

BUCKS PROSPECTUS

A Newsletter for Bucks County's Business & Industry Communities



BUCKS COUNTY, PENNSYLVANIA

Population 626,486 +0.6% since 2010	Median Income \$76,824	Median Age 43.6
Unemployment Rate 3.7%	Median Home Price \$322,200	Comfort Index/Climate 7.2/10

SPOTLIGHT ON BUCKS | BUCKS COUNTY, PA

Does Your Business Target Bucks County?

► ECONOMY

The unemployment rate in Bucks County is 3.7% (U.S. average is 3.9%). Recent job growth is Positive. Bucks County jobs have increased by 0.4%.

Compared to the rest of the country, Bucks County's cost of living is 32.0% higher than the U.S. average.

► WEATHER & CLIMATE

June, September and August are the most pleasant months in Bucks County, while January and February are the least comfortable months.

► POPULATION

Bucks County's population is 626,486 people. Since 2010, it has had a population growth of 0.6%.

► TRANSPORTATION

Average Commute time is 30 minutes. The National Average is 26 minutes.

► REAL ESTATE

The median home cost in Bucks County is \$322,200. Home appreciation the last ten years has been 2.3%.

► SCHOOLS

Bucks County public schools spend \$17,135 per student. The average school expenditure in the U.S. is \$12,383. There are about 15.1 students per teacher in Bucks County.

Source:

www.bestplaces.net/county/pennsylvania/bucks

Sign up for the new BCEDC blog
bcedc.com/news-events/news-you-can-use

BCEDC Announces a New Short Term Lending Program

What is a Contract: Part 4

Evaluating & Managing Risk – Critical but Often Overlooked

PIDA Loan Rates Drop 4th Quarter 2019

The SVA's Strategic Early Warning Network

Penn Community Bank Opened New Branch in Doylestown Borough

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BCEDC Approved To Assist MONTCO with PIDA Loans

NOTEWORTHY NEWS | BCEDC

BCEDC Announces a New Short Term Lending Program

Bucks County Economic Development Corporation (BCEDC) has created a Short-Term Bridge Loan Program to support short-term funding needs. Manufacturers, Distributors, Service or Hospitality Industries may borrow \$100K-\$300K for business expansion, acquisition, restructuring or equipment purchases or leases

You tell us what matters the most to you and we'll create customized financing solutions to meet your needs.

We make it easy for you — apply today to get your loan funded in as little as four weeks. Contact us to learn about the application process. 215.348.9031.



WHAT CAN YOU DO?

- Business Expansion
- Acquisition
- Restructuring
- Equipment Purchase/Lease

INDUSTRIES THAT QUALIFY

- Manufacturers
- Distributors
- Service
- Hospitality

ARE YOU A SMALL BUSINESS THAT NEEDS CAPITAL?

Loans available from \$100K to \$300K

WHAT YOU'LL NEED

- 3 years Tax returns: Personal & Business
- Personal Financial Statements
- Prior Reports: Appraisal, Title, Environmental
- Tax Clearance: School, PA, Local
- Insurance Policy



THE BOTTOM LINE | WHAT IS A CONTRACT?

What is a Contract: Part 4: *Representations, Warranties, Covenants - The Bones of the Agreement*

This is the fourth installment of my continuing blog series explaining the main elements of a contract, which are outlined on the infographic on page 4. My goal is to demystify some of these basic provisions to help business owners have a better general understanding of what they are signing.

This article discusses representations, warranties, and covenants, which are the “bones” of the parties’ agreement. These provisions represent the statements of the underlying facts, mutual assurances, and promises of performance which form the basis of the parties’ mutual understanding. It’s not uncommon to find these concepts used interchangeably in a contract – “ABC represents, warrants, and covenants...”, but the meaning and effect of each of these are quite distinct from one another. It’s important to understand these distinctions so that your contracts accurately reflect the assumptions, obligations, and risks that you are comfortable with.

A representation is a statement of past or present fact (either express or implied) made by one party to induce the other party to enter into the agreement. For example, the seller of a business might represent that gross revenues from the business were a certain dollar amount for the past several years or that there are no claims asserted against the business. If a representation proves to have been untrue when made, the injured party will have a claim of fraudulent misrepresentation if she can prove that: (i) the party making the representation knew or should have known the statement was false when made; (ii) the other party intended the injured party to rely on the statement; and (iii) the injured party’s reliance on the statement in entering into

the agreement was justifiable. The injured party can seek monetary damages for its losses or it may ask the court to rescind (void) the entire contract. It is therefore very important to avoid “over-representing” in your contracts.

