. Financially Responsible Borrower

The Loan Review Committee and MCRDA conduct a review of each application and Applicant to determine the capacity of the Applicant (and its Principal or Principals, if applicable) to repay all outstanding debts (public and private) while ensuring that the Applicant remains able to maintain operations. The Loan Review Committee and MCRDA may also utilize the services of a third-party credit analyst and underwriting provider during the application review process. The Applicant, Principals, and Guarantors accept this and the transmittal of any and all information submitted with the application to a third-party for the sole purpose of providing underwriting analysis as a condition of submitting a MFL Application.

K. Fees

MCRDA may publish a fee schedule from time to time which fee schedule outlines fees associated with each application. The fee schedule and fees may be subject to change from time to time without notice by MCRDA or the County.

In addition to any fees due by the Applicant pursuant to the applicable fee schedule, the Applicant, shall pay all costs related to the filing of documents for collateral, all costs related to due diligence and underwriting during the application review process, and/or out-of-pocket expenses of loan portfolio administration relating to the loan, including the fees and expenses of the MCRDA's administrative, legal and other professional costs (as well as any costs related to an Applicant disputing an application in any capacity). The loan will not be advanced until all outstanding fees have been paid to date and the loan will not be considered satisfied and liens on collateral as well as guarantees will not be released until such time as all fees and costs are paid in full.

L. Confidentiality

The Parties (Applicant, the Loan Review Committee, MCRDA and the County) agree that the information, documents and instruments delivered to the County and/or MCRDA, including, without limitation, any application materials and all agreements and documents referenced herein or executed and delivered by the parties at closing, are of a confidential and proprietary nature ("Confidential Information"), with the exception of the "Non-Confidential Executive Summary." Except as otherwise required under any legal requirements, the County, MCRDA and the Loan Review Committee will maintain the confidentiality of all Confidential Information delivered to it by the other Party or its agents in connection with the negotiation of a loan unless (i) compelled to disclose by judicial, administrative or canonical process (including, without limitation, in connection with obtaining governmental and regulatory approvals necessary to consummate the transactions contemplated hereby) or by other requirements of law, or (ii) disclosed in an action or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder.

The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to the MFL Loan. Upon receipt of a request, the MCRDA or County will provide written notification to the Applicant. If an Applicant considers the requested information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Applicant considers exempt from production under the RTKL, the Applicant must notify the County and MCRDA and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative explaining why the requested material requires redaction or is entirely exempt from public disclosure under the RTKL. The County and MCRDA will rely upon the written statement from the Applicant in denying a RTKL request for the Requested Information unless the County and MCRDA determine that the Requested Information is clearly not protected from disclosure under the RTKL. The Applicant may file a legal challenge to any County or MCRDA decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Applicant shall indemnify the County and MCRDA for any legal expenses incurred by the County and MCRDA as a result of such a challenge and shall hold the County and MCRDA harmless for any damages, penalties, costs, detriment or harm that the County and MCRDA may incur as a result of the Applicant's failure, including any statutory damages assessed against the County and MCRDA, regardless of the outcome of such legal challenge. As between the parties, the Applicant agrees to waive all rights or remedies that may be available to it as a result of MCRDA and the County's disclosure of Requested Information pursuant to the RTKL. The Applicant's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Applicant has Requested Information in its possession.

Additionally, as noted in a prior section, the Loan Review Committee and/or MCRDA may also utilize the services of a third-party credit analysis and underwriting provider during the application review process. The Applicant, Principals, and Guarantors accept this and the transmission of information to the third-party provider as a condition of submitting a MFL application.

Section II – Application Process

A. Inquiries and Process

Prospective Applicants (and/or their Financial Institution, accountant, attorney, consultant, or other appropriate professional service provider) are encouraged to contact the MCRDA to discuss their proposed project and any other economic/workforce development needs they may have before beginning the MFL Application process. Application processing and review of an Application for completeness will be conducted by MCRDA staff, although Loan requests may, from time to time, be submitted through Commerce Department staff from an Online Business Assistance Request. The Commerce Department may also be able to provide additional assistance beyond the MFL through the programs of its constituent entities. Additionally, Commerce Department staff can connect businesses to additional technical assistance and resource providers within Montgomery County, southeastern Pennsylvania, and the Commonwealth of Pennsylvania.

