

ELI WHITNEY INVESTMENT COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Thursday, August 1, 2013

A regular meeting of the **Eli Whitney Investment Committee of Connecticut Innovations, Incorporated** (the “Investment Committee”) was held on August 1, 2013 at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order: In the absence of the Chairperson of the Investment Committee, noting the presence of a quorum, Ms. Coppage called the meeting to order at 3:31 p.m. Investment Committee members present: Mun Choi (by phone), Gail Coppage, and Alexander Pencu (by phone).

Absent: Rafael Santiago.

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

2. Approval of Minutes:

Ms. Coppage asked the Investment Committee members to consider the minutes from the July 11, 2013 meeting.

Upon a motion made by Mr. Choi, seconded by Mr. Pencu, the Investment Committee members voted unanimously in favor of adopting the minutes from the July 11, 2013.

3. Consent Agenda:

Ms. Coppage asked the Investment Committee members to consider the items on the consent agenda.

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

- **New Investment Proposals:**
 - **Perosphere, Inc., Mount Kisco, NY**
- **Follow-on Investment Proposal:**
 - **Innovatient Solutions, Inc., Farmington, CT**
 - **Etouches, South Norwalk, CT**

- **Loan Modifications:**
 - **Discover Video, LLC, Wallingford, CT**
 - **Oil Purification Systems, Waterbury, CT**
- **Other Business:**
 - **Investment Approval Process for Deals Up to \$150,000**

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”) for Perosphere, Inc., Mount Kisco, NY, in an amount of up to THREE MILLION DOLLARS (\$3,000,000) for the purpose of build-out expenses for construction of laboratories, offices and manufacturing facility; 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.

“Innovatient Solutions, Inc., Farmington, CT”

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. (“CI”) for Innovatient Solutions, Inc., Farmington, CT in an amount of up to FIVE HUNDRED THOUSAND DOLLARS (\$500,000) for the purpose of the execution on product implementations as well as other 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, 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 December 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.

"etouches, South Norwalk, CT"

RESOLVED:

(1) that financing is approved by Connecticut Innovations, Inc. ("CI") for etouches, South Norwalk, CT in an amount of up to ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000) for the purpose of 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 December 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.

“Discover Video LLC, Wallingford, CT”

RESOLVED:

(1) (1) that loan principal deferment is approved by Connecticut Innovations, Inc. (“CI”) for Discover Video LLC, Wallingford, CT for up to six (6) months. During months one (1) through three (3), any outstanding loan balance will accrue interest at the current rate of seven and one-quarter percent (7.25%). Interest payments will continue to be made monthly during this time. If, at CI’s sole discretion, the deferment is extended beyond three (3) months, during months four (4) through six (6), any outstanding balance will accrue interest at the rate of eight and one-quarter percent (8.25%). Once monthly principal payments resume, interest will accrue on any outstanding loan balance at the original rate of seven and one-quarter percent (7.25%).; 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 deferment 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.

“Oil Purification Systems, Waterbury, CT”

RESOLVED:

(1) that an extension of the note is approved by Connecticut Innovations, Inc. (“CI”), for Oil Purification Systems, Waterbury for up to six (6); 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 extension to be effected, which documents shall (a) be executed by CI no later than February 1, 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.

"Investment Approval Process, CT"

RESOLVED:

that the Investment Approval Process for Connecticut Innovations Inc. deals up to \$150,000, as presented by staff is approved.

"Nxt-ID, Shelton, CT"

Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Investment Committee members voted unanimously in favor of authorizing staff to indicate to Nxt-ID, Shelton that CI would not be converting to shares in the company at a price less than \$1.25 per share.

4. Date for Next Meeting: September 12, 2013, 3:00 p.m.

5. Adjournment: Upon a motion made by Mr. Choi, seconded by Mr. Pencu, the Investment Committee members voted unanimously in favor of adjourning the August 1, 2013 meeting at 3:35 p.m.

Respectfully submitted,

Gail Coppage
Committee Member of the
Eli Whitney Advisory Committee