

Washington County Local Development Corporation
Loan Review Committee
Tuesday, October 4, 2016
10:00 a.m.
Meeting Minutes

Present: Dave O'Brien, Dana Haff, Rich Norman, Jared Humiston, Jay Niles and Brian Campbell (entered 10:05)
Others Present: Deanna Derway, WCLDC President

Chairman Pitts called the meeting to order at 10:00 a.m.

The Committee reviewed the minutes from the September meeting. Dave O'Brien made the motion to approve and Dana Haff seconded. It was approved unanimously.

Next, The Committee reviewed the current loan list update and discussed the current status of the portfolio. Deanna updated the Committee on the two loans that are delinquent, South Hartford Equipment and Renaissance Grants & Planning. Darlene from Renaissance will be making another payment next week and hopes to be able to make a second payment before the end of the month as well. Deanna will stay in touch with Darlene and keep the Committee updated on the progress of this account. Sherry from South Hartford Equipment is trying very hard to get this debt paid off but, has run into some obstacles along the way. She continues to try to sell a piece of property she owns in order to pay off the LDC and the past due taxes. Deanna will again update the Committee as to the status of this account.

Next, the Committee reviewed a loan application proposal for Lucy Jo's Coffee Roastery who are asking for \$101,400 in order to help with the purchase and renovation of the former Camp Hebron, this funding is in addition to \$365,000 that they will be receiving through an SBA loan with Berkshire Bank. Alan and Shelley were in attendance representing the project. This business has successfully been operated by Alan and Shelley for four years at their current location, which they have outgrown. The business has continued to see growth each year. The concerns that the Committee have are based on the proposed collateral as the LDC would be in a second position on all physical property. Deanna highlighted that this will always be the case with SBA approved loans but, that these loans have also been through a more stringent process in order to be approved by a bank for an SBA loan. The Committee asked the applicants if they would be willing to give the LDC a position on their home. They replied that they do not see a problem with this but, would like to check in with their accountant on this. The applicants will also be purchasing larger roaster with the funding which the LDC which will increase their production ability enormously and the LDC can take a specific UCC filing on it. They are also working to expand into new markets with multiple meetings upcoming with supermarkets. Dave O'Brien made a motion to approve the loan at 6% for a 15 year term with the following stipulations: recipients must provide the best available mortgage position on their home and the property to be purchased, as well as a UCC on specific new equipment to be purchased with LDC funds. Jared Humiston seconded the motion and it was approve unanimously.

The meeting was adjourned at 11:11 a.m. Motion made by Rich Norman, seconded by Jared Humiston and approved by all.

DD

Seth Pitts, Chairman