

**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Special Meeting  
Thursday, January 5, 2012

A special meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on January 5, 2012 at the Office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

**1. Call to Order:** Noting the presence of a quorum, Catherine Smith called the special Board meeting to order at 8:34 a.m. Participating: Karen Buffkin representing the Office of Policy and Management; Mun Choi; Daniel Esty, Commissioner of the Department of Energy and Environmental Protection (by phone); Alan Greene (by phone); Drew Harris (by phone); Robert Kennedy, Board of Regents of Higher Education (by phone); Carol Muradian (by phone); John Olsen; Paul Pescatello; George Schiele (by phone); and Catherine Smith, Chairperson of CI and Commissioner of the Department of Economic and Community Development.

*Mr. Kennedy has not yet been administered the oath of office and therefore did not vote on any of the motions.*

Absent: Lou George; Stephen Nocera; and Rafael Santiago.

Staff Attending: George Bellas, Heidi Bieber, Peter Longo, Shelly Mondo, and Emily Smith.

Others Attending: Peggy Diaz, Department of Energy and Environmental Protection; Zachary Janowski, Yankee Institute for Public Policy; Scott Murphy, Shipman & Goodwin; and John Stafstrom, Jr., Pullman & Comley.

Attorney Murphy administered the oath of office to Ms. Buffkin, who replaces Mr. Ojakian as a member of the CI Board representing the Office of Policy and Management.

**2. Adoption of the Connecticut Bioscience Collaboration Program Operating Procedures:**

Catherine Smith noted that at the November 21, 2011 Board meeting, the Board authorized staff to publish, for public comment purposes, CI’s notice of intent to adopt Operating Procedures for the Connecticut Bioscience Collaboration. In accordance with Connecticut General Statutes Section 1-121, the notice was published in the *Connecticut Law Journal*, and the 30 day public comment period has expired. Emily Smith mentioned that CI received three requests for information, but no comments were received.

**Upon a motion made by Mr. Olsen, seconded by Mr. Choi, the Board members voted unanimously in favor of adopting the following resolution adopting the Connecticut Bioscience Collaboration Program Operating Procedures:**

**WHEREAS, the Proposed Operating Procedures for the Connecticut Bioscience Collaboration Program were presented to and approved by the Board of Directors at its meeting on November 21, 2011, as the application process and the guidelines and terms of the grants and loans to be awarded under the Connecticut Bioscience Collaboration Program created by public Act No. 11-2 of the October 2011 Special Session (the "Act"), to be effective immediately upon such approval pursuant to Article VII of such Operating Procedures; and**

**WHEREAS, at the direction of the Board of Directors and without prejudice to the immediate effectiveness of such Operating Procedures pursuant to the separate authority of Section 1(d)(1) of the Act, such Operating Procedures were published for comment in the *Connecticut Law Journal* on November 29, 2011, and are now being presented for adoption by the Board of Directors as "procedures" pursuant to Section 1-121 of the General Statutes.**

**NOW, THEREFORE, BE IT**

**RESOLVED, that the Operating Procedures for the Connecticut Bioscience Collaboration Program in the form presented to this meeting are hereby adopted as "procedures" of Connecticut Innovations, Incorporated for purposes of Section 1-121 of the General Statutes.**

**3. Review of Application of the Jackson Laboratory Proposal under the Connecticut Bioscience Collaboration Program:**

Ms. Smith asked the Board to consider going into executive session to: 1) discuss the Jackson Laboratory written proposal ("Application") and such other supporting information and the contents of other records or files made by CI in connection with the contract award process, the discussion of which in open session would result in the disclosure of public records or the information contained therein which are exempt from public records disclosure under subdivision (24) of subsection (b) of Section 1-210 of the Connecticut General Statutes; and 2) discuss financial and/or commercial information and/or trade secrets provided in confidence, the discussion of which in open session would result in the disclosure of public records disclosure under subdivision (5) of subsection (b) of Section 1-210 and/or subsection (c) of Section 32-40 of the Connecticut General Statutes.

