



**CREDIT COMMITTEE MEETING**

Thursday, May 16, 2019

9:00 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.....*Tab 1*
    - February 28, 2019
- III. Loans for Consideration.....*Tab 2*
  - Business Interiors Floor Covering (BIFC): \$1,000,000
  - Nemco Food Trading, Inc.: \$1,000,000
  - Plymouth Motel: \$1,000,000
- IV. Memo for Write Offs.....*Tab 3*
- V. Portfolio Review, Period Ending 12/31/18.....*Tab 4*
  - Migration Report
  - Portfolio Review by Risk Rating Report
  - Risk Rating 4
  - Risk Rating 5
  - Risk Rating 6
- VI. Loan Activity Reports.....*Tab 5*
  - Internally Approved Loans = or < \$500,000.00
  - Credit Committee Approved Loans > \$500,000.00
- VII. Loans Approved within \$500,000 In-House Lending Authority.....*Tab 6*
  - Calorique: \$500,000
  - Baxter Sesuit Holdings, LLC: \$200,000
  - Brenner Facility Services: \$175,000
- VIII. Pipeline Report .....*Tab 7*

Adjourn

*Next Meeting:* Thursday, June 27, 2019

**Members in Attendance:** Chair: Esther Schlorholtz, Carmen Panacopoulos, Jim Reardon

**Members Not in Attendance:** John Farmer, Nam Pham

**Other Attendance:** Paul Allen, Katie Janowski, Day Ann Kelly, Shunya Kitazawa, Rick Lewis, Don MacQuarrie, Neil Martin, Chuck Merrill, Angela Miele, Paul Ricchi, John Santos

**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 February 28, 2019.

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:

- Loans for Consideration:
  - Business Interiors Floors Covering (BIFC)
  - Nemco Food Trading, Inc.
  - Santi OM, LLC
- Write-Offs for Fiscal Year 2019

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

**Business Interiors Floors Covering (BIFC)**

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 seven-year amortization. Interest rate on the loan will be prime +5% floating with a floor of 10%. Fees will be a 1% commitment fee and 1% at closing. Collateral will be an available lien on all corporate assets and a personal guaranty secured by the primary residence.

The company currently has 138 full-time employees and is projected to have 138 full-time employees.

**NEMCO Food Trading, 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 five-year Term Loan with seven-year amortization with a balloon payment at the end of five years. Interest rate on the loan will be prime +5% floating with a floor of 10.5%. Fees will be a 1% commitment fee and 1% at closing. Collateral will be second security interest in all business assets, junior mortgage on the primary residence and require an unlimited personal guaranty from the owner, Chris Buckley.

The company currently has 11 full-time employees and is projected to have 12 full-time employees.

#### **Santi OM, LLC**

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 under MGCC's REEF program with interest only for 12 months and then monthly payments of principal plus interest based on a 19-year amortization schedule. Interest rate on the loan will be 6.58%. Fee will be a 1% at closing. Collateral will be a second mortgage on the property located at 155 Samoset St, Plymouth, MA and a second security interest on all business assets behind The Cooperative Bank of Cape Cod.

The company currently has 10 full-time employees and 18 seasonal employees and is projected to have 10 full-time employees and 18 seasonal employees.

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

#### **Write-Offs for Fiscal Year 2019**

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

**VOTED:** To approve the write-offs for Fiscal Year 2019.

A motion was made to go back 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:

- Loan Portfolio Review, Period Ending 12/31/18
- Loan Activity Reports
- Loans Approved Within \$500,000 In-House Lending Authority:
  - Baxter Sesuit Holdings, LLC
  - Brenner Facility Services
  - Calorique
- Pipeline Report

The Committee returned to Open Session, whereupon after discussion concluded, it was

**VOTED:** To adjourn the meeting.

*Recorder:* Katie Janowski