

AMENDMENT TO EXHIBIT A

SUPPLEMENTARY PROVISIONS

Exhibit A is hereby amended as follows:

Rider to Section 2.01 is hereby amended to read: The amount of this BDLP loan (the “Loan Funds”) is : SIX MILLION and 00/100 Dollars (\$6,000,000).

Rider to Section 5.03 is hereby amended to read: The jobs referenced at Section 5.03 of the assurances shall aggregate:

Total Permanent Full-Time Equivalent Jobs: 175

Total Permanent Full-Time Equivalent Jobs for Low and Moderate Income Persons: 90

To be classified as a low/mod income person, the total family income, prior to hiring must be in accordance with the following income guidelines:

Family Size:	Income:
1	\$30,050
2	\$34,300
3	\$38,600
4	\$42,900
5	\$46,350
6	\$49,750
7	\$53,200
8	\$56,650

Rider to Section 5.04 is hereby amended to read: The BDLP loan shall be evidenced by a promissory note and secured by a first mortgage on land at the Project Site. The County may subordinate its lien position to future lender(s), as long as the County is not placed in a position whereby its loan funds would not be fully secured. Recipient shall repay the BDLP loan over a twenty (20) year period, at an interest rate of zero percent (0%) per annum, subject to the following: The initial \$1,000,000 drawn down from the total loan shall be forgiven over a five(5) year period at the rate of twenty percent (20%) per year, provided that the Recipient complies with all terms of this Agreement. The remaining \$5,000,000 of the total loan shall be deferred for a period of five (5) years from the date of the first disbursement from the \$5,000,000. Commencing the first day of the month following the fifth year anniversary of the date of the first disbursement of the remaining \$5,000,000, on the first day of each month thereafter for a period of twenty (20) years. Recipient shall make consecutive payment to the County in the amount of \$20,833.33, until all amounts due and owing by the Recipient to the County have been paid in full. Repayment of the loan shall be dependent on the following procedure: At the expiration of the aforementioned five year deferral period, an audited income statement, shall be prepared by a firm acceptable to the County and paid for by the Recipient. Said audited income statement shall be reviewed by the County to determine the Recipient's ability to commence repayment of the loan. If it is determined by the County and in its sole discretion that the Recipient is financially able to begin repayment, the monthly payment shall commence as set forth above. However, if it is determined by the County that the Recipient is not financially able to commence repayment, the term of the deferral shall be extended for an additional one (1) year period. At the end of said additional deferral year, the Recipient's ability to commence repayment shall again be reviewed to determine the Recipient's ability to begin repayment. This review shall continue on a yearly basis with continued one (1) year extensions of the deferral period until it is determined that the Recipient is financially able to commence repayment. In the event the Recipient has not commenced repayment within the ten (10) years of the date of the first disbursement of the remaining \$5,000,000 of the total loan, then, and in that event, the County will restructure a repayment and/or forgiveness schedule providing for payment and/or forgiveness on a monthly schedule for a period of twenty (20) years following the tenth anniversary of the first disbursement of the remaining \$5,000,000 of the loan. Notwithstanding anything to the contrary contained herein, any and all outstanding principal interest, cost, fees and/or late fees shall immediately become due and payable by the Recipient to the County in the event that Recipient does not maintain at least a fifty-one percent (51%) ownership in the Project Site.

Rider to Section 6.04 is hereby amended to read: If the Recipient expends Federal awards of \$500,000 or more in any given fiscal year, the Recipient shall have an independent audit conducted that complies with the requirements of OMB Circular A-133. "Audits of Institutions of Higher Education and Other Nonprofit Organizations", implemented at 24 C.F.R. Part 45. Per this circular, the Recipient may have a single audit conducted depending on the following:

Single Audit – If the Federal funds expended in any fiscal year total \$500,000 or more and funding is from more than one Federal program, a single audit must be conducted.

Recipient: CityVest

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Program Audit – If the Federal funds expended in any fiscal year total \$500,000 or more, and are from only on Federal program, the Recipient has the option to have a program audit conducted.