A warranty is essentially a promise that an assertion made by a party is true, coupled with an implied promise of indemnity if the assertion made by the party is false. As such, a warranty is both present-focused, like a representation, and forward-looking, like a covenant. If a warranty is breached, the injured party is entitled to be made whole; this usually means that the injured party can recover the difference between the value of the contract as agreed upon and the value of the contract in light of the breach. In other words, the injured party is entitled to receive the benefit of the bargain he initially made. The injured party is not required to demonstrate that he relied on the warranty or that the other party knew that the warranty was false when made. Often, but not always, representations and warranties go hand-in-hand to allow the parties to preserve remedies that are as broad as possible. In complex agreements, the parties usually spend a significant amount of time negotiating how the risks embodied by representations and warranties should be allocated by qualifying and limiting these concepts (e.g., a representation is true to the best of the maker’s knowledge and/or in all material respects).

Product and service warranties are specialized contractual provisions that are actually hybrids of representations, warranties, and covenants. These provisions commonly create limited express warranties that apply to the products or services, identify

Continued ...

THE BOTTOM LINE | WHAT IS A CONTRACT?

What is a Contract? continued

specific contractual remedies for breach, and disclaim implied warranties that are provided by law.

A covenant is a party's promise to perform an action or to refrain from performing an action. It relates to the future, as opposed to representations, which are provided as of a specific date. An example of a covenant is a borrower's promise to make loan payments in accordance with the terms of a promissory note. Covenants can be express or implied. Pennsylvania law imposes an implied covenant of good faith and fair dealing in most contracts.

Stay tuned for Part 5 of this series, which will move on to discuss some possible hidden perils of what is commonly dismissed as "just boilerplate" language.

Antheil Maslow & MacMinn, LLP
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What is a Contract?

And why you should read the fine print.



Preamble & Recitals
 Introductory paragraphs that identify the parties and the purpose of the contract.



Offer, Acceptance, Consideration
 One party promises to do (or refrain from doing) a specific action in exchange for an agreed-upon price or other compensation promised by the other party.



Conditions
 Facts or events that must occur before a party is required to perform its obligations.



Representations, Warranties, Covenants
 A representation is a factual assertion made by a party that induces the other party to enter into the agreement. A warranty is a promise of indemnity if the assertion is false. A covenant is a promise to perform an action; a negative covenant is a promise to refrain from performing an action.



Boilerplate
 General, often standardized, provisions that help in the interpretation of the contract, but nevertheless may impose obligations on the parties.



Term, Termination, Defaults, Remedies
 These provisions identify how long the agreement will remain in effect and when and under what conditions a party may terminate the agreement (either for convenience or due to other party's failure to perform its obligations). The remedies section outlines rights of the injured party in the event of default by the other party.

LOOK WHAT'S HAPPENING



November 14, 2019
9:00 - 10:30 AM

Mastering LinkedIn for Social Selling

Seminar led by Brynne Tillman, CEO of Social Sales Link

Learn how to make your LinkedIn experience more profitable during our November 14 workshop!

Join LinkedIn Whisperer Brynne Tillman, CEO of Social Sales Link for this informative 90-minute seminar.

Brynne will detail how business owners can start more sales conversations by leveraging the power of this social media platform.

Location: Contract Pharmacy, 125 Titus Avenue, Warrington, PA



Register: <https://events.r20.constantcontact.com/register/eventReg?oeidk=a07egn1e7y7a479d511&oseq=&c=&ch=>

THE BOTTOM LINE | RISK MANAGEMENT

Evaluating and Managing Risk – Critical But Often Overlooked

Three Questions To Help Manage Risk and Enhance Value

One of the most important responsibilities of a leader is to evaluate and manage the risk within an organization. Unfortunately, this task is often either ignored or given minimal attention.

Everyone in an organization needs to be aware of minimizing risk, but the leader is ultimately charged with identifying risk factors, assessing their likelihood, and putting into place a plan to mitigate any impact on the business. The organization, your team members, and your family depend on you to carry out this important responsibility.

Risk comes in many forms—financial, customer, supplier, employee, cyber security, regulatory, environmental, litigation, leadership, technology, and so on. It permeates everything we do within a company, and by properly managing risks, you will put the organization in a position to reduce the impact if a risk factor comes to fruition.