The Commerce Department General Application (“Application”) is a standard application form for all of the economic development financing programs available through the Commerce Department’s component entities. Prospective Applicants can find the application form on the Commerce Department website (www.montcopa.org/Commerce). Submission of an Application does not guarantee funding. Upon receipt, MCRDA staff will review the form and discuss with the Applicant, the possible funding programs for their project as well as the expectations for the MFL Application or other application process, if applicable. In accordance with these Guidelines to determine whether the Application, in the MCRDA’s sole discretion, meets the requirements herein. MCRDA staff will advise the Applicant whether the Application is complete or requires additional information.

B. Application Information, Submission, and Review

In order to ensure applications are reviewed in a timely manner, Applicants are encouraged to submit all required information in a single package as soon as the determination is made that MFL is an appropriate funding source for their project. Applicants with funding from a Financial Institution as part of the project should coordinate the submission of information with the involved Financial Institution(s) to improve the efficiency of the submission and review process.

The following documentation, at a minimum, is required to complete the MFL Application.

- a) Articles of Incorporation of the Applicant;
- b) Operating Agreement/Partnership Agreement/By-Laws of the Applicant;
- c) State Tax ID Number of the Applicant;
- d) Legal address of the Applicant Entity to appear on all loan documents;
- e) Three (3) years of Federal Tax Returns for the Applicant;
- f) Applicant Entity ownership profile;
- g) Applicant Entity marketing/business development plan;
- h) List of primary clients/customers and percentage of sales each represents for the Applicant Entity;
- i) Financial projections for the project related to the MFL loan;
- j) Financial statements/income reports for the Applicant Entity and all Guarantors;
- k) Three (3) years of Federal Tax Returns for all Guarantors;
- l) Credit reports on Principals of the Applicant and all Guarantors;

- m) Judgement searches, including bankruptcy searches, for the Applicant, all related Entities, and all Guarantors;
- n) State UCC-1 searches against the Applicant (must be updated within thirty (30) days of closing);
- o) Title Commitment for all property related to the project/loan;
- p) Appraisal for all property related to the project/loan;
- q) Phase 1 Environmental Report for all property related to the project/loan;
- r) Proof of Real Estate Hazard Insurance for all property related to the project/loan;
- s) Proof of Commercial General Liability for all property related to the project/loan;
- t) All leases for all property related to the project/loan;
- u) Flood hazard determination for all property related to the project/loan;
- v) Tax and Assessment searches for all property related to the project/loan;
- w) Contract of Sale and all amendments thereto for any purchase transactions related to the project/loan;
- x) Bids, proposals, contracts, quotes, etc. supporting the final projections of the Applicant's business plan, marketing plan, and/or the project related to the loan.

Additional information may be requested during the review process as it pertains to the Applicant and/or Guarantors of the loan.

Once the application package is reviewed by the Loan Review Committee and MCRDA staff for thoroughness, the required Loan Application Fee is paid in full, and an underwriting review is completed, the Loan Review Committee will analyze the creditworthiness of the Applicant and the loan request; a recommendation for funding will be made by the Loan Review Committee to the Board of Directors of MCRDA for its approval. The Loan Review Committee, in its sole and complete discretion based upon its underwriting analysis, may choose to recommend a MFL Application for approval, or, not to recommend a MFL Application for approval and in such case will notify the MCRDA of such along with its rationale for withholding approval. The MCRDA Board may accept or reject the recommendation of the Loan Review Committee in its sole and complete discretion. If the MCRDA approves the Application, the MCRDA will request release of funds from the County to fund the Loan. Loan Closing shall be contingent upon release of the funds by the County necessary to fund the Loan. MCRDA and the County shall have no liability to Applicant for County's election not to authorize release of funds for a particular application. Submission of a MFL Application (or any economic development finance program administered by MCRDA or the County and/or available through its component entities does not guarantee funding.

