

ELI WHITNEY ADVISORY COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Special Meeting
Monday, October 21, 2013

A special meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on October 21, 2013, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. **Call to Order:** Rafael Santiago, Chairperson of the Advisory Committee, noting the presence of a quorum, called the meeting to order at 3:34 p.m. Advisory Committee members participating: J. Kevin Grogan (by phone), Erik Jansen (by phone), Rafael Santiago (by phone), and Michael Werle (by phone).

Members absent: Gail Coppage, Alan Mendelson and Tim Shannon.

Observers participating: Michael Cantor, Chairperson of the CI Board; and Alex Pencu.

Staff attending: Dave Audibert, Margaret Cartiera, Kevin Crowley, Mike Driscoll, Pamela Hartley, Claire Leonardi, Peter Longo, Shelly Mondo, Lillian Mu, Pauline Murphy, Patrick O’Neill, Chris Penner, Julie Rader, Doug Roth, Matthew Storeygard, Daniel Wagner, Mike Wisniewski, and Dave Wurzer.

2. **Follow-On Investment Proposals:**

“Sustainable Real Estate Solutions, Trumbull, CT”

Ms. Murphy reviewed the background and history of CI’s investments in sustainable Real Estate Solutions (“SRS”). She asked the Advisory Committee members to go into executive session to discuss confidential information relating to SRS.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of going into executive session at 3:35 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Sustainable Real Estate Solutions, Trumbull, CT.

The executive session ended at 3:45 p.m., and the special meeting was immediately reconvened.

Ms. Murphy explained that staff recommends an investment of up to \$250,000 as part of an approximate \$1,200,000 in Series B equity round, which will coincide with a merger with Buonicore Partners and a recapitalization of SRS. She stated that staff also

recommends the conversion of senior notes and other holdings of stock. Ms. Murphy discussed the proposed terms and conditions of the investment, merger and conversion of senior notes and other holdings of stock.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$250,000, the merger of SRS with Buonicore Partners and the conversion of senior notes and other holdings of stock in Sustainable Real Estate Solutions, Trumbull, CT.

“Zadspace, Inc., Norwalk, CT”

Ms. Murphy and Mr. Storeygard reviewed the proposed background and CI's investment history in Zadspace, Inc., Norwalk, CT.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of going into executive session at 3:48 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Zadspace, Inc., Norwalk, CT.

The executive session ended at 4:02 p.m., and the special meeting was immediately reconvened.

Ms. Murphy provided an update on the company since CI's last investment. She reviewed the recommendation for CI to invest up to an additional \$400,000 in two tranches for equipment, sales, marketing and working capital in Zadspace, Inc., Norwalk, CT. The Advisory Committee members discussed the recommendation.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an additional investment of up to \$400,000 in two tranches of up to \$200,000 each in Zadspace, Inc., Norwalk, CT.

3. Extension of Notes:

“Oil Purification Systems, Inc., Waterbury, CT”

Mr. Crowley explained that in August 2013, the Investment Committee approved an extension of the maturity of the note for Oil Purification Systems, (“OPS”), Waterbury. He provided a brief update on the company and explained that staff recommends an additional extension of the maturity of the note through March 31, 2014.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an extension of the maturity of the note for Oil Purification Systems, Waterbury to March 31, 2014.

4. New Seed Investment Proposal:

“Natural Polymer Devices, Inc., Farmington, CT”

Dr. Cartiera reviewed the proposed seed investment of up to \$150,000 in Natural Polymer Devices, Inc. Farmington, CT, a company that has developed a mechanically stable cellulose-derived spinal fusion biodegradable device. She stated that the company was founded based on scientific developments at UCONN. Dr. Cartiera mentioned that the funds will be used for pre-clinical studies, manufacturing and operations and will be leveraged with other funding and in-kind services.

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee a seed investment of up to \$150,000 for Natural Polymer Devices, Inc., Farmington, CT.

5. Next Meeting: November 7, 2013, at 2:00 p.m.

6. Adjournment: Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted to adjourn the October 21, 2013 meeting at 4:15 p.m.

Respectfully submitted,

Rafael Santiago
Chairperson of the Eli Whitney Advisory
Committee