

CONNECTICUT GREEN BANK

Board of Directors

Meeting Minutes - Special

Friday, December 2, 2014

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on December 2, 2014 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope board room.

1. **Call to Order**: Catherine Smith, Chairperson of the Connecticut Green Bank, called the meeting to order at 9:05 a.m. Board members participating: Bettina Ferguson, State Treasurer’s Office; Norma Glover; Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Patricia Wrice, Kevin Walsh (by phone); Tom Flynn (by phone); Reed Hundt (by phone), Matthew Ranelli (by phone), Catherine Smith, Chairperson of the Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”).

Members absent: Mun Choi, John Harrity

Staff Attending: Bryan Garcia, Bert Hunter, Brian Farnen, Dale Hedman, George Bellas, Mackey Dykes, Kerry O’Neill, Jessica Bailey, Andy Brydges, Craig Connolly, Suzanne Kaswan, Genevieve Sherman, John D’Agostino, Joe Buonannata, Alex Kovtunencko, Andrea Janecko, Alysse Lembo-Buzzelli and Cheryl Samuels.

Others Attending: Denise Farrell (Environmental Attribute Advisors LLC)

2. **Public Comments**

There were no public comments.

3. **Consent Agenda**

a. **Approval of for October 17, 2014**

Resolution #1

Upon a motion made by Ms. Wrice, seconded by Ms. Glover, the Board members voted unanimously in favor of approving the minutes of the Board of Directors meeting for October, 17, 2014.

b. Board of Director and Committee Regular Meeting Schedule for 2015

Resolution #2

Upon a motion made by Ms. Wrice, seconded by Ms. Glover, the Board members voted unanimously in favor of approving the proposed Regular Meeting Schedule of the Board of Directors and Its Committees for the 2015 calendar year.

c. C-PACE Transaction Time Extension Request

Upon a motion made by Mr. Ranelli, seconded by Ms. Glover, the Board members voted unanimously in favor of approving proposed C-PACE transaction time extension request.

Resolution #3

WHEREAS, pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank ("Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, pursuant to the C-PACE program the Green Bank Board of Directors (the "Board") has approved and authorized the President of the Green Bank to execute financing agreements for the following four projects and properties: Amgraph Packing, Inc. at 90 Versailles Road, Sprague (approved on 7/18/14), and 290 Pratt St, LLC at 290 Pratt St, Meriden (approved on 7/18/14), Ellenville Associates, LLC at 255 Bank St, Waterbury (approved on 12/20/2013) Infinity VII, LLC at 1095 Day Hill Rd, Windsor (approved on