**Upon a motion made by Mr. Choi, seconded by Mr. Olsen, the Board members voted unanimously in favor of going into executive session at 8:38 a.m. for the purpose of discussing the Jackson Laboratory Application and such other supporting information and the contents of other records or files made by CI in connection with the contract award process, the discussion of which in open session would result in the disclosure of public records or the information contained therein which are exempt from public records disclosure under subdivision (24) of subsection (b) of Section 1-210 of the Connecticut General Statutes; and 2) discuss financial and/or commercial information and/or trade secrets provided in confidence, the discussion of which in open session would result in the disclosure of public records disclosure under subdivision (5) of subsection (b) of Section 1-210 and/or subsection (c) of Section 32-40 of the Connecticut General Statutes (Mr. Longo, Attorney Murphy and Attorney Stafstrom were invited to remain during the executive session).**

The executive session ended at 9:05 a.m., and the special meeting was immediately reconvened.

Attorney Stafstrom reviewed the Jackson Laboratory application for grants and loans and the proposed transaction documents to effectuate the proposed grants and loans. He discussed the terms and conditions of the resolution authorizing the transaction. It was noted that the Jackson Laboratory Board approved the transaction, and the University of Connecticut Health Care Center will be meeting later this morning to consider the transaction. Governor Malloy will be having a ceremonial bill signing later today.

**Upon a motion made by Mr. Olsen, seconded by Mr. Choi, the Board members voted unanimously in favor of adopting the following resolution regarding Jackson Laboratory:**

**CONNECTICUT INNOVATIONS, INCORPORATED  
(A quasi-public agency of the State of Connecticut)**

**WHEREAS, the Connecticut General Assembly has enacted Public Act 11-2 of the October, 2011 Special Session (the "Act") to support the establishment of a bioscience cluster anchored by a research laboratory housed at the University of Connecticut Health Center ("UCHC") for the purposes of enhancing education and research and promoting economic development;**

**WHEREAS, the Act establishes within CI the Connecticut Bioscience Collaboration ("Bioscience Collaboration") and creates the Connecticut**

**Bioscience Collaboration Fund (the “Fund”), the Fund to be held separate and apart from all other funds and accounts of CI and monies held in the Fund to be used and applied to carry out the purposes of the Bioscience Collaboration;**

**WHEREAS, the Board of Directors of CI has been presented with a Memorandum of Understanding by and among CI, the Connecticut Office of Policy and Management and the Office of the Connecticut State Treasurer that governs the Bonds provided for in the Act and related to funding of the Bioscience Collaboration (the “Memorandum of Understanding”);**

**WHEREAS, the Act provides that CI shall work in collaboration with an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to develop, construct and equip a structure for use as a research laboratory and office building operation and authorizes CI to make loans to such organization to develop, construct and equip such structure as provided in the Act;**

**WHEREAS, the Act provides that CI may provide annual operations, research and development grants to such organization for annual operating expenses and bioscience medical research, including research on stem cells, DNA (deoxyribonucleic acid), systems genomics and genome-based medicine;**

**WHEREAS, The Jackson Laboratory, a Maine nonprofit corporation (“Jax”) is one of the country’s pre-eminent, private non-profit research organizations and has become internationally recognized for its research into immunology, molecular and cellular biology, chemistry, neurosciences, autoimmune diseases, cardiovascular diseases and synthetic vaccine development;**

**WHEREAS, Jax desires to establish and operate The Jackson Laboratory for Genomic medicine to be housed at the University of Connecticut Health Center (the “Facility”);**

**WHEREAS, Jax plans to enter into a Land Lease (the “Lease”) with the University of Connecticut and Collaboration Agreement with UCHC, and Jax will design, construct and equip a research laboratory and office facility on the site leased by Jax;**

**WHEREAS, Jax has committed to build, maintain and operate Jax Genomic Medicine at the Facility for a minimum ten-year period, create a minimum of 300 new employees, at least thirty percent (30%) of whom shall be senior scientists, and pay an agreed upon average annual wage (the “Employment Obligation”);**

**WHEREAS, the Board of Directors of CI has previously adopted the Operating Procedures for the Connecticut Bioscience Collaboration Program (the “Operating Procedures”), and Jax submitted an application to CI on December 2, 2011 to participate in the Bioscience Collaboration in accordance with such procedures (the “Application”);**