C. Approval and Closing Process

Upon the completion of the Loan Review Committee's process, Applicants will be informed as to the determination of approval and should approval be granted by MCRDA and funding released by the County, Applicants will be informed as to how the loan will be funded. Upon loan approval and execution by all documents required by MCRDA in relation to the loan, an Applicant becomes a Borrower. Should an Applicant not be approved, they may reapply after one hundred eighty (180) days. Approved Applicants will be required to validate that all of the information in their application is still correct (specifically as it relates to debts, creditors, and lien positions) prior to a loan closing being scheduled. The loan closing will be scheduled in coordination with Commerce Department staff, the solicitor or solicitors of the funding entities, and the Borrower. The Applicant must come to the loan closing with the required closing fee. Failure of the Applicant to come to the loan closing with the required closing fee and any

outstanding professional fees and/or failure to appear at the loan closing will result in a minimum twenty-one (21) day delay in loan closing as well as ineligibility for any interest rate reductions during the term of the loan.

Payments due and owing under the MFL shall be made by wire transfer to an account designated by MCRDA to the Borrower from time to time, or at MCRDA's sole discretion through automated clearing house ("ACH") transfers from the Borrower's designated operating account directly to MCRDA.

Following the loan closing, the MCRDA and County may work with the Borrower on a press release and other public notification/information.

D. Early Repayment, Limitations, and Penalties

There is no penalty for early repayment. Borrowers who repay their loan prior to the end of the loan term are eligible to apply again for a MFL Loan thirty (30) days after loan satisfaction, provided that the repaid loan had not been originated within a year (twelve calendar months) of its origination, in which case the Borrower will have to wait to apply for a new loan until such time as twelve months from the origination of the prepaid loan. All other Borrowers are eligible to apply again for a MFL loan sixty (60) days after loan satisfaction.

Default on a MFL Loan (or a Montgomery County Opportunity Loan Program Loan) disqualifies the Applicant and all Guarantors from applying for additional MFL funding until such time as the delinquency is resolved and the loan returns to good standing for a period of at least twenty-four (24) months.

E. Contact Information

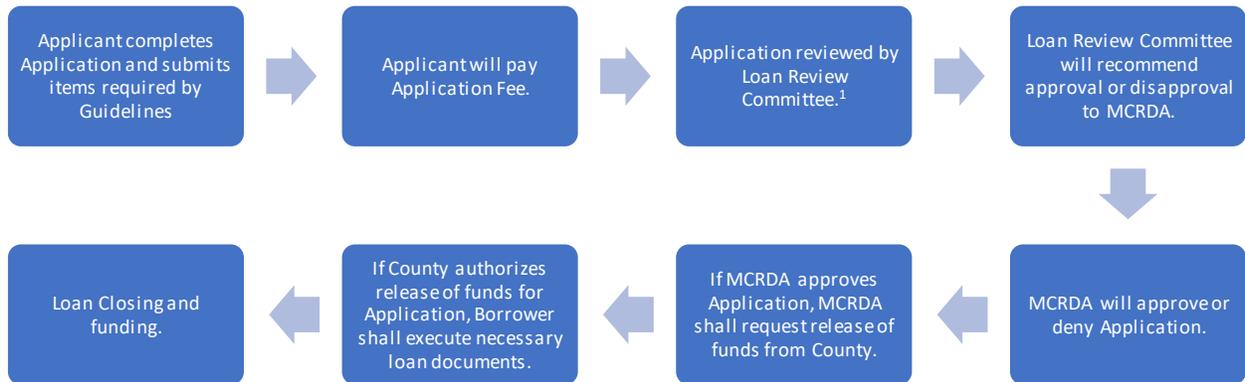
Parties interested in the MFL Program should contact:

John F. Nugent
Executive Director
Redevelopment Authority of the County of Montgomery
104 W. Main Street, Suite #2
Norristown, PA 19401
610 275-5300 x221
610 994-1449 direct
jnugnet@montcopa.org

David Zellers, Jr.
Director of Commerce
Montgomery County Commerce Department
Human Service Center
P.O. Box 311
Norristown, PA 19401-0311
dzellers@montcopa.org

Exhibits and Appendices

A. Exhibit A - Loan Application, Review, and Closing Process Diagram



- Loan Review Committee may request additional due diligence items from Applicant during review process.

B. MCRDA Fee Schedule

**REDEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, PA
SCHEDULE OF APPLICATION, CLOSING & ADMINISTRATIVE FEES**

I. REVENUE BOND FINANCING, TAX INCREMENT FINANCING

A. APPLICATION FEE:

A flat fee of \$2,000 is due and payable at the time the Authority agrees to borrow funds or sponsor an application on behalf of the beneficial party. Includes TEFRA advertisement when applicable.

