

LOAN COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, August 19, 2013

A regular meeting of the **Loan Committee of Connecticut Innovations, Incorporated** (the “Loan Committee”) was held on August 19, 2013, 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 8:30 a.m. Loan Committee members present: Michael Cantor (by phone); Richard Mulready (by phone); John Olsen (by phone); David Siegel (by phone); and Catherine Smith, Chairperson of CI and Commissioner of the Department of Economic and Community Development.

Absent: Stephen Nocera.

Staff present: Claire Leonardi, Peter Longo, Shelly Mondo, Ted Murphy, Megan Patel, Tony Roberto, Ralph Neclerio, and Linda Wieleba.

2. Approval of Minutes:

Mr. Mulready asked the Loan Committee members to consider the minutes of the July 29, 2013 meeting.

Upon a motion made by Mr. Siegel, seconded by Mr. Mulready, the Loan Committee members voted unanimously in favor of adopting the minutes of the July 29, 2013 meeting as presented (Mr. Cantor was not present for the vote)

3. Discussion Items:

CI Bank Product Strategy:

Ms. Leonardi asked the Loan Committee members for input on either scheduling a special meeting or having a discussion at the next meeting about staff’s market research findings that may result in possible modifications to CI’s bank products and lending processes. The next Loan Committee meeting is scheduled for Monday, September 30, 2013, immediately preceding the CI Board meeting. There was general consensus to start the September 30, 2013 Loan Committee meeting early to discuss staff’s findings.

Small Business Innovation Program:

Ms. Leonardi reviewed the following loans approved by staff since the last Loan Committee meeting:

- Skystream Markets, Stamford, \$11,925 under the Technology Talent Bridge Program;
- Turnkey Processing, Meriden, \$6,693 under the Technology Talent Bridge Program; and
- Amastan, LLC, Storrs, \$40,000 under the SBIR Acceleration and Commercialization Program

Staff will send out a more in depth review of the value of the Technology Talent Bridge Program.

4. Items for Action:**Connecticut Works Fund:**

- Approval of a Direct Loan in an Amount Not to Exceed \$2,000,000 for the Benefit of Specialty Printing, LLC East Windsor.

Mr. Murphy discussed the request to help Specialty Printing, LLC finance a portion of a line of credit that will become permanent working capital. CI's loan from the Connecticut Works Fund would not exceed \$2,000,000 for a term not to exceed 10 years. Mr. Murphy mentioned that Specialty Printing is a custom label manufacturer. He and Ms. Patel provided an overview of the company. A discussion ensued. The loan was withdrawn to obtain further information. A special telephonic meeting will be scheduled before the next meeting to provide the Loan Committee members with additional information about Specialty Printing, LLC.

- Approval of a Direct Loan in an Amount Not to Exceed \$750,000 for the Benefit of Bristol Boys and Girls Club Association, Inc., Bristol.

Mr. Murphy reviewed the request for a direct loan not to exceed \$750,000 from the Connecticut Works Fund for the Bristol Boys and Girls Club Association, Inc., Bristol. The funding will assist with the construction of a new Boys and Girls Club center. Mr. Murphy provided an overview of the Association. A discussion ensued.

Upon a motion made by Mr. Olsen, seconded by Mr. Siegel, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a direct loan from the Connecticut Works Fund for the Bristol Boys and Girls Club Association, Inc., Bristol, CT:

RESOLVED:

(1) That Connecticut Innovations, Inc. ("CI") approves a direct loan from the Connecticut Works Fund existing under Section 32-23ii of the Connecticut General Statutes, as amended, for the purpose of providing permanent working capital, in an amount not to exceed SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000) for the benefit of the Bristol Boys and Girls Club Association, Inc., Bristol, CT; and

(2) 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 financing 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.

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- Approval of a Direct Loan in an Amount Not to Exceed \$3,000,000 for the Benefit of the Sea Research Foundation, Mystic, CT.

Mr. Roberto discussed the recommendation to provide a direct loan in an amount not to exceed \$3,000,000 to the Sea Research Foundation, the non-profit operator of Mystic Aquarium located in Mystic, CT. He noted that the foundation has been burdened by historical excess debt. Mr. Roberto discussed the current debt and explained the proposed restructure of debt and deleveraging of the Sea Research balance sheet. He noted that 55 percent of attendees at the attraction are from out of state, making Mystic Aquarium a leading tourist attraction in Connecticut. Mr. Roberto reviewed the proposed loan of \$3,000,000, of which \$1,500,000 is anticipated to eventually be provided from the Department of Economic and Community Development. A discussion ensued.

Connecticut Works Fund:

RESOLVED:

- Approval of a Direct Loan in an Amount Not to Exceed \$3,000,000, Which Amount may be Participated Under “Seamless Funding” with DECD for the Benefit of Sea Research Foundation, Inc., Mystic

Upon motion by Mr. Siegel, seconded by Mr. Olsen, the Connecticut Innovations Incorporated ("CI") at a duly called meeting held August 19, 2013, a quorum being present, voted to approve a direct loan from the Connecticut Works Fund established under CGS §32-23ii, as amended, for the purpose of (a) refinancing existing debt in an amount not to exceed \$3,000,000 and for a term not to exceed 10 years for the benefit of *Sea Research Foundation, Inc.* with the terms and conditions recommended by staff. The Department of Economic & Community Development (“DECD”) may purchase a 50% pro-rata loan participation in said loan for an amount of \$1,500,000, subject to the general terms and conditions of the Master Participation Agreement.

(1) 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 financing 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

(2) 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.

5. Other Business:

Connecticut Growth Fund:

- Modification of a prior approval of a Direct Loan Not to Exceed \$1,500,000 for the Benefit of Turf Products, LLC, Enfield, CT

Ms. Wieleba described the terms and conditions of the two loans approved by the Loan Committee in April 2013 for the benefit of Turf Products, LLC in the amount of \$1,000,000 and \$500,000 for the benefit of Nubar Realty Trust, LLC. She explained staff's recommendation to change the terms and maturities of the loans.

Upon a motion duly made by Mr. Siegel, seconded by Mr. Olsen, the Loan Committee members voted unanimously in favor of approving the following resolution authorizing modifications to the terms and maturities of the loans approved in April 2013 by the Loan Committee for the benefit of Turf Products, LLC and Nubar Realty Trust, LLC (Turf Products, LLC, Lessee), Enfield, CT:

(1) that Connecticut Innovations, Inc. ("CI") approves a modification to the direct loan in an amount not to exceed ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) for a term not to exceed five years (with a seven year amortization) for the benefit of Turf Products, LLC, Enfield, CT. The loan will be from the Connecticut Works Fund existing under Section 32-23ii of the Connecticut General Statutes, as amended, for the purpose of providing permanent working capital and funding refinancing under the general terms and conditions of the Connecticut Works Fund and the terms and conditions recommended by staff; and

(2) 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 financing 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.

6. Adjournment:

There being no further business to discuss, the meeting was adjourned at 10:09 a.m.

Respectfully submitted,

Richard Mulready
Chairman of the Loan Committee