**WHEREAS, it is proposed that, pursuant to the Act, CI will (1) make available to Jax a mortgage loan in the principal amount of One Hundred Forty-Five Million Dollars (\$145,000,000) (the “Facility Loan”) as evidenced by that certain Promissory Note of Jax in favor of CI (the “Facility Promissory Note”), (2) make available to Jax a fixture, furniture and equipment loan in the principal amount of Forty-Six Million Seven Hundred Dollars (\$46,700,000) (the “FF&E Promissory Note”), and (3) provide to Jax annual operations, research and development grants for annual operating expenses and bioscience medical research in an aggregate maximum amount of Ninety-Nine Million Dollars (\$99,000,000) (the “Operating Grants”); all as more particularly described in that certain Bioscience Collaboration, Operating and Funding Agreement between CI and Jax as presented to the Board of Directors of CI (the “Funding Agreement”);**

**WHEREAS, it is proposed that, as a condition to making the Facility Loan, CI require that Jax grant to CI a security interest in and liens upon the Facility, as evidenced by that certain Open-End Leasehold Mortgage Deed and Security Agreement of Jax in favor of CI as presented to the Board (the “Mortgage”); and as a condition to making the FF&E Loan to Jax, that CI require that Jax grant to CI a security interest in and liens upon certain furniture, fixtures and equipment, as evidenced by that certain Security Agreement of Jax in favor of CI as presented to the Board of Directors of CI (the “Security Agreement”);**

**WHEREAS, in consideration of the receipt of the Facility Loan, the FF&E Loan and the Operating Grants, Jax is willing to agree to arrangements for licensing of intellectual property as described in the Funding Agreement and that certain Intellectual Property License to be executed by Jax in favor of CI as presented to the Board of Directors of CI (the “Intellectual Property License Agreement”), as well as the sharing of economic benefits in the form of intellectual property revenue splitting arrangements as described in the Funding Agreement (the “Intellectual Property Revenue Arrangement”);**

**WHEREAS, Jax understands and is willing to agree that the obligations of CI with respect to the funding of the Facility Loan, the FF&E Loan and the Operating Grants are subject and limited to the proceeds of the Bonds provided for in the Act and made available to CI for such purposes pursuant to the Memorandum of Understanding;**

**WHEREAS, the Board of Directors of CI has received and reviewed the Application, a memorandum for the Chairperson and the President and Executive Director, and attachments to the memorandum including a summary of deal terms, a summary of the Funding Agreement, and a summary of the IP Agreement; and**

**WHEREAS, the following resolutions are consistent with the purposes of CI as set forth in the Innovation Capital Act of 1989, Connecticut General Statutes Section 32-32 et seq., as amended and in effect, the Operating Procedures and the Bylaws of CI;**

**NOW, THEREFORE:**

**BE IT RESOLVED, that the Board of Directors of CI has reviewed the terms and conditions of the Memorandum of Understanding and finds it consistent with the purposes of the Act and the discharge of the responsibilities of CI thereunder; and be it further**

**RESOLVED, that the terms and provisions of the Memorandum of Understanding be, and such terms and provisions hereby are, in all respects approved and adopted; and be it further**

**RESOLVED, that the Board of Directors of CI has reviewed and considered the Application as submitted by Jax and hereby approves the Application, subject to the terms and conditions set forth in the Funding Agreement and other Transaction Documents (as defined below); and be it further**

**RESOLVED, that subject to compliance with the terms and conditions of the Funding Agreement, the Board of Directors of CI authorizes CI to make the Facility Loan, the FF&E Loan, the Operating Grants in favor of Jax; and be it further**

**RESOLVED, that the Board of Directors of CI has reviewed the terms and conditions of the Funding Agreement and finds it consistent with purposes of the Act and the discharge of the responsibilities of CI under the Act with respect to the collaboration envisioned by the Act and its effectuation through the Facility Loan, the FF&E Loan, the Operating Grants, the Employment Obligation, and the Intellectual Property Revenue Arrangement; and be it further**

**RESOLVED, that the terms and provision of the Funding Agreement be, and such terms and provisions hereby are, in all respects approved and adopted; and be it further**

