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Motion: B. Gladwin
Second: S. Hunt
NCA LRC Approved Minutes 03/08/2018

**North Country Alliance Local Development Corporation
Loan Review Committee Meeting
February 8th, 2018
Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, February 8th, 2018 at 2:00 PM via conference call. Dial information 1-800-977-8002 Participant Code 368009#.

Present: Ron Charette, Tom Plastino, Deb McAtee, Ross Pancoe, Steve Hunt, Marijean Remington, and Brian Gladwin

Excused: Ron Bacon and Al Dunham

Others: Sue Matton (GNCC) and Matt Siver (DANC)

Call to Order: The meeting was called to order at 2:02 PM by Tom Plastino (Chair)

I. NCA LRC Minutes from January 11, 2018

- a. T. Plastino made a few quick notes on the minutes from the meeting held on January 11th, 2018. T. Plastino noted that he liked the detail provided in the minutes and that the minutes moving forward should have a mention that when we approve loan requests to go to the Board of Director's for approval the committee should indicate that "the committee reviewed the presented request and it is in the best interest of the corporation". T. Plastino indicated that he has experience deal with the Authorities Budget Office and that type of language is something they would be looking for in the minutes and documentation. A motion was made by B. Gladwin to approve the minutes with a second from R. Charette.

II. New Business:

- a. Demers Properties, LLC (Adams Glass) revised request was presented by M. Siver. The NCA LRC approved a request for \$193,750 for 10 years at 4.5% (prime set at closing) at the January 11th, 2018 loan review committee meeting. The committee added a contingency for approval for either an injection of 20% cash equity into the project or a 2nd mortgage on their personal residence. After the approval at the Loan Review Committee level M. Siver reached out to Mr. Demers to see if he would be willing to move forward with this contingency. Mr. Demers indicated that he did not want to move forward with the request with the additional contingency for 20% cash equity or a 2nd mortgage on his personal residence. He instead indicated that, if NBT Bank approved, he

would be willing to put up additional properties located at Route 9 and Seth Square for a 2nd mortgage position behind NBT Bank instead of the 20% cash equity or 2nd mortgage on his personal residence. M. Siver indicated that he worked with Heather at NBT Bank and the bank indicated that they would allow the NCA to take a 2nd on those properties behind the bank and the bank provided the most recent appraisals from 2016 for the NCA to value those properties. B. Gladwin reiterated on the call that Chris Demers is an excellent person and has kept all his promises to the bank. He indicated that he has no question that Mr. Demers will follow through with his obligations. Sue Matton was also on the call as the loan sponsor and indicated that she hopes that we can get this approved in a timely manner so the project does not get held up any longer. A motion was made by R. Pancoe to approve the request with a second from R. Charette with an abstention from B. Gladwin. All approved the request as it is in the best interest to the corporation.

- b. M. Siver circulated a revised memo for Johnsons Lumber Company a request that was previously approved by the loan review committee on 9/12/2017 and approved by the NCA Board of Directors on 9/20/2017. The NCA's attorney at Schwerzmann and Wise ran into an issue with the proposed mortgage position of a 3rd co-proportional mortgage position with assignment of rents and leases with the NCEDF on the proposed property and a 3rd lien position on business assets due to a change in how M&T Bank placed its mortgage positions on the request to the bank. D. McAtee is the banker for this request and is a member of the loan review committee and was on the call. She indicated to the committee that the NCA's attorney's and her attorney's at the bank differed on the mortgage positions based on the title insurance. M. Siver indicated that based on what the NCA's attorney's saw on the title insurance the NCA would be in a 4th co-proportional mortgage and assignment of rents and leases with NCEDF on the proposed loan instead of a 3rd co-proportional mortgage and assignment of rents and leases on the request. M. Siver indicated that the NCA's collateral position did not significantly change as a result of the language due to a balance reduction on an existing mortgage to M&T Bank and the fact that the M&T Bank Line of Credit is only collateralized up to \$225,000 with a maximum line of \$650,000. R. Pancoe indicated that a note should reflect that on the analysis and M. Siver indicated he would add it. D. McAtee indicated that this is the case. M. Siver indicated that if the NCA ended up being in a better than 4th co-proportional mortgage and assignment of rents and leases position that would work and we are asking for the revision to the commitment to reflect the change. D. McAtee indicated that she thought this is still a good loan for the NCA and still has a good collateral position regardless of the requested revision to the mortgage position language. R. Pancoe made a mention that the loan to value was miscalculated on the loan to value presented. M. Siver indicated that he would revise. A motion was made by B. Gladwin with a second from R. Pancoe and an abstention from D. McAtee. S. Hunt also noted that ESD provided incentives to this project. All Approved and reviewed the presented and the approval is in the best interest of the corporation.

III. Adjournment: The meeting was adjourned at 2:49 PM.

The next North Country Alliance Loan Review Committee meeting is scheduled to be held on March 8th, 2018 at 2 PM.