Here is a basic roadmap that will help you fulfill your responsibility:

Understand a leader is ultimately responsible, but is not alone, in addressing the matter. Your managers should be assessing risk factors within their functional areas.

Have strategy sessions with your team to discuss areas of risk. What can go wrong? How might it impact your business? What actions do you need to take to minimize the impact? A leader's job is to ask probing, thought-provoking questions that advance the discussions to an effective conclusion.

Meet with external confidants to discuss their perspectives on risk—board members, industry executives, your accountant, insurance broker, and attorney, friends, etc.



Develop and implement a plan that encompasses your conclusions.

Don't ignore difficult decisions in hopes that nothing will go wrong! Be forward-thinking. Dedicate the necessary resources to accomplish your risk mitigation goals—consider it an investment, not a cost. Reducing risk is important to not only helping your business succeed, but also in maximizing its value. A buyer will evaluate risk—you need to do it too.

Too few leaders spend adequate time evaluating the risk factors within their organization. Are you giving this important matter proper consideration? If not, beware of unexpected events and the impact on your organization.

Stephen W. Christian is a director at Kreischer Miller. Contact him at schristian@kmco.com or 215.441.4600.

LOOK WHAT'S HAPPENING

October 29, 2019
9:30 - 11:30 AM

Lower Bucks County Logistics Summit

**Supporting Economic Development with Transportation Improvements
by Delaware Valley Regional Planning Commission**

Bristol Township Building
2501 Bath Road, Bristol, PA 19007



FINANCIAL TOOLBOX | PIDA RATES

PIDA Loan Rates Drop 4th Quarter 2019

For Real estate loans financing eligible land and building costs, borrowers will have the following interest rate options:

For term loans with a regular amortization;

- 1) Fixed interest rate for the full term of the loan (up to a 15-year period), set at the current ten-year treasury yield + 100 basis points. Based on the current ten-year treasury yield, the fixed rate option is 2.75% for the life of the loan.
- 2) Fixed interest rate for a seven year period set at the ten-year treasury yield. After seven years, the rate will reset to the then-current ten-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current ten-year treasury yield, the rate for the initial seven year period is 1.75%.

For ten-year term loans with a 20-year amortization period;

- 1) Fixed interest rate for the full term of the loan (ten-year period). This option is calculated using the ten-year treasury yield +100

basis points. Based on the current ten-year treasury yield, the fixed rate option is 2.75% for the life of the loan.

- 2) Fixed interest rate for a five-year period set at the ten-year treasury yield. After five years, the rate will reset to the then-current ten-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current ten-year treasury yield, the rate for the initial five-year period is 1.75%.

For Equipment loans:

2.75% fixed rate for the full term of the loan.

For Working capital and accounts receivable lines of credit:

2.75% fixed rate for 12 month period.

For Pollution prevention and energy efficiency loans:

2.00% fixed rate for the full term of the loan.

LOOK WHAT'S HAPPENING



Pennsylvania Apprenticeship Summit

Learn about apprenticeship basics that can benefit your business.

Please join us at the second Pennsylvania Apprenticeship Summit, organized by the PA Department of Labor and Industry. The summit is bringing together national experts in workforce development and apprenticeships to encourage the development of apprenticeship ambassadors, networks, and programs in Pennsylvania.

Location: Hershey Lodge, 325 University Drive, Hershey, PA 17033

Register: <https://tinyurl.com/y63jsf8m>



COMPANIES ON THE MOVE | THE FLYNN COMPANY

Shoe Importer Relocates from New Jersey to Langhorne

RSRJ, Inc. leased 12,000 square foot in the 2100 Cabot Boulevard building for a seven-year term to commence November 1, 2019. The Flynn Company represented the owner and CBRE represented the tenant.

RSRJ imports and sells high end shoes. They are relocating from New Jersey.

BCEDC BUSINESS HAPPENINGS



Manoff Market Cidery Approved for DBFI Loan

A woman owned business, Manoff Market Cidery, LLC has been approved to borrow \$40,000 from BCEDC's Diverse Business Fund Initiative (DBFI). The Market creates "hard" cider from their apple orchard located in New Hope. The funds will be used to purchased new equipment to produce cider. The fruit farm has been in business for over 35 years.

To learn more visit www.manoffmarketgardens.com.

