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**DRAFT**

**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Tuesday, June 26, 2018

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on June 26, 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 9:37 a.m. Participating: Mostafa Analoui; Christopher Bandecchi (by phone); Michael Cantor; Valarie Gelb (by phone); Richard Mulready; John Olsen (by phone); John Pavia (by phone); Alexander Pencu (by phone); Paul Pescatello (by phone); David Siegel (by phone); 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.

Absent: Rafael Santiago

Staff Attending: Lauren Carmody, Leslie Larson, Matt McCooe, Hil Scott, Phil Siuta and Dave Wurzer.

Other guests: John Stafstrom of Pullman & Comley LLC., Chuck Hewett, Catherine Longley and Charles Lee of Jackson Laboratory (by phone).

**2. Approval of Minutes:**

Mr. Cantor asked the members of the Board to consider the minutes from the April 17, 2018 meeting.

**Upon a motion made by Mr. Analoui, seconded by Ms. Weisselberg, the Board voted unanimously in favor of adopting the minutes from the April 17, 2018 meeting, as presented. (Mr. Pescatello was not present for the vote).**

**3. Chairman’s Remarks:**

Mr. Cantor discussed his views on the transformational business climate and added thanks to the Governor and Commissioner Smith for bringing Jackson Laboratories to Connecticut.

**4. CEO Report:**

Mr. McCooe updated the Board on YTD FYE 2018 CI performance, noting all goals are anticipated to be met or exceeded.

*Mr. Pescatello joined the meeting.*

**5. Operating budget for the fiscal year ending June 30, 2019:**

Mr. Siuta presented the FYE June 30, 2019 budget, noting that it was previously reviewed in detail and recommended to Board for approval by the CI Finance Committee. A discussion of specific components of the budget ensued.

**Upon motion made by Mr. Mulready, seconded by Mr. Analoui, the Board of Directors of Connecticut Innovations, Incorporated, at a duly called meeting held June 26, 2018, with a quorum present, voted to approve the Operating Budget for the Fiscal Year ending June 30, 2019, as presented. The vote was 9 FOR, 3 AGAINST, and 2 ABSTENTIONS (Mr. Bandecchi, Mr. Siegel and Ms. Weisselberg voted no. Commissioner Smith and Mr. Evans abstained).**

**6. Approval to forgive the debt of Jackson Laboratory:**

Mr. Siuta and Attorney Stafstrom provided a summary of the agreement with Jackson Laboratory, and noted the achievement of debt forgiveness milestones as outlined in the previously signed agreement with CI.

**Upon a motion by Commissioner Smith, seconded by Mr. Mulready, Connecticut Innovations (CI) at a duly called meeting held on June 26, 2018, with a quorum present, the Board unanimously voted in favor of the following resolution:**

**Resolved:**

**WHEREAS, pursuant to the Bioscience Collaboration, Operating and Funding Agreement dated January 5, 2012, as thereafter amended (the "Bioscience Agreement"), by and between Connecticut Innovations, Incorporated, a quasi-public agency of the State of Connecticut ("CI") and The Jackson Laboratory, a Maine nonprofit corporation ("Jax"), and such other related agreements contemplated thereby to support the establishment of a bioscience cluster for the purposes of enhancing education and research and promoting economic development; and**

**WHEREAS, pursuant to the Bioscience Agreement, Jax committed to build, maintain, and operate The Jackson Laboratory for Genomic Medicine and to create a minimum of three hundred (300) new Employees (as such term, and all other capitalized terms used but not otherwise defined herein, as defined in the Bioscience Agreement), at least thirty percent (30%) of whom shall be Senior Scientists by the tenth (10<sup>th</sup>) anniversary of January 5, 2012; and**

**WHEREAS, Article 5 of the Bioscience Agreement provides for forgiveness of the Loans upon satisfaction of the conditions set forth in Sections 5.1 and 5.2 thereof, including, without limitation, satisfaction of the Employment Obligation including, without limitation, submission of an Employee Audit to establish compliance with the Employment Obligation; and**

**WHEREAS, CI has received a request from Jax to forgive the Loans pursuant to Article 5 of the Bioscience Agreement (the "Request Letter") and has received the Independents Accountants' Report on Applying Agreed-Upon Procedures (the "Audit Procedures") and the Employee Audit from KPMG LLP (the "Auditors"); and**

**WHEREAS, in accordance with the terms and provisions of the Bioscience Agreement and such other related agreements contemplated thereby, and upon receipt and approval of the Employee Audit and a legal opinion from Pullman & Comley, LLC satisfactory to the Chief Operating Officer of CI (the "COO") that Jax has fulfilled the requirements of Loan forgiveness as set forth in Article 5 of the Bioscience Agreement, CI wishes to approve the forgiveness of the Loans;**