If the Recipient expends Federal financial assistance of less than \$500,000 in any given fiscal year, said Recipient shall have a program audit conducted.

Rider to Section 10.01 is hereby amended to read: The address of the Recipient, for the purpose of communications relating to this Agreement, shall be the following:

Mr. Y. Judd Shoal, Chair, Board of Directors
CityVest
425 New Commerce Blvd
Wilkes-Barre, PA 18703

Attention: Alex E. Rogers

AMENDMENT TO EXHIBIT B

DESCRIPTION OF RECIPIENT ACTIVITIES

Exhibit B is hereby amended as follows:

Rider to Section 1.03 (13) is hereby amended to read:

I

Recipient shall carry out the Project at a total cost of not less than \$10,000,000, of which \$6,000,000 shall be utilized to carry out the Project Elements. Should the Project budget identified in Exhibit D of the Agreement change, Recipient shall immediately provide County with evidence of such changes.

IV

Recipient shall borrow from County nor more than \$6,000,000 for use in financing the Project Elements. For the value received, Recipient promises to repay the BDLP loan over a twenty (20) year period, at an interest rate of zero percent (0%) per annum, subject to the following: The initial \$1,000,000 drawn down from the total loan shall be forgiven over a five(5) year period at the rate of twenty percent (20%) per year, provided that the Recipient complies with all terms of this Agreement. The remaining \$5,000,000 of the total loan shall be deferred for a period of five (5) years from the date of the first disbursement from the \$5,000,000. Commencing the first day of the month following the fifth year anniversary of the date of the first disbursement of the remaining \$5,000,000, on the first day of each month thereafter for a period of twenty (20) years. Recipient shall make consecutive payment to the County in the amount of \$20,833.33, until all amounts due and owing be the Recipient to the County have been paid in full. Repayment of the loan shall be dependent on the following procedure: At the expiration of the aforementioned five year deferral period, an audited income statement, shall be prepared by a firm acceptable to the County and paid for by the Recipient. Said audited income statement shall be reviewed by the County to determine the Recipient's ability to commence repayment of the loan. If it is determined by the County and in its sole discretion that the Recipient is financially able to begin repayment, the monthly payment shall commence as set forth above. However, if it is determined by the County that the Recipient is not financially able to commence repayment, the term of the deferral shall be extended for and additional one (1) year period. At the end of said additional deferral year, the Recipient's ability to commence repayment shall again be reviewed to determine the Recipient's ability to begin repayment. This review shall continue on a yearly basis with continued one (1) year extensions of the deferral period until it is determined that the Recipient is financially able to commence repayment. In the event the Recipient has not commenced repayment within the ten (10) years of the date of the first disbursement of the remaining \$5,000,000 of the total loan, then, and in that event, the County will restructure a repayment and/or forgiveness schedule providing for payment and/or forgiveness on a monthly schedule for a period of twenty (20) years following the tenth anniversary of the first disbursement of the remaining \$5,000,000 of the loan. Notwithstanding anything to the contrary contained herein, any and all outstanding principal

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interest, cost, fees and/or late fees shall immediately become due and payable by the Recipient to the County in the event that Recipient does not maintain at least a fifty-one percent (51%) ownership in the Project Site.

V

The BDLP loan, in the amount of \$6,000,000, shall be evidenced by a note, and secured by a first mortgage on land on the Project Site, in favor of the County, which shall be named as mortgagee in the title insurance policy. The County may subordinate its lien position to future lender(s), as long as the County is not placed in a position whereby its loan funds would not be fully secured.

