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DRAFT

BOARD OF DIRECTORS
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Tuesday, October 2, 2018

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on October 2, 2018 at the offices of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT 06067.

1. Call to Order:

Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the regular meeting to order at 9:35 a.m. Participating: Christopher Bandecchi (by phone); Michael Cantor; Mark Evans; Office of the Treasurer; Valarie Gelb (by phone); Richard Mulready; John Olsen John; Pavia; Paul Pescatello (by phone); David Siegel; Catherine Smith, Commissioner of the Department of Economic and Community Development; Erika Steiner, Board of Regents of Higher Education and Susan Weisselberg, Office of Policy and Management and Jessica Cabanillas, Office of Policy and Management.

Absent: Mostafa Analoui, Alexander Pencu, Rafael Santiago

Staff Attending: Lauren Carmody, Mike Driscoll, Leslie Larson, Karin Lawrence, Matt McCoee, Matt Panicali, Phil Siuta, Colin Tedeschi, Glen Thames and Dave Wurzer.

Other guests: Bruce Chudwick, Shipman & Goodman; Shana Schlossberg, Upward Hartford; Supriyo Chatterjee.

2. Approval of Minutes:

Mr. Cantor asked the members of the Board to consider the minutes from the June 26, 2018 meeting.

Upon a motion made by Commissioner Smith, and seconded by Ms. Weisselberg, the Board voted unanimously in favor of adopting the minutes from the June 26, 2018 meeting, as presented. (Mr. Pavia and Ms. Gelb were not present for the vote).

Mr. Pavia and Ms. Gelb joined the meeting.

3. Chairman's Remarks:

Mr. Cantor shared his optimism towards the accelerated growth and renewed vibrant energy in downtown Hartford and throughout Connecticut.

4. CEO Report:

Mr. McCooe reported that CI and the Board outperformed FY18 goals and expectations. He reported an increase in employment in Connecticut via investments, mentoring and company oversight to 1,646 jobs. He stated that CI successfully received proceeds of \$19.8M, achieved leverage of 3.7X on its committed capital, increased assets under management (AUM) to \$171M, generated substantial deal flow--evaluating 708 company proposals, bolstered the life sciences team and sector, developed 10-year plans and budgets, and relaunched the EIR program.

He reported a positive variance to budget for the second year in a row and was pleased to showcase two IPO's in two years BioHaven in 2017 and Arvinas in 2018. He also discussed the key goals for FY2019, and established a precedent for improving work life quality to have positive internal and external impact.

Discussion ensued amongst the members regarding messaging by CI to the next governor.

5. Self-Sustaining Revenue Bond Program:

Ms. Lawrence reviewed the private activity bond volume cap allotment and the self-sustaining revenue bond program. She advised that this is an IRS-mandated process and reviewed the deal structure for Connecticut Container Corp. A discussion ensued amongst the Board.

Upon motion by Commissioner Smith, seconded by Mr. Mulready, Connecticut Innovations Incorporated ("CI") at a duly called meeting held October 2, 2018, a quorum being present, unanimously voted to approve the following resolutions taking official action concerning the approval and acceptance of an Application to Initiate the Issuance of and Approval of the Issuance and Sale of Revenue Bonds of Connecticut Innovations Incorporated for the benefit of the Connecticut Container Corp. ("CCC") Project in an Aggregate Amount Not to Exceed \$7,000,000, the proceeds of which will be used to finance approximately \$7,000,000 of equipment at 455 Sackett Point Road, North Haven, where CCC is a private, for-profit manufacturing organization, which, under Chapter 579 of the Connecticut General Statutes, as amended ("the Act"), is eligible for financial assistance.

**RESOLUTION TAKING OFFICIAL ACTION
TOWARDS THE ISSUANCE OF REVENUE BONDS
OF CONNECTICUT INNOVATIONS, INCORPORATED FOR
CONNECTICUT CONTAINER CORP.**

WHEREAS, Connecticut Container Corp. (“CCC”) intends to finance the acquisition of equipment for use in its manufacturing facility located in North Haven, Connecticut as more particularly described in Exhibit A (the “Project”) which is expected to increase efficiency and allow CCC to enter new markets and thereby maintain employment and increase the tax base of the economy; and

WHEREAS, CCC has requested by application dated August 31, 2018 (the “Application”) to Connecticut Innovations, Incorporated (“CI”), assistance in financing the cost of the Project by the issuance of bonds of CI pursuant to Chapter 579 of the Connecticut General Statutes, as amended (the “Act”), which bonds (i) will be special obligations of CI payable solely from the revenues or other receipts, funds or monies of CI pledged therefor, which shall consist of the monies received by CI pursuant to a loan agreement with CCC, (ii) do not constitute a debt or liability of the State of Connecticut (the “State”) or of any municipality thereof, and (iii) shall not constitute or give rise to an indebtedness or charge against the general credit of CI; and

