

Delaware Sustainable Energy Utility
Loan Committee
DESEU Office - 500 W. Loockerman Street, Suite 400, Dover, DE 19904
August 9, 2018, 2:00 PM

Members present were: Kristopher Knight (teleconference), Trey Paradee, Andrew Slater, Doug Bacher, NW Financial Group (teleconference), Andrew Slater (teleconference), and Anthony DePrima. Also present were Brent Shaffer and Lisa Gardner.

1. a. 1007 N. Market Condominium Association

Introduction

The 1007 Market Condominium Association (the "Condo Association") has applied to the Delaware Sustainable Energy Utility (the "DESEU") for a \$2,000,000 loan for the purchase and installation of Energy Conservation Measures ("ECMs") that include HVAC and improvements to the building's steam plant. The Steam Plant is owned by the Condo Association and provides steam and chilled water to the 1007 N. Market building, as well 4 surrounding buildings. The Condo Association charges user fees to the users for these services. The 1007 N. Market building is the former DuPont headquarters located at 1007 N. Market Street in Wilmington DE. It is owned by BPG Real Estate Services ("BPG"), a subdivision of the Buccini/Pollin Group, Inc.

Project

The ECMs contemplated in this Project are a part of a much bigger commercial and residential renovation. It includes the renovation of the building envelope (i.e. windows, construction, sheetrock) and the ECMs which make up about \$2,186,000 of the \$4,682,000 Project costs. The ECMs include HVAC improvements and most importantly improvements to the Steam Plant and boilers that provide the steam and chilled water to 1007 N. Market as well as 4 adjacent buildings; the Brandywine, Nemours, Community Services and Wilmington Institute Library buildings. The Condo Association charges the users (i.e. the 4 buildings) service fees; which will generate the income to repay the proposed DESEU loan. The loan is being requested by the Condo Association as they own and operate the Steam Plant and manage the common areas of the building.

Due to the dollar amount of the loan and various facets of the loan application, at Mr. DePrima's request, Mr. Ralph Rossi and Mr. Pete Murphy, Buccini/Pollin Group, Inc. attended the meeting and provided members of the Loan Committee background information regarding the building and the proposed project. After some discussion, both Mr. Rossi and Mr. Murphy thanked the members for their time and exited the meeting.

After reviewing the Loan Report provided to the committee by Mr. Bacher, members discussed the interest rate and the term of the loan.

Mr. Slater moved to approve the loan request in the amount of \$2,000,000 at a maximum of 5% interest rate or the maximum interest rate allowed by the current loan policy with an 11 year term, in addition to the collateral and terms included in the Loan Report, as well as the additional four (4) securities – 1) Guaranteed Energy Savings Agreement Assignment, 2) Cross Corporate Guarantee, 3) Assignment of Service Agreement Income, and 4) Service Agreement Income into a Pledged Account. The motion was seconded by Mr. Paradee and unanimously carried.

2. Approval of Loan Minutes – June 22, 2018

Mr. DePrima provided clarification regarding the motion on the 1007 N. Market Loan. All members were in agreement, as well as Mr. Knight (made the motion) and Mr. Paradee (who seconded the motion).

Meeting Adjourned at 2:55 PM