AMENDMENT TO EXHIBIT C**DESCRIPTION OF COUNTY ACTIVITIES**

The BDLP loan shall be evidenced by a promissory note and secured by a first mortgage on land at the Project Site. The County may subordinate its lien position to future lender(s), as long as the County is not placed in a position whereby its loan funds would not be fully secured. Recipient shall repay the BDLP loan over a twenty (20) year period, at an interest rate of zero percent (0%) per annum, subject to the following: The initial \$1,000,000 drawn down from the total loan shall be forgiven over a five (5) year period at the rate of twenty percent (20%) per year, provided that the Recipient complies with all terms of this Agreement. The remaining \$5,000,000 of the total loan shall be deferred for a period of five (5) years from the date of the first disbursement from the \$5,000,000. Commencing the first day of the month following the fifth year anniversary of the date of the first disbursement of the remaining \$5,000,000, on the first day of each month thereafter for a period of twenty (20) years. Recipient shall make consecutive payment to the County in the amount of \$20,833.33, until all amounts due and owing by the Recipient to the County have been paid in full. Repayment of the loan shall be dependent on the following procedure: At the expiration of the aforementioned five year deferral period, an audited income statement, shall be prepared by a firm acceptable to the County and paid for by the Recipient. Said audited income statement shall be reviewed by the County to determine the Recipient's ability to commence repayment of the loan. If it is determined by the County and in its sole discretion that the Recipient is financially able to begin repayment, the monthly payment shall commence as set forth above. However, if it is determined by the County that the Recipient is not financially able to commence repayment, the term of the deferral shall be extended for an additional one (1) year period. At the end of said additional deferral year, the Recipient's ability to commence repayment shall again be reviewed to determine the Recipient's ability to begin repayment. This review shall continue on a yearly basis with continued one (1) year extensions of the deferral period until it is determined that the Recipient is financially able to commence repayment. In the event the Recipient has not commenced repayment within the ten (10) years of the date of the first disbursement of the remaining \$5,000,000 of the total loan, then, and in that event, the County will restructure a repayment and/or forgiveness schedule providing for payment and/or forgiveness on a monthly schedule for a period of twenty (20) years following the tenth anniversary of the first disbursement of the remaining \$5,000,000 of the loan. Notwithstanding anything to the contrary contained herein, any and all outstanding principal interest, cost, fees and/or late fees shall immediately become due and payable by the Recipient to the County in the event that Recipient does not maintain at least a fifty-one percent (51%) ownership in the Project Site.

AMENDMENT TO EXHIBIT D

PROJECT BUDGET - SUMMARY OF PROPOSED EXPENDITURES

EXHIBIT D

	SOURCES OF NON-COUNTY FINANCING			
Eligible BDLP Activity	BDLP FUNDS	DEVELOPER'S EQUITY	OTHER FUNDS	TOTAL
A.1. Land and/or Building Acquisition	\$ 200,000	\$ 800,000	1,/2,/3,/4,/5 \$1,000,000	\$2,000,000
A.2. Construction Cost to Contractor	\$4,000,000	\$ 50,000	1,/2,/3,/4,/5 \$2,000,000	\$6,050,000
A.3. Professional/ Financial Fees	\$ 500,000		1,/2,/3,/4,/5 \$ 50,000	\$ 550,000
A.4. Machinery/ Equipment	\$1,300,000		1,/2,/3,/4,/5 \$ 100,000	\$3,400,000
A.5. Working Capital				
TOTAL PROJECTS COSTS	\$6,000,000	\$ 850,000	\$3,150,000	\$10,000,000

(Summary of lines A-1 to A-5)

- NOTES: 1) US Department of Housing & Urban Development
 2) US Department of Commerce
 3) US Economic Development Administration
 4) US Environmental Protection Agency
 5) PA Department of Community & Economic Development

Eligibility:

CR —
 SED X
 PI —

Loan Counselor:

AMENDMENT TO EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

III

(a) The BDLP loan, in the amount of \$6,000,000 shall be evidenced by a note and secured by a first mortgage, in favor of the County, on land at the Project Site. The County may subordinate its lien position to future lender(s), as long as the County is not placed in a position whereby its loan funds would not be fully secured.

AMENDMENT OF EXHIBIT F

PROJECT PERFORMANCE SCHEDULE

Exhibit F is hereby amended as follows:

III

All work shall commence and be completed on the Project, in accordance with the following schedule:

<u>Activity</u>	<u>Commence work On or Before</u>	<u>Complete Work No Later Than</u>
Construction Costs	02/07	02/08
Professional/Financial Fees	02/07	02/08
Machinery & Equipment	02/07	02/08