WHEREAS, CI understands that the financing of the Project by CI pursuant to the Act has to do with or has the end purpose of contributing to, supporting, or enhancing existing activities that are important to the economic base of the State and, in addition, will result in the creation or maintenance of jobs in the State and that based upon the Application, CI has determined that the availability of financial assistance will be an important inducement to CCC to proceed with the Project, and therefore the assistance by CI by the issuance of such bonds will be in furtherance of the policy of the State and in furtherance of the purposes of CI and the Act, all as set forth in the Act; and

WHEREAS, the Project set forth in the Application and the financing thereof qualifies as a project for which CI may issue bonds under the Act; and

WHEREAS, CI assumes that the financing of the Project should be completed as soon as possible so that the services of CCC may be enhanced and jobs created as soon as possible and CCC has expressed its willingness to expend its own funds in the initiation of the Project subject to reimbursement from the proceeds of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. In order to effectuate the purposes of the Act, CI does hereby accept and approve the Application to assist in the financing of the Project for effectuating the purposes set forth in the Act of contributing to, supporting or enhancing existing activities that are important to the economic base of the State and the creation of jobs in the State, through the issuance of revenue bonds as special obligations of CI, payable solely from the revenues or other receipts, funds or monies pledged therefor as referred to in the recitals hereof.

Section 2. CI hereby authorizes the issuance of such bonds of CI and (a) will issue such bonds to finance the Project in an amount not to exceed \$7,000,000 (the particular amounts, maturities and interest rate, redemption terms and other terms and conditions to be determined by a further resolution of CI), and (b) will loan the proceeds of the bonds to CCC, which will use the proceeds of the bonds for the purpose of financing the Project pursuant to a loan agreement whereby CCC will be unconditionally obligated to pay amounts sufficient to pay in full the interest on, principal of and redemption premium, if any, on such bonds and other payments in connection therewith.

Section 3. The bonds shall be qualified small issue bonds under Section 144(a) of the Internal Revenue Code of 1986, as amended (the "Code") for which private activity bond volume cap needs to be allocated.

Section 4. Insofar as CI is concerned under law, (a) CCC is hereby authorized to finance the Project and to advance such funds as may be necessary to accomplish such purposes subject to reimbursement for all expenditures from the proceeds of such bonds; (b) CI further authorizes CCC to discuss the terms and other conditions of the bond issue with prospective purchasers thereof; and (c) any action heretofore taken by CCC in initiating the planning, engineering, acquisition or construction of the Project is hereby ratified, confirmed and approved.

Section 5. The law firm of Shipman & Goodwin LLP is hereby retained as Bond Counsel with respect to the issuance of the CI bonds. The fees and disbursements for this service shall be borne completely by CCC. Said firm shall prepare and submit to CI, in consultation with CI staff and CCC and its counsel, drafts of the necessary legal documents.

Section 6. The proper officers and appointed officials of CI 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; with such terms and conditions as such officers or officials shall deem to be in the best interests of CI, and to do such further things or perform such acts

as may be necessary or convenient to implement the provisions of this Resolution.

Section 7. This Resolution shall constitute evidence of formal approval of the Application and other matters set forth herein.

Section 8. CI reasonably expects that CCC will incur expenditures (the "Expenditures") in connection with the capital project for which a general functional description is provided above. CI reasonably expects to reimburse CCC for the costs of the Expenditures with the proceeds of bonds described above. The maximum principal amount of such debt is not expected to exceed \$7,000,000. This declaration is a declaration of official intent made pursuant to Treasury Regulation Section 1.150-2.

Section 9. This Resolution shall take effect immediately.

Adopted: October 2, 2018.

Upon motion by Commissioner Smith, seconded by Mr. Mulready, Connecticut Innovations Incorporated ("CI") at a duly called meeting held October 2, 2018, a quorum being present, unanimously voted to approve the following resolutions taking official action concerning the approval and acceptance of an Application to Initiate the Issuance of and Approval of the Issuance and Sale of Revenue Bonds of Connecticut Innovations Incorporated for the benefit of the Connecticut Container Corp. ("CCC") Project in an Aggregate Amount Not to Exceed \$7,000,000, the proceeds of which will be used to finance approximately \$7,000,000 of equipment at 455 Sackett Point Road, North Haven, where CCC is a private, for-profit manufacturing organization, which, under Chapter 579 of the Connecticut General Statutes, as amended ("the Act"), is eligible for financial assistance.

