

VERMONT ECONOMIC DEVELOPMENT AUTHORITY
LOAN COMMITTEE

Minutes

December 20, 2019

A telephonic meeting of the Vermont Economic Development Authority's Loan Committee originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on December 20, 2019 beginning at 9:06 a.m. Those Members of the Committee present via phone were: T. Gallagher, Chair; R. Shippee; T. Foster; B. Pearce; S. Voigt and D. Kurzman. Staff present in VEDA's Offices were: P. Samson, Chief Lending Officer; T. Porter, Director of Commercial Lending and K. Kilpatrick, Administrative Assistant. Staff present via phone were: C. Polhemus, Chief Executive Officer and M. Corbett, Commercial Loan Officer. Those Committee Members present constituted a quorum.

Minutes of November 15, 2019

On a motion by B. Pearce, seconded by R. Shippee, the minutes for the November 15, 2019 Loan Committee Meeting were approved by those Members of the Committee present by a vote of 5 to 0 with the Chair abstaining.

Nedde/Bank LLC – Burlington – Subchapter 5 – \$2,000,000

M. Corbett explained Nedde/Bank LLC (NB) of Burlington is requesting a \$2,000,000 Subchapter 5 loan. The loan will be secured by a mortgage on project land and buildings owned by NB and located in Burlington, Vermont, a security interest in all of the borrower's now owned and hereafter acquired business assets, collateral assignment of Nedde Real Estate LLC ((NRE) landlord of the property) and/or NB's interest in the lease between NRE and/or NB and Peoples United Bank of the project premises and all rent derived therefrom, collateral assignment of NRE and/or NB/s interest in all future leases, unlimited, unsecured personal guaranty of Douglas C. Nedde (guarantor), security interest in the solar array and related equipment, collateral assignment of the Act 248 Certificate of Public Good and the Solar Photovoltaic System Power Purchase Agreement, collateral assignment of the Interconnection Agreement with Burlington Electric, collateral assignment of all necessary solar related agreements in order to adequately secure VEDA's collateral interest, collateral assignment of the Engineering,

Procurement and Construction Agreement, and all other contracts involved with constructing, operating, monitoring, and maintaining the solar array.

On a motion by B. Pearce, seconded by D. Kurzman, the above loan request was approved by those Members of the Committee present by a vote of 5 to 0 with the Chair abstaining.

After thoroughly reviewing the loan request, VEDA staff has made the following determinations per 10 V.S.A. § 262:

- (1) The project is within the scope of this chapter and will increase or maintain employment and expand the economy of the State;
- (2) The project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the municipality where it is to be located and of the State of Vermont;
- (3) The making of the loan will be of public use and benefit;
- (4) The proposed loan will be adequately secured by a mortgage on real property or equipment, or both;
- (5) The principal obligation of the Authority's mortgage does not exceed \$1,500,000.00 which may be secured by land and buildings or by machinery and equipment, or both; unless an integral element of the project consists of the generation of heat or electricity employing biomass, geothermal, methane, solar, or wind energy resources to be primarily consumed at the project, in which case the principal obligation of the Authority's mortgage does not exceed \$2,000,000.00, which may be secured by land and by buildings, or machinery and equipment, or both; such principal obligation does not exceed 40 percent of the cost of the project; and the mortgagor is able to obtain financing for the balance of the cost of the project from other sources as provided in the following section;
- (6) The mortgagor is responsible and able to manage its responsibilities as mortgagor and owner of the project;
- (7) The mortgage has a satisfactory maturity date, in no case later than 20 years from the date of the mortgage;
- (8) The mortgagor is unable to finance the project upon reasonable terms without the assistance of the requested loan from the Authority, or in the alternative, the granting of the loan will serve as a substantial inducement for the establishment or expansion of an eligible project within the State;
- (9) The mortgagor has made adequate provision for insurance protection of the project while the loan is outstanding; and
- (10) The loan will be without unreasonable risk of loss to the Authority. Such findings when adopted by the Authority shall be conclusive.

VEDA Loan Committee Minutes – December 20, 2019

There being no other business to properly come before the Committee, on a motion by T. Foster, seconded by B. Pearce, the meeting adjourned at 9:15 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Cassandra F. Polhemus, Chief Executive Officer

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