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LOAN COMMITTEE
Connecticut Innovations, Incorporated
Minutes – Special Meeting
Thursday, November 15, 2018

A Special Meeting of the **Loan Committee of Connecticut Innovations, Incorporated** (the “Loan Committee”) was held on November 15, 2018 at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order:

Richard Mulready, Chairperson of the Loan Committee noting the presence of a quorum, called the meeting to order at 11:00 a.m. Loan Committee members present: David Siegel (by phone); Catherine Smith, Commissioner of Department of Economic and Community Development (by phone).

Staff present: Mike Driscoll, Ted Murphy, Phil Siuta and Colin Tedeschi

Guests: David Barry of Jacobs, Walker, Rice & Barry, LLC

Absent: Michael Cantor, Chairperson of the CI Board and John Olsen

2. Connecticut Works Fund:

Mr. Siuta presented the request for an approval of a Direct Loan in an Amount Not to Exceed \$1,000,000 for the purpose of restarting the operations of the Borrower’s manufacturing facility, for a term not to exceed 7 years, for the benefit of Macton Corporation with the terms and conditions recommended by staff. The Department of Economic & Community Development (“DECD”) may purchase a 30% pro-rata loan participation in said loan for an amount \$300,000, subject to the general terms and conditions of the Master Participation Agreement dated August 22, 1997, executed by CI and DECD.

Mr. Siuta provided an overview and a discussion ensued.

- Approval of a Direct Loan in an Amount Not to Exceed \$1,000,000, Which Amount may be Participated Under “Seamless Funding” with DECD for the Benefit of Macton Corporation, Oxford, CT.

Upon a motion made by Ms. Smith, seconded by Mr. Siegel, the Loan Committee members voted in favor of approving a Direct Loan in an amount, not to exceed \$1,000,000 for the benefit of Macton Corporation in Oxford, CT.

RESOLVED:

(1) that Connecticut Innovations, Inc. ("CI") approves a direct loan from the Connecticut Works Fund, established under CGS §32-23ii, as amended, for the purpose of restarting the operations of the Borrower's manufacturing facility, in an amount not to exceed ONE MILLION DOLLARS (\$1,000,000) and for a term not to exceed 7 years, for the benefit of Macton Corporation in Oxford, CT with the terms and conditions recommended by staff. The Department of Economic & Community Development ("DECD") may purchase a 30% pro-rata loan participation in said loan for an amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000), subject to the general terms and conditions of the Master Participation Agreement dated August 22, 1997, executed by CI and DECD. This approval is subject to the following: 1. The completion of the restructuring business plan by CII's consultant, and the Loan Committee review and approval of said plan. 2. An acceptable Intercreditor Agreement between CII, Webster, and Congruent which includes (a.) a sufficient forbearance period to enable the company to stabilize and position it for sale; and (b.) acceptable priority position of the new money in the event of a sale or disposition; and 3. Approval of the loan and restructure of the company by the Administrator of the Estate of Peter McGonagle and, if required, by the Probate Court.

(2) (a.) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such exemption to be effected; and (b.) contain such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the proper officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above-mentioned agreements.

3. **Adjournment:**

Upon a motion made by Ms. Smith, seconded by Mr. Siegel, the Loan Committee members voted unanimously to adjourn the November 15, 2018 meeting at 12:45 p.m.

Respectfully submitted,

Richard Mulready
Chairperson of the Loan Committee