**RESOLVED**, that the Board of Directors of CI has reviewed the terms and conditions of the Intellectual Property License Agreement, and the terms and provisions of the Intellectual Property License Agreement be, and such terms and provisions hereby are, in all respects approved and adopted; and be it further

**RESOLVED**, that the Board of Directors of CI has reviewed the terms and conditions of the Facility Note and the FF&E Note, and the terms and provisions of each such promissory note be, and such terms and provisions hereby are, in all respects approved; and be it further

**RESOLVED**, that the Board of Directors of CI has reviewed the terms and conditions of the Mortgage, and the terms and provisions of the Mortgage be, and such terms and provisions hereby are, in all respects approved; and be it further

**RESOLVED**, that the Board of Directors of CI has reviewed the terms and conditions of the Security Agreement, and the terms and provisions of the Security Agreement be, and such terms and provisions hereby are, in all respects approved and adopted; and be it further

**BE IT RESOLVED**, that the Chair of the Board of CI be, and she hereby is, for and on behalf of CI, authorized and directed to execute and deliver the Memorandum of Understanding, the Funding Agreement, the Security Agreement, the Intellectual Property License Agreement, and approve the form of the Facility Note, the FF&E Note, and the Mortgage (all such documents collectively, the "Transaction Documents"), with such additions to, deletions of, and other changes in the terms and provisions thereof not inconsistent with these resolutions as may be approved by the Chair of the Board of CI, acting in conjunction with counsel to CI, such approval, with regard to the Memorandum of Understanding, the Funding Agreement, the Security Agreement and the Intellectual Property License Agreement, to be conclusively evidenced by such officer's execution and delivery of such documents in definitive form; and be it further

**BE IT RESOLVED**, that the Chair of the Board [, or President] of CI be, and each of them hereby is, authorized, empowered and directed, for and on behalf of CI, to take or cause to be taken all such further action and to execute and deliver or cause to be executed and delivered, and if appropriate, file or record, or cause to be filed and recorded, any and all applications, agreements, contracts, undertakings, commitments, consents, certificates, reports, affidavits, statements, and other documents, instruments or papers, as such officer deems necessary, desirable or appropriate to carry out and consummate the transactions contemplated by the Transaction Documents, and otherwise to carry out

**and consummate the intent and purposes of the foregoing resolutions and each of them; and be it further**

**RESOLVED, that any actions described in the foregoing resolutions that may have been taken by an officer of CI prior to the approval and adoption of these resolutions are hereby ratified, adopted and approved in all respects.**

Emily Smith mentioned that CI received two Freedom of Information requests regarding The Jackson Laboratory transaction. Catherine Smith explained that while CI wants to be transparent about the transaction, CI has certified that withholding the documentation at this time outweighs the public interests because of trade secrets and/or the competitive nature of the transaction in accordance with Connecticut General Statutes; and CI will release the information immediately following the execution of the applicable documentation. The following statement was provided by Mr. Longo to anyone requesting information on the transaction: *“I am the chief Executive Officer of Connecticut Innovations, Incorporated, and I have reviewed (i) the application of The Jackson Laboratory for loans and grants pursuant and in response to the Operating Procedures for the Connecticut Bioscience Collaboration Program created by Public Act No. 11-2 (October Special Session), and (ii) the other records and files made by CI in connection with the contract award process provided for in such Operating Procedures. I hereby certify, for purposes of the exemption from public records disclosure provided in subdivision (24) of Section 1-210(b) of the Connecticut General Statutes, that I have determined in the circumstances that the public interest in the disclosure of such response, records and files prior to the completion of negotiations, as determined by the Board of Directors of CI, is outweighed by the public interest in the confidentiality of such response, records and files.”*

4. **Public Comments:** There were no public comments.
5. **Date of Next Board Meeting:** January 23, 2012
6. **Adjournment:** Upon a motion made by Ms. Muradian, seconded by Mr. Harris, the Board voted unanimously in favor of adjourning the January 5, 2012 meeting at 9:12 p.m.

Respectfully submitted,

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Catherine Smith  
Chairperson of CI