

Washington County Local Development Corporation
Loan Review Committee - Meeting Minutes
Wednesday, January 20, 2021 – 10:00 a.m.
Meeting held via zoom – recording available

Board Members Present: Dave O'Brien, Jared Humiston, Mark Mahoney, Dave Higby, John Rozell and Sam Hall
Staff Present: Deanna Derway – WCLDC President

I. Call to Order

The meeting was called to order at 10:03 AM.

II. Approval of Meeting Minutes

After reviewing the minutes from the October meeting, Sam Hall made the motion to approve. John Rozell seconded, and it was approved unanimously.

III. Old Business - None

IV. New Business

A. Loan List Update/COVID Updates

Next, The Committee reviewed the current loan list update. Deanna gave the following updates: Roundhouse Bakery is still working to come to a deal with Hubbard Hall in order to sell the equipment (this will require our approval) in order to pay down the loan balances and re-amortize those loans. Our attorney and I are working with the attorneys for Roundhouse and Hubbard Hall now and we should have the details to review by March. Starky's Grill remains delinquent and has had some setbacks with his health. He is working with his accountant on a payment plan but, he also applied for PPP funding which would be used to bring the loan current. He is awaiting approval now and will keep Deanna updated. A delinquency notice was sent to Bonnie & Clyde's as well as they have fallen 2 months behind on their accounts and have not been keeping in touch with Deanna to discuss what is going on. We are still in this pandemic crisis and we are willing to work with businesses who are struggling due to COVID but, they have to keep the lines of communication open and let us know what they need in order to get through and succeed during this time. Deanna will again reach out to these businesses to highlight this fact. We have a new loan applicant that Deanna has been working with that will be presented to the Committee at next month's meeting.

B. Discuss Loan Approval for – Bardin's LLC

Mr. Bardin's loan was approved at the end of 2020 and one of the requirements was for an appraisal backing up the loan amount. The appraiser reached out to the LDC to let us know that it would not appraise at what we required and in fact, would appraise at about half of the amount required. After discussing the options with our attorney, the Committee had a lengthy discussion about the different options and decided to offer Mr. Bardin a Building and loan agreement for his project. With this option, we would require a list of improvements with actual anticipated costs. We would then make sure with the appraiser that with the improvements, the appraised value would give the LDC the required security. We would then make advances as the improvements are completed on the property. The Committee discussed the fact that this would come with a great deal of additional expense to Mr. Bardin from a traditional loan as it would entail multiple inspections, title rundowns as well as oversight by the LDC which would add additional time to the project as well. Deanna will be sure to highlight all of the details when extending this option to Mr. Bardin who will have the option to accept or decline this offer. Sam Hall made a motion to approve extending this option for Bardins LLC. Mark Mahoney seconded, and it was approved with 5 ayes and 1 abstention (Dave O'Brien).

C. Discuss Loan COVID request – Greenwich Preservation Group and Croatan LLC

The Committee next discussed a modification request from Croatan LLC and Greenwich Preservation Group (the same owner). The request is for a 90-day forbearance (January, February and March) with payments resuming in April. Due to COVID, they have been unable to open as they were set to open the restaurant in March 2020 and there have been a large number of setbacks since. The Committee had a discussed the business as well as the Board's decision in March to have Loan Review Committee work with the businesses throughout the state of emergency to help those affected by COVID. The Committee asked Deanna's opinion which was that the business communicated their difficulties clearly and properly to us and that holds a lot of weight as opposed to falling into delinquency on the accounts. Deanna feels that we

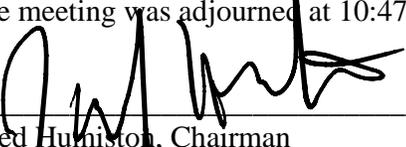
should grant them the request especially based on their current status and the inability to generate income yet. After a lengthy discussion, Dave Higby made a motion to approve the request. Dave O'Brien seconded, and it was approved with 5 ayes and 1 abstention (Mark Mahoney). Deanna will work with the bank to get this set up and will then work with the LDC attorney to get a modification completed.

D. Miscellaneous

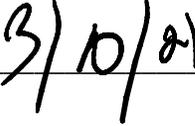
None

V. Adjournment

The meeting was adjourned at 10:47 AM. Motion made by John Rozell, seconded by Dave O'Brien approved by all.



Jared Humiston, Chairman



Date

Respectfully submitted by, Deanna Derway, Executive Director