

ELI WHITNEY INVESTMENT COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Thursday, June 6, 2013

A regular meeting of the **Eli Whitney Investment Committee of Connecticut Innovations, Incorporated** (the “Investment Committee”) was held on June 6, 2013 at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order: Rafael Santiago, Chairperson of the Investment Committee, noting the presence of a quorum, called the meeting to order at 3:14 p.m. Investment Committee members present: Mun Choi (by phone), Gail Coppage, Alexander Pencu (by phone), and Rafael Santiago (by phone).

Staff attending: David Audibert, Margaret Cartiera, Kevin Crowley, Claire Leonardi, Peter Longo, Shelly Mondo, Lillian Mu, Pauline Murphy, Patrick O’Neill, Megana Patel, Cynthia Petruzzello, Sandra Rizza, Matthew Storeygard, Russell Tweeddale, Douglas Twele, Daniel Wagner, Linda Wieleba, Michael Wisniewski, and Dave Wurzer.

2. Approval of Minutes:

Mr. Santiago asked the Investment Committee members to consider the minutes from the May 2, 2013 meeting.

Upon a motion made by Ms. Coppage, seconded by Mr. Pencu, the Investment Committee members voted unanimously in favor of adopting the minutes from the May 2, 2013 meeting with the correction of “Ms.” Coppage’s name.

3. Consent Agenda:

Mr. Santiago asked the Investment Committee members to consider the items on the consent agenda.

Upon a motion made by Ms. Coppage, seconded by Mr. Pencu, the Investment Committee members voted unanimously in favor of adopting the following resolutions:

- **New Investment:**
 - **Payveris LLC, Wethersfield, CT**

- **Follow-on Investment Proposals:**
 - **EpiEP, Inc., New Haven, CT**
 - **Zadspace, Inc., Norwalk, CT**
 - **Intelligent Clearing Network, Inc., New Canaan, CT**

- **Preseed Investment Proposals:**
 - **ImStem Biotechnology, Inc., Unionville, CT**
 - **Engineered Carbon Solutions, Inc., Norwich, CT**
- **Preseed Follow-On Investment Proposal:**
 - **AlphaChromics, Inc., Farmington, CT**
- **Liquidation Event:**
 - **Sale of PowerSecure International Stock, Stamford, CT**
- **Innovation Eco-System Investment Proposal:**
 - **Lean Launch Ventures, LLC, Westport, CT**
- **Additional New Investment:**
 - **Arvinas, LLC, New Haven, CT**

“Payveris LLC, Wethersfield, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”) for Payveris, LLC of Wethersfield, CT, in an amount of up to SEVEN HUNDRED THOUSAND DOLLARS (\$700,000) for the purpose of product development, sales and marketing and operating capital; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than November 30, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration’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.

“EpiEP, Inc., New Haven, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”) for EpiEP, Inc., New Haven, CT in an amount of up to FIVE HUNDRED THOUSAND DOLLARS (\$500,000) for the purpose of human trials, sales and marketing and operating capital; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than September 30, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration’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.

“Zadspace, Inc., Norwalk, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”) for Zadspace, Inc., Norwalk, CT in an amount of up to TWO HUNDRED THOUSAND DOLLARS (\$200,000) for the purpose of sales, marketing and working capital; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director, Peter Longo, Executive Vice President and Chief Investment Officer and George Bellas, the VP of Finance and Administration be and are authorized to execute and deliver for and on behalf of CONNECTICUT INNOVATIONS, INC. such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CONNECTICUT INNOVATIONS no later than October 31, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director and Executive Vice President and Chief Investment Officer and VP of Finance and Administration shall deem to be in the

best interests of CONNECTICUT INNOVATIONS, INC. including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director; Executive Vice President and Chief Investment Officer and the Chief Financial Officer's approvals thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the Agreement; 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 Agreement.

"Intelligent Clearing Network, Inc., New Canaan, CT"

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. ("CI") for Intelligent Clearing Network, Inc., New Canaan, CT in an amount of up to ONE HUNDRED FIVE THOUSAND DOLLARS (\$105,000) for the purpose of covering operational expenses; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than October 31, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration'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.

“ImStem Biotechnology, Inc., Unionville, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”), for ImStem Biotechnology, Inc., Unionville, CT in an amount of up to ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) for the purpose of funding a proof of concept, intellectual property development and other company start-up expenses; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than September 30, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration’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.

“Engineered Carbon Solutions, Inc., Norwich, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”), for Engineered Carbon Solutions, Inc., Norwich, CT in an amount of up to ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) for the purpose of industrial scale-up of the ECFuel Hybrid pellet manufacturing product, as well as a marketing and sales program; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by

CI no later than August 31, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration'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.

"AlphaChromics, Inc., Farmington, CT"

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. ("CI"), for AlphaChromics, Inc., Farmington, CT in an amount of up to TWO HUNDRED THOUSAND DOLLARS (\$200,000) for the purpose of product development, marketing and recruiting; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than September 27, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration'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.

“PowerSecure International, Inc. Stamford, CT”

RESOLVED:

(1) that the stock sale is approved by Connecticut Innovations, Inc. (“CI”), for PowerSecure International, Inc. (NASDAQ Symbol: POWR) shares in an amount of up to 76,207 shares for the purpose of liquidating its equity position as a result of the sale of Solais Lighting, Inc.; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such stock sale to be effected, which documents shall (a) be executed by CI no later than June 30, 2014; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration’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.

“Lean Launch Ventures, LLC”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”), for up to THIRTY-THREE THOUSAND DOLLARS (\$33,000) to the venture team selected to participate in the accelerator program for the purpose of determining technology or business viability; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than September 30, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President

and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration'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.

"Arvinas, LLC, New Haven, CT"

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. ("CI"), for Arvinas, LLC, New Haven, CT in an amount of up to ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) for the purpose of research and development, clinical development and marketing its technologies; and

(2) that financing is approved by Connecticut Innovations, Inc. ("CI"), for Arvinas, LLC, New Haven, CT to assist in purchasing and installing lab equipment required for research and development and setting up the related lab space located in Connecticut and to expend funds in an amount of up to SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000) for the purpose; and

(3) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; and George Bellas, Vice President of Finance and Administration; are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such investment to be effected, which documents shall (a) be executed by CI no later than September 30, 2013; and (b) contain such terms and conditions as the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Chief Executive Officer and Executive Director, Executive Vice President and Chief Investment Officer and Vice President of Finance and Administration's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(4) 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.

4. Other Business:

Ms. Leonardi mentioned that legislation has been passed but awaiting signature by the governor authorizing CI staff to approve loans of up to \$150,000. She indicated that at the next meeting, staff will present a plan for consideration by the Investment Committee about authorization for transactions up to \$150,000.

5. Date for Next Meeting: July 11, 2013, 3:00 p.m.

6. Adjournment: Upon a motion made by Ms. Coppage, seconded by Mr. Pencu, the Investment Committee members voted unanimously in favor of adjourning the June 6, 2013 meeting at 3:16 p.m.

Respectfully submitted,

Rafael Santiago
Chairperson of the Eli Whitney
Investment Committee