



## **CREDIT COMMITTEE MEETING**

Thursday, February 1, 2018

10:00 AM

Schrafft's City Center, 529 Main Street, Suite 201, Charlestown, MA 02129

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### **AGENDA**

- I.** Establishment of Quorum
  
- II.** Administrative Matters and Governance
  - Review and Approval of Minutes - November 16, 2017
  
- III.** Loans for Discussion
  
- IV.** Loans for Consideration
  
- V.** Loans Approved within \$500,000 Lending Authority
  
- VI.** Pipeline Report

Adjourn

*Next Meeting:* Thursday, March 15, 2018

**Members in Attendance:** Chair; Esther Schlorholtz, John Farmer, Carmen Panacopoulos

**Members Not in Attendance:** Nam Pham, Jim Reardon

**Other Attendance:** Paul Allen, Larry Andrews, Katie Janowski, Robert Jones, Matthew Le, Rick Lewis, Don MacQuarrie, Neil Martin, Chuck Merrill, Angela Miele, Alison Moronta, Paul Ricchi, Robert Williams

**Quorum**

The Chair welcomed everyone, established that a quorum existed and called the meeting to order.

**Approval of the Credit Committee Minutes**

Following discussion and upon a motion duly made and seconded, it was

**VOTED:** To approve the Minutes of the Credit Committee Meeting held on November 16, 2017.

**Loan Policy Revision**

Ms. Miele presented the revised Loan Policy, drawing attention to Emergency Loan Policy section, page 11. Following discussion and upon a motion duly made and seconded, it was

**VOTED:** To approve the Loan Policy revision.

It was discussed that language regarding Guarantees should be added to the Loan Policy.

A motion was made to go into Executive Session to discuss potential transactions involving financial and commercial information of applicants and their competitive position in their industry under Section 2(l) of M.G.L. 40W and expressing its intent to reconvene in Open Session after Executive Session. Following a roll call vote, it was unanimously voted in favor, to enter Executive Session to discuss the following items:

- Sterlingwear (Discussion)
- Pro-Tek Services, LTD (Modification)
- Fraser Engineering Co., Inc.
- NAPAC, Inc.

**Loans Approved Within \$500,000 In-House Lending Authority:**

- Alert Sentry
- Dorchester Brewing Company
- Pro-Tel
- SJ Art Consulting
- Tool Technology, Inc.

The Committee returned to Open Session, whereupon the following loans were presented for approval:

**Pro-Tek Services, LTD (Modification)**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a modification on the \$1,000,000 Term Loan originally approved with 3 months interest only, 57 months principal plus interest. The approved modification allows Middlesex Savings Bank to increase the line from \$5MM to \$6MM. All other conditions remain the same.

Along with the standard MGCC conditions to close, it was discussed that additional requirements are needed as discussed during Executive Session.

The company currently has 155 full-time employees and is projected to have 172 full-time employees.

**Fraser Engineering**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a \$1,000,000 five year Term Loan, with a 3 month interest only, 57 months P+I and a 60 month amortization. Interest rate of Prime +5% with a floor of 10%. Fees will be a 1% commitment fee and 1% at closing. Collateral will be a second behind TD Bank on ABA and a second mortgage on 65 Court St., Newton, MA.

Along with the standard MGCC conditions to close, it was discussed that additional requirements are needed as discussed during Executive Session.

The company currently has 64 full-time employees and is projected to have 64 full-time employees.

**NAPAC, Inc.**

Following discussion of the credit, held in Executive Session, and upon a motion duly made and seconded, it was:

**VOTED:** To approve a \$1,000,000 Guarantee of 37% on Webster Five's Line of Credit for \$2,700,000. Fees will be a 2% commitment fee and 3% Guarantee fee at closing, and a 3% annual renewal fee thereafter. Collateral will be a shared first perfected security interest on all assets of NAPAC, Inc. with Webster Five, a second security interest in ABA and a third mortgage and an assignment of rents and leases on property located at 193, 229 Southbridge St. and 46, 52 Hermon St., Worcester behind a first and second mortgage held by Webster Five.

Along with the standard MGCC conditions to close, it was discussed that additional requirements are needed as discussed during Executive Session.

The company currently has 20 full-time employees and is projected to have 23 full-time employees.

After discussion concluded, it was

**VOTED:** To adjourn the meeting.

*Recorder:* Katie Janowski