BUCKS COUNTY LEASE ACTIVITY AUG. - SEPT. 2019

*(Information provided by
Colliers, Newark Knight Frank
and The Flynn Company.)*

BENSALEM	SQ FT
Office	2,115
Office	1,501
Office	767
Grand Total	4,383
BRISTOL	SQ FT
Industrial	5,288
Grand Total	5,288
LANGHORNE	SQ FT
Industrial	1,200
Grand Total	1,200
WARMINSTER	SQ FT
Office	10,655
Grand Total	10,655



STRATEGIC EARLY WARNING SYSTEM (SEWN)

The SVA's Strategic Early Warning Network

In the 1980s, the decline of the steel industry stagnated Pennsylvania residents, businesses, and communities. As a response, City of Pittsburgh and various Mon-Valley area community leaders and legislators banded together to form the Steel Valley Authority as the "best response" to plant closings and reindustrialization planning.

The Steel Valley Authority's Strategic Early Warning Network (SEWN) has become a statewide program that administers free turnaround services to small and medium sized manufacturers throughout Pennsylvania. These services include financial restructuring, streamlining operations, ownership transition, new market opportunities, and high-performance workplace strategies.

SEWN responds to troubled companies within 48-hours, bringing together public and private resources to avoid any type of employee layoff or shutdown. Clients who utilize the SEWN program cover the gamut of industry types including fabricated metals, computer and electronics components, wood products, printing, food production, and apparel. When a SEWN Director enters the company, problems are quickly defined, solutions identified, and resources matched.

Over the last five years, SEWN has saved more than 7500 Pennsylvania manufacturing jobs at an average cost of \$891 per job saved. Compare this to the going rate of roughly \$25,000 to train laid-off employees for a new career plus the \$47.3 million in unemployment costs saved by the state.

Executive Director Tom Croft, who has been with the Authority since 1988, notes that preserving manufacturing in Pennsylvania is paramount to the commonwealth's overall economy, "We've been doing this, manufacturing revitalization and retention, longer than anybody else in Pennsylvania. If we don't maintain our strong manufacturing base, then a lot of communities that want to reinvent themselves won't be able to do so."

SEWN has five locations across Pennsylvania including Pittsburgh, Erie, Harrisburg, Bethlehem, and Reading. If you know or work for a company who can benefit from these free services, contact your local SEWN Southeast Regional Director, Greg Olson at 215-776-0130, sewnse@steelvalley.org or visit the website at www.steelvalley.org.

LOOK WHAT'S HAPPENING

October 25, 2019
11:30 AM

Supplier Diversity & How to Develop Your Strategy for Success

Marketing yourself through 3 key drivers: innovation, supplier engagement and community impact.

Temple University SBDC, 580 Meetinghouse Road Widener Hall 107, Ambler PA 19002-3923

Register now: <https://pasbdc.ecenterdirect.com/events/26095>

MEMBERS' CORNER

Penn Community Bank Opened New Branch in Doylestown Borough

Penn Community Bank officially cut the ribbon on its new location in Doylestown Borough Tuesday evening, September 17, 2019, the culmination of its summer event series "Hello Doylestown," two months of special events to introduce the community to the bank's newest branch.

Located at 426 North Main Street in the Doylestown Shopping Center, Penn Community Bank's new Doylestown branch opened to the public on July 15. It offers a 24-hour walk-up ATM and features the community bank's fresh, new look, with a backdrop of wood textures and its bright brand colors of blue and green. A curved teller station allows customer service representatives to assist customers with transactions, digital displays highlight financial information, a community wall spotlights local organizations, a conference room and offices offer private settings for customers to consult with bank team members to discuss their financial needs and goals.

In addition to sponsoring the Doylestown Arts Festival, Penn Community Bank plays a large part in the community, supporting many non-profits and community groups including YMCA of Bucks County, Bucks County Opportunity Center, NOVA, Youth Orchestra of Bucks County, and many more. The bank also is an active member of several local business organizations, including the Central Bucks Chamber of Commerce.

About Penn Community: Penn Community Bank holds more than \$2 billion in assets, employs more than 325 people, and offers banking, lending, insurance and investments at 25 bank branches and two administrative centers throughout Bucks and Montgomery counties, Pennsylvania. As an independent, mutual financial institution, Penn



Members of Penn Community Bank board directors, executives, and Doylestown team members officially cut the ribbon on the bank's newest branch in Doylestown Borough.