B. CLOSING FEE – NEW ISSUE:

1 st and 2 nd \$10 million:	.30%
3 rd \$10 million:	.15%
Over \$30 million	.05%

<u>Example</u>	<u>Fee</u>	<u>Basis Points</u>
\$1 million	\$ 3,000	30
\$5 million	\$ 15,000	30
\$10 million	\$ 30,000	30
\$20 million	\$ 60,000	30
\$30 million	\$ 75,000	25
\$40 million	\$ 80,000	20
\$50 million	\$ 85,000	17
\$60 million	\$ 90,000	15
\$70 million	\$ 95,000	13.6
\$80 million	\$100,000	12.5
\$90 million	\$ 105,000	11.7
\$100 million	\$ 110,000	11
\$180 million	\$ 150,000	8.3

CAP - \$150,000

REFUNDINGS

25 Basis Points (.25%) for refundings of existing RDA bonds.

Additionally, the Authority will be reimbursed for all legal and consulting fees as well as out of pocket expenses.

C. ANNUAL FEES:

To be determined based on scope and term.

**REDEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, PA
SCHEDULE OF APPLICATION, CLOSING & ADMINISTRATIVE FEES**

D. EXCEPTIONS:

Exceptions may be granted from either closing or annual fees based upon application by a developer for reduced fees and evidence from the developer that some or all of the following will result:

1. Project will not be feasible “but for” reduced fees.
2. Project will serve greater number of very-low and low income families if reduced fees are granted.
3. Project will serve very-low and low income families for a longer period if reduced fees are granted.
4. Project developer is a nonprofit organization.
5. Other benefits (demonstrated by developer) will result for the public from reduced fees.

II. INDUSTRIAL SITES REUSE PROGRAM (ISRP), LOCAL SHARE ACCOUNT (LSA), ENTERPRISE ZONE LOANS (EZ RLF), BUSINESS IN OUR SITES (BIOS), KEYSTONE COMMUNITIES PROGRAM (KCP), BROWNFIELDS REVOLVING LOAN (BF RLF), INFRASTRUCTURE FACILITIES IMPROVEMENT PROGRAM (IFIP)

A. APPLICATION FEE:

A flat, nonrefundable fee of \$500 is due and payable at the time the Authority agrees to sponsor an application on behalf of a beneficial party.

B. CLOSING FEE:

1.0% of the financing amount payable prior to the first disbursement of funds. This fee covers Authority costs related to requirements for contract administration, accounting and annual audits.

III. REDEVELOPMENT ASSISTANCE CAPITAL GRANTS

A. APPLICATION FEE:

A flat, nonrefundable fee of \$500 is due and payable at the time the Authority agrees to sponsor an application on behalf of a beneficial party.

B. CLOSING FEE:

1.0% of the financing amount payable at the first disbursement of funds. This fee covers Authority costs related to requirements for contract administration, accounting and annual audits.

**REDEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, PA
SCHEDULE OF APPLICATION, CLOSING & ADMINISTRATIVE FEES**

IV. MONTCOFORWARD LOAN PROGRAM

A. APPLICATION FEE:

A non-refundable flat fee of \$1,000 is due and payable at the time of Application for the MontcoForward Loan Program.

B. CLOSING FEE:

A non-refundable Closing Fee equivalent to 1% of the Loan Amount extended will be due and payable by Borrower at the time of Closing upon the Loan.

C. ADMINISTRATIVE AND SOLICITOR FEES:

At the time of Closing, Borrower shall pay all administrative, solicitor, and third party service provider fees incurred by the Authority in the processing, underwriting, and administration and closing of the loan application. If Closing does not occur, Borrower shall reimburse the Authority for the foregoing expenses within ten (10) days of receipt of invoice from the Authority regarding the same.

*Solicitor and Authority rates are included hereinbelow for reference. The fees and rates herein may be subject to change without further notice to Borrower. Borrower is responsible for confirming the fees and rates in effect at the time of application. The foregoing fee schedule represents those fees which will be charged by the Authority and do not include other normal closing costs such as document costs, recording costs, bank fees, title insurance, borrower's attorney fees, mortgage satisfaction costs, appraisal costs, judgment and lien search fees, and such other costs which may be incurred in relation to the Borrower's loan application.

