

## Memorandum

To: UUA Board of Trustees  
From: Andrew McGeorge, Treasurer/CFO  
Re: Board Resolutions for Eastern Bank Lines of Credit Renewal  
Date: May 18, 2020

Eastern Bank is in the process of renewing our \$4 million line of credit that we maintain to fund our Building Loan Program. This line of credit was first taken by the UUA on 12-30-2002, and it is subject to periodic review and renewal by Eastern Bank. The current line of credit technically expired on 3-31-2019, although we received confirmation from Eastern Bank at the time that they would maintain the credit line while they were reviewing the renewal. The bank completed their review and provided the required documents for our signature within the past two weeks.

Note that the renewal only extends through 12-31-2020. I had asked for this to be extended farther, but this was what Eastern Bank was comfortable with. My expectation is that our line will be extended again at the beginning of 2021 while the bank completes another review process next year.

It is also worth noting that the current \$4 million line of credit carries a zero balance. We have funded all recent church building loans from the accumulated reserves of the program. However, it is prudent to maintain this line of credit so we can be assured of our ability to continue to serve congregations through this program.

As part of the completing these loan documents, we must include a Clerk's Certificate attesting that the Board has adopted the following resolutions:

### **Resolutions Duly Adopted by the Board of Trustees of the Unitarian Universalist Association**

- MOTION: With respect to the existing credit facility referred to as the Member Lending Credit Line obtained from Eastern Bank (the "Bank") in the amount of \$4,000,000.00, as previously amended, to extend the maturity date of said credit to December 31, 2020 as set forth in that certain 2020 Loan Modification Agreement dated as of March 31, 2019 and executed of near or even date herewith.
- MOTION: To authorize the President, Susan Frederick-Gray, or the Treasurer and Chief Financial Officer, Andrew McGeorge, each individually, acting singly or together, to execute and deliver documents to effect the foregoing, including but not limited to, the aforesaid 2020 Loan Modification Agreement and related

documentation required by the Bank, all with such terms and conditions as are approved by the signatory, with such officer's signature being conclusive evidence of approval.

MOTION: To ratify and approve all that any officer of the Company has done or may do in connection with said loan modification.

May 26, 2020

Andrew McGeorge  
Treasurer / Chief Financial Officer  
Unitarian Universalist Association  
24 Farnsworth Street  
Boston, MA 02210

Dear Andrew,

Eastern Bank has renewed the following credit facility for the Unitarian Universalist Association:

**Line of Credit**

<b>Borrower:</b>	Unitarian Universalist Association
<b>Guarantor:</b>	None
<b>Amount:</b>	\$4,000,000
<b>Purpose:</b>	Provide loans to individual congregations for new construction, improvements and rehabilitation
<b>Collateral:</b>	unsecured
<b>Commitment Fee:</b>	Waived
<b>Expiration Date:</b>	December 31, 2020
<b>Terms:</b>	Individual loans under the line of credit LOC may be drawn for up to a 5-year terms; maturities of one, two, three, four, or five years are permitted; There are \$50,000 minimum draw and \$900,000 maximum draw requirements.
<b>Interest Rate:</b>	Fixed rate at closing, based on the relevant U.S. Treasury Security ("T Bills") of like maturity (based on the term of the note) plus 1.75%
<b>Repayment:</b>	Up to a 25 year amortization
<b>Covenants:</b>	<b>General-</b> Borrower and Eastern Bank shall be parties to a Loan Agreement which shall contain, among other things, the following covenants:  Minimum cash balance of \$5,000,000 on Borrower's balance sheet at all times

- Reporting Requirements:** Annual audited financial statements for the Borrower from a certified public accountant acceptable to the Bank within 150 days of fiscal year end, along with a covenant compliance certificate
- Semi-annual management-prepared financial statements within 45 days of period end.
- Other information which Eastern may reasonably request
- Documentation:** Completion of legal documentation in the form customarily used by Eastern Bank, as modified by the terms and conditions ultimately agreed upon, and containing such covenants, representations, warranties, environmental reviews on the property, certifications, allowances, indemnifications and understandings as are customarily used or required by Eastern Bank in transactions of this nature.
- Other Conditions:** Borrowers agree to continue to maintain its major deposit relationship with Eastern Bank

Best wishes,

John E. Marston  
Senior Vice President  
Community Development Lending