BCEDC Executive Director, Robert Cormack speaking with Todd Hurley, Penn Community's Executive Vice President, Chief Relationship Officer.

Community Bank is not publicly traded and operates with its long-term mission in mind: to help businesses grow and prosper, to provide financial resources to individuals and families throughout their lifetimes, to strengthen the local economy, and to partner with local organizations to act as a catalyst for positive growth in every market it serves.

BCEDC Director, Bob Cormack and Loan Manager, Jim Pawlikowski attended the ribbon cutting and were very impressed by the branch. They said it was unique and unlike any other bank they have visited. BCEDC wishing Penn Community Bank much success with their new location in Doylestown.

MEMBERS' CORNER

PPL Wants You to Be Prepared When a Disaster Strikes!

We can't choose when a disaster is going to strike. But knowing what to do when an emergency happens—and having a plan ready—can make all the difference.



September was National Preparedness Month. PPL Electric Utilities recommends using these tips to develop a plan for your home so your family is ready for action in the event of an emergency.

- Put together an emergency supply kit. You can download a checklist of supplies by visiting the Centers for Disease Control and Prevention website at www.cdc.gov.
- Have a family communication plan so everyone knows how to contact each other or where to meet in the event of an emergency or natural disaster.
- Make a plan to escape your home and practice that plan.
- Think about what you may want to do about your pets in the event of emergencies.
- Keep important family documents in an easily accessible place.
- Check with your local health department or emergency management agency about how to get alerts about emergencies.

Bonus Tip: National Emergency Preparedness Month is a good time to learn lifesaving skills like CPR and first aid, to check insurance policy coverage and to know how to shut off your water and gas.

When disaster strikes, know the warnings

Alert systems operated by government agencies can provide life-saving information when disaster strikes. Know the types of warnings and be prepared for an emergency.

Wireless Emergency Alerts (WEAs)

WEAs are sent directly to your cell phone by state or local public safety officials, the National Weather Service, the National Center for Missing and Exploited Children, and the president of the United States.

Emergency Alert System (EAS)

The EAS is a national public warning system that requires all satellite, cable and radio broadcasters to provide the president with a capability to address the American people within ten minutes during a national emergency. EAS also may be used by state and local authorities.

NOAA Weather Radio (NWR)

NWR is a nationwide network of radio stations that broadcast continuous weather information from the nearest National Weather Service office.

For more information and resources on emergency preparedness, visit www.ready.gov. If you experience a power outage, don't forget to report it online, call 1-800-342-5775 (1-800-DIAL-PPL) or text "Outage" to TXTPPL (898775).

*Carol Obando-Derstine, Regional Affairs Director
PPL Electric Utilities, Phone: (610) 774-5249
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Get Funding for Your Sustainable Energy Project

Sustainable Energy Fund wants to help finance your next energy project. We offer a range of funding programs to meet the needs of any organization including commercial loans, energy savings agreements and power purchase agreements. Find out which option works best for your business or organization on our financing page. Learn more about the Sustainable Energy Fund at thesef.org.



Newark Knight Frank Announces Another Lease Signed at CLCC

Youbill, Inc. leased 10,655 square feet of office space at 125 E County Line Road. The tenant's broker was CBRE and the landlord is CLCC Balacor, LLC.



BUCKS PROSPECTUS

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Bucks Prospectus is the bimonthly newsletter of the Bucks County Economic Development Corporation (BCEDC).

Bucks County Economic Development Corporation (BCEDC) is a non-profit, non-political economic development organization established in 1958 to support economic growth in Bucks County. BCEDC is a Commonwealth of Pennsylvania certified economic development agency. BCEDC offers low cost financing options for land/building, machinery and equipment. These and other incentive programs offered through BCEDC create a strong and vital economy for Bucks County and in return create and retain jobs for Bucks County residents.



BOARD OF DIRECTORS | 2019

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PUBLISHING DEADLINES FOR THE BUCKS PROSPECTUS

DEADLINE DATE	PUBLISH DATE	EDITION
11/19/2019	12/17/2019	December
1/14/2020	2/11/2020	February
3/17/2020	4/15/2020	April

For archived issues go to www.bcedc.com/newsletters

To submit an article with business advice suitable to the Bucks Prospectus, please contact Kelly Doughty at 215.348.9031 or KellyD@bcedc.com.

Opinions expressed within this newsletter are not necessarily the opinions held by the BCEDC.