**NOW, THEREFORE, BE IT**

**RESOLVED, that, upon receipt of the Employee Audit from the Auditors and legal opinion from Pullman & Comley, LLC, which indicate, to the satisfaction of the COO, that the conditions of Article 5 of the Bioscience Agreement have been met, CI shall forgive the Loans in accordance with Article 5 of the Bioscience Agreement; and**

**RESOLVED, that, upon satisfaction of the conditions set forth in the previous resolution, the COO is hereby authorized and directed to execute and deliver, on behalf of CI, such documents necessary and reasonable, in consultation with legal counsel for CI, to confirm the forgiveness of the Loans.**

**7. Approval for Elm Street Ventures II, L.P. as a private investment fund:**

Upon a motion by Commissioner Smith, seconded by Mr. Mulready, Connecticut Innovations (CI) at a duly called meeting held on June 26, 2018, with a quorum present, unanimously voted in favor of the following resolution:

**Resolved:**

Whereas, under existing Connecticut tax law, decedents are entitled to a credit against the Connecticut estate tax if they meet the conditions of CGSA section 12-391(i); and

Whereas, one of the requirements contained in CGSA Section 12-391(i) is that the decedent invest in a private investment fund or fund of funds pursuant to CGSA Section 12-39(43); and

Whereas, CGSA Section 32-39(43) provides that Connecticut Innovations, Incorporated has the power to establish a program to solicit private investment from state residents that CI will invest in a private investment fund or fund of funds pursuant to CGSA sections 32-39(41) or 32-41cc(e) or (g), provided any such private investment shall be invested by CI in venture capital firms having offices located in Connecticut, and

Whereas, the Board has considered whether the New Elm Street Venture Fund, (the "Fund") is a fund or fund of funds that will satisfy the requirements of CGSA Section 32-39(43).

Resolved, that based upon discussions with the principals of the Fund, the Board has preliminarily determined that the Fund should qualify as a private investment fund or fund of funds that will meet the statutory requirements of CGSA Section 32-39(43); and

Resolved, that the officers of Connecticut Innovations are authorized to undertake such further actions or steps that may be necessary so as to conclude that the Fund will qualify as a private investment fund or fund of funds that will allow investors to obtain the tax credit benefits of CGSA Section 12-391(i).

**8. Approval to allow staff to dissolve Connecticut Emerging Enterprises, Limited Partnership, and Emerging Enterprises Management, LLC:**

Upon a motion by Ms. Weisselberg, seconded by Commissioner Smith, Connecticut Innovations (CI) at a duly called meeting held on June 26, 2018, with a quorum present, unanimously voted in favor of the following resolution:

**I. Dissolution of Connecticut Emerging Enterprises, Limited Partnership:**

WHEREAS, Connecticut Emerging Enterprises, Limited Partnership, a Connecticut limited partnership ("CEELP") was formed on October 30, 1996, for the purpose of investing in technology growth enterprises in Connecticut;

WHEREAS, CI is a limited partner of CEELP, and its general partner is Emerging Enterprises Management, LLC ("EEM");

WHEREAS, CEELP's sole remaining asset is its receivable from Spinergy Inc., a Delaware corporation ("Spinergy"), as represented by that certain Senior Secured Promissory Note dated May 22, 2006 in the original principal amount of \$750,000 issued by Spinergy to CEELP (the "Note"), and pursuant to which Note Spinergy has been making payments to CEELP, which payments have accrued in a bank account held by CI for the benefit of CEELP;

WHEREAS, Spinergy has entered into an Installment Payment Agreement with CEELP dated as of May 4, 2017, pursuant to which Spinergy has made certain payments to CEELP to reduce its outstanding balance of principal and interest due under the Note, such payments to continue until May, 2021;

WHEREAS, Spinergy's obligations under the Note are secured by that certain Security Agreement between Spinergy and CEELP dated as of May 22, 2006, as amended to date (the "Security Agreement");

WHEREAS, CEELP has redeemed from Fleet Development Ventures, LLC ("Fleet"), its other limited partner, all of Fleet's interest as a limited partner of CEELP, pursuant to a Partnership Interest Redemption Agreement dated as of April 9, 2018, in exchange for a portion of the payments received to date under the Note, leaving CI as the sole remaining limited partner and EEM as the sole general partner of CEELP;

WHEREAS, at its meeting on November 21, 2016, the CI Board of Directors authorized the dissolution of CEELP on or before December 31, 2016, which dissolution has been delayed while representatives of CI addressed the outstanding amounts due to CEELP from Spinergy under the Note and the redemption of Fleet's partnership interest in CEELP; and

WHEREAS, in order to now complete the formal dissolution of CEELP, the Board of Directors deems it to be advisable and in the best interest of CI, EEM and CEELP to (i) assign all of CEELP's remaining rights under the Note and the Security Agreement to CI, and (ii) formally dissolve CEELP.