BOND RESOLUTION:

**Regarding the Issuance of
Connecticut Innovations, Incorporated
\$7,000,000 Revenue Bonds
(Connecticut Container Corp. Project), Series 2018**

WHEREAS, Connecticut Innovations, Incorporated (the “Issuer”) is authorized under the laws of the State of Connecticut (the “State”), and in particular under the provisions of Chapters 578 and 579 of the Connecticut General Statutes, as amended, (the “Act”) to issue bonds to provide financial assistance for certain projects; and

WHEREAS, the Issuer understands that the financing of the Project (as hereinafter defined) by the Issuer pursuant to the Act has to do with or has the end purpose of contributing to, supporting, or enhancing existing activities that are important to the economic base of the State and, in addition, will result in the creation or maintenance of jobs in the State and that based upon the application submitted by Connecticut Container Corp. (the “Borrower”) dated August 31, 2018, the Issuer has determined that the availability of financial assistance will be an important inducement to the Borrower to proceed with the Project, and therefore the assistance by the Issuer by the issuance of such bonds will be in furtherance of the policy of the State and in furtherance of the purposes of the Issuer and the Act, all as set forth in the Act; and

WHEREAS, the Issuer proposes to make a loan to the Borrower to assist in the financing of the purchase of one (1) new Gopfert, six (6) color, Rotary Die Cutter and related ancillary equipment (the “Project”), as referred to and pursuant to a Loan Agreement, by and between the Issuer and the Borrower (the “Loan Agreement”); and

WHEREAS, in order to finance the costs of the Project, the Issuer authorizes the issuance of up to \$7,000,000 Revenue Bonds (Connecticut Container Corp. Project), Series 2018 (the “Bonds”), pursuant to the Act, under and secured by a Bond Agreement (the “Bond Agreement”), by and between the Issuer and People’s Capital and Leasing Corp., as Bondowner Representative (the “Bondowner Representative” or the “Purchaser”); and

WHEREAS, concurrently with the issuance of the Bonds and in consideration of and to secure the loan being provided by the Issuer to the Borrower pursuant to the Loan Agreement, the Borrower shall issue a promissory note with respect to the Bonds (the “Note”), and such Note shall be in the aggregate principal amount of the loan to the Borrower and shall constitute security for the obligation of the Borrower under the Loan Agreement, and shall be delivered to the Issuer, and the Issuer will assign the Note to the Bondowner Representative for the benefit of the owners of the Bonds pursuant to an assignment thereof (the “Assignment of Note”); and

WHEREAS, as security for the Bonds, the Borrower shall enter into a Security Agreement by and between the Issuer and the Borrower (the

“Security Agreement”) pursuant to which the Borrower will agree to grant a continuing security interest in the equipment financed with the Bonds and other collateral, which Security Agreement shall be assigned to the Bondowner Representative; and

WHEREAS, the Borrower will be obligated to maintain the tax-exempt status of the Bonds authorized hereunder pursuant to a Tax Regulatory and Compliance Agreement (the “Tax Regulatory Agreement”); and

WHEREAS, the Issuer has made certain findings and determinations regarding the Project and the Borrower in its inducement resolution which was adopted by the Issuer on October 2, 2018, and which by this reference are adopted and confirmed.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CONNECTICUT INNOVATIONS, INCORPORATED AS FOLLOWS:

Section 1. To accomplish the purposes of the Act, the Issuer hereby acknowledges that the Project is located in North Haven, Connecticut and consists of the projects to be financed by the Issuer and undertaken by the Borrower, all as described in the Loan Agreement.

Section 2. To accomplish the purposes of the Act and to provide for financing and for the cost of the Project, the issuance of the Bonds by the Issuer is hereby authorized subject to the provisions of this Resolution and the Bond Agreement hereinafter authorized and subject to approval of the Treasurer of the State. Such issuance is further subject to the approval of the Governor of the State pursuant to Section 147(f) (2) of the Internal Revenue Code of 1986, as amended (the “Code”). The Bonds shall be in an aggregate principal amount not to exceed \$7,000,000, shall mature not later than eight years from their dated date and shall bear interest at an interest rate not exceeding 6.00%. The principal amount, sinking fund redemptions, interest rates, maturity dates and other terms of the Bonds shall be determined and/or approved by an Authorized Representative (as hereinafter defined) of the Issuer within such limitations permitted herein and by the Act, and the execution of the Bond Agreement reflecting such terms by an Authorized Representative shall constitute conclusive evidence of such determination. The form of the Bonds and all other provisions with respect thereto shall be substantially as set forth in the Bond Agreement.