V. PIDA LOAN PROGRAM

A. APPLICATION FEE:

A non-refundable flat fee of \$1,000 is due and payable at the time of Application for the PIDA Loan Program.

B. CLOSING FEE:

A non-refundable Closing Fee equivalent to 1% of the Loan Amount extended will be due and payable by Borrower by Borrower as follows:

- One-half (1/2) of the Closing Fee (.5% of the Loan Amount) shall be due and payable at the time of Loan Approval.
- One-half (1/2) of the Closing Fee (.5% of the Loan Amount) shall be due and payable at the time of Closing.

C. ADMINISTRATIVE AND SOLICITOR FEES:

At the time of Closing, Borrower shall pay all administrative, solicitor, and third party service provider fees incurred by the Authority in the processing, underwriting, and administration and closing of the loan application. If Closing does not occur, Borrower shall reimburse the Authority for the foregoing expenses within ten (10) days of receipt of invoice from the Authority regarding the same.

*PIDA may charge additional fees in relation to any loan applications and loans originated under the PIDA Loan Program, including without limitation, a non-refundable loan commitment fee in the amount of 1% of the approved loan amount for loans greater than \$400,000, due and payable by Borrower at the time of loan commitment. Borrower is solely responsible for verifying any fees due to PIDA in relation to loan applications pursuant to the PIDA Loan Program.

**Solicitor and Authority rates are included hereinbelow for reference. The fees and rates herein may be subject to change without further notice to Borrower. Borrower is responsible for confirming the fees and rates in effect at the time of application. The foregoing fee schedule represents those fees which will be charged by the Authority and do not include other normal closing costs such as document costs, recording costs, bank fees, title insurance, borrower's attorney fees, mortgage satisfaction costs, appraisal costs, judgment and lien search fees, and such other costs which may be incurred in relation to the Borrower's loan application.

VI. POST CLOSING FEES

After closing, the following fees shall apply for any subordination or other modification of contract documents: one percent (1%) of the outstanding principal balance plus reimbursement for staff time at the current published rate and any legal or out-of-pocket expenses incurred by the Authority in conjunction with the subordination or other modification.

VII. AUTHORITY STAFF ADMINISTRATION AND SOLICITOR RATES

Executive Director	\$155.00 per hour
Deputy Director	\$ 85.00 per hour
Riley Riper Hollin & Colagreco-Solicitor	\$175.00 per hour

VIII. MARK UP OF DIRECT COSTS

Other costs incurred by the Authority on behalf of a client and/or project will be marked up by ten percent (10%) to cover staff costs for accounting, invoicing and payment processing.

C. Glossary of Terms

Administrative Entity: Redevelopment Authority of Montgomery County (MCRDA)

Applicant: A duly formed and existing corporation, partnership, limited liability company or partnership, sole proprietorship, or not-for-profit entity requesting funds through the MontcoForward Loan Program that is engaged in a project whereupon the scope of work for the subject loan occurs wholly within the geographic boundaries of Montgomery County, Pennsylvania.

Borrower: An Applicant whose loan has been approved.

Commerce Department: The Montgomery County Commerce Department, a department of County government. The Commerce Department is a partner of the MCRDA for the purpose of the MFL.

Commerce Department General Application: The application required by the Commerce Department in order for the Commerce Department to determine the loan program which is appropriate for the Applicant's credit needs.

County: Montgomery County and the its Board of Commissioners

Financial Institution: Bank, credit union or other regulated financial institution or a Community Development Financial Institution (CDFI).

Guarantor: Any person or entity required by the MCRDA to provide a guarantee for the loan as a condition for making the loan.

MFL or MFL Loan: MontcoForward Loan Program.

MFL Application: The application and all required attachments required by the Commerce Department to be completed prior to review of a MLF loan request.

MFL Application Fee: The fee required by the MCRDA to accompany a completed MLF Application prior to review of a MLF loan request.

Principal: Any person or entity having at least twenty percent (20%) ownership in the Applicant, or any person who may own less than twenty percent (20%) of the Applicant and who is employed by the Applicant as an executive essential to the operations of the Applicant such as the President, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer or similar.