**NOW, THEREFORE, it is hereby**

**RESOLVED, that all actions previously taken by any officer of CI (each, an “Authorized Officer”), on behalf of CI, EEM or CEELP, as the case may be, in connection with the redemption of Fleet’s partnership interest in CEELP, be, and the same hereby are, approved, ratified and confirmed in all respects; and further**

**RESOLVED, that CI is authorized to assume all of CEELP’s rights under the Note and, for that purpose, to enter into, execute and deliver (i) an Assignment of Senior Secured Promissory Note, (ii) an Assignment of Security Agreement, and any and all such addition documents, instruments, conveyances, and assignments as may be approved by any officer of CI (each, an “Authorized Officer”), his or her execution and delivery thereof to be conclusive evidence of such approval; and further**

**RESOLVED, that CI, in its capacity as the sole member and manager of EEM as the General Partner of CEELP, approves the dissolution and termination of CEELP on or before June 30, 2018; and further**

**RESOLVED, that any Authorized Officer is hereby authorized and directed, on behalf of CI as the sole member and manager of EEM, in its capacity as the General Partner of CEELP, to take or cause to be taken any and all actions required to discharge all of CEELP’s liabilities to its creditors, if any, and to distribute CEELP’s rights under the Note to CI as a liquidating distribution; and further**

**RESOLVED, that any Authorized Officer is hereby authorized and directed, on behalf of CI as the sole member and manager of EEM, to execute a written consent of EEM, as the General Partner of CEELP, to approve the dissolution and liquidation of CEELP; and further**

**RESOLVED, that any Authorized Officer be, and each of them hereby is, authorized, empowered and directed to take or cause to be taken any and all such further actions, and to execute and deliver any and all such additional documents, as may be necessary, desirable or appropriate to effect the dissolution and termination of CEELP and the intent of the preceding resolutions.**

**II. Dissolution of Emerging Enterprises Management, LLC:**

**WHEREAS, CI is the sole member and the sole manager of EEM; and**

**WHEREAS, upon the termination and dissolution of CEELP, the purpose for which EEM was organized shall no longer exist; and**

**WHEREAS, the Board of Directors of CI deems it to be appropriate and desirable to formally dissolve and terminate EEM, and to liquidate its assets, on or before June 30, 2018.**

**NOW THEREFORE, it is hereby**

**RESOLVED, the Board of Directors of CI, in its capacity as the sole member and the sole manager of EEM, hereby approves the dissolution and termination of EEM following the dissolution and cancellation of CEELP, but no later than June 30, 2018; and further**

**RESOLVED, that all prior resolutions adopted by the CI Board of Directors approving the dissolution and liquidation of EEM are hereby ratified and confirmed in all respects.**

**III. Ratification:**

**RESOLVED, that each Authorized Officer is hereby authorized and empowered, in the name and on behalf of CI, to execute and deliver any and all such additional agreements, documents, instruments or certificates, and to take or cause to be taken any and all such additional actions as, in such officer's judgment, may from time to time be necessary, incident or proper to carry out the intent of the preceding resolutions, the execution and delivery of any such document and the taking of any such action to be conclusive evidence of the acting officer's approval thereof and of due authorization hereunder; and further**

**RESOLVED, that all actions heretofore taken by any of the officers of CI in furtherance of any of the foregoing resolutions, or in executing documents and taking actions referred to therein, be, and the same hereby are, ratified, confirmed and approved in all respects.**

**8. Valuation Committee Appointment:**

Mr. Wurzer citing the recent resignation of William Quish, a Valuation Committee member for the past three years, and was pleased to propose as his replacement David Jenkins. Mr. Wurzer stated that Mr. Jenkins has over thirty years' experience working in industry and at PricewaterhouseCoopers on start-up companies in Connecticut, with a strong background in the technology, asset management, health care and bioscience fields.

**Upon a motion by Mr. Analoui, seconded by Mr. Mulready, Connecticut Innovations Incorporated ("CI") at a duly called meeting held June 26, 2018, a quorum being present, voted unanimously to approve the following committee appointment, effective July 1, 2018.**

**David Jenkins (Member, Valuation Committee)**

9. **Other Business:** There was no other business.

10. **Adjournment:**

**Upon a motion made by Mr. Cantor, seconded by Mr. Commissioner Smith, the Board voted unanimously in favor of adjourning the June 26, 2018 meeting at 11:03 a.m.**

Respectfully submitted,

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Michael Cantor  
Chairperson of CI

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