Section 3. The Bonds shall be special obligations of the Issuer, payable solely from the revenues or other receipts, funds or moneys of the Issuer pledged therefor, and from any amounts otherwise available for the payment thereof. The payment of the principal of, premium, if any, and interest on the Bonds shall be secured by a pledge of the revenues, receipts, funds or moneys derived by the Issuer under the Loan Agreement and, upon initial

issuance of the Bonds, the principal of and interest on the Bonds shall be additionally secured by the Security Agreement. Neither the State of Connecticut nor any municipality thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Connecticut or any municipality thereof shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Section 4. The substance and form of the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement and the Bond Purchase Agreement (the "Bond Purchase Agreement"), by and among the Issuer, the Borrower and People's Capital and Leasing Corp., as purchaser, substantially in the forms presented for this meeting or as subsequently delivered by an Authorized Representative of the Issuer, and made a part of this Resolution as though set forth in full herein, are hereby approved. Any Authorized Representative of the Issuer is hereby authorized to execute, acknowledge and deliver the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement and the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Authorized Representative. The execution of the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement and the Bond Purchase Agreement by an Authorized Representative shall be conclusive evidence of any approval required by this Section 4. The Bonds shall be sold to the Purchaser in accordance with the Bond Purchase Agreement and subject to the approval of the State Treasurer.

Section 5. The Bonds shall be executed in the manner provided in the Bond Agreement and delivered to the Bondowner Representative for proper authentication and delivery, upon instructions to that effect. The allocation of private activity bond volume cap in the amount of \$7,000,000 to the Bonds is hereby confirmed.

Section 6. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution, the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement and the Bond Purchase Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements, shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties, affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution, the Bond Agreement, the Loan

Agreement, the Assignment of Note, the Tax Regulatory Agreement and the Bond Purchase Agreement shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

Section 7. No covenant, stipulation, obligation or agreement contained in this Resolution, the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement or the Bond Purchase Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Issuer or of the State in his individual capacity and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8. The proper officers and appointed officials of the Issuer (as used in this Resolution, the "Authorized Representatives") are hereby designated the authorized representatives of the Issuer and each of them is hereby authorized and directed to cause the applicable proceeds of the Bonds to be disbursed as provided in the Bond Agreement and the Loan Agreement for the financing of the Project, to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents, and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Bond Agreement, the Loan Agreement, the Assignment of Note, the Tax Regulatory Agreement or the Bond Purchase Agreement and the issuance of the Bonds, including changes or revisions in the forms of or supplements or amendments to such documents as may be acceptable to Bond Counsel.

Section 9. The Senior Vice President - Public and Specialty Finance of the Issuer is hereby designated an Assistant Secretary of the Issuer and is hereby authorized to perform all of the duties of the Assistant Secretary of the Issuer under the Act and By-Laws of the Issuer with respect to the transactions authorized by this Resolution.

Section 10. The law firm of Shipman & Goodwin LLP is hereby appointed Bond Counsel to the Issuer for issuance of the Bonds. The fees and disbursements for this service shall be borne completely by the Borrower.

Section 11. This Resolution shall take effect immediately.

Adopted: October 2, 2018

6. Change to Order of Agenda:

Mr. Cantor asked the Board members to consider changing the order of the agenda.

7. Approval of Board and Committee Dates:

Upon a motion made by Mr. Cantor, seconded by Mr. Mulready, and the Board voted unanimously in favor of approving the proposed meeting dates for calendar year 2019.

Mr. Pescatello left the call.

Mr. Siuta introduced Shana Schlossberg of Upward Hartford.

8. Upward Labs LLC:

Ms. Schlossberg reported the success Upward Hartford has had in its first year and her ability to attract international companies realizing the benefits to locating their company in Hartford Connecticut. She shared her vision and plan for two immersive labs (Upward Labs LLC) focused on two specific industries: aged home health care and smart buildings. She explained the concept, the process, the recruitment and the ask and related terms. The presentation was followed by a question and answer session.

Upon a motion made by Mr. Mulready, seconded by Commissioner Smith, the Board members voted in favor of going into executive session at 11:23 a.m. to discuss financial and/or commercial information and/or trade secrets regarding Upward Labs, LLC.

The executive session ended at 11:58 a.m. and the regular meeting was immediately reconvened.

A decision was made to table the vote, awaiting additional information be made available to the Board. There will be an upcoming special meeting to further discuss this proposal.

9. Business Lines and Operations Updates:

Due to the lack of time Mr. Cantor asked that Board members follow up with CI Staff on any questions regarding the updates that had been previously circulated.

10. Other Business: There was no other business.

11. Adjournment:

Upon a motion made by Mr. Olsen, seconded by Commissioner

Smith, the Board voted unanimously in favor of adjourning the October 2, 2018 meeting at 12:01 p.m.

Respectfully submitted,

Michael Cantor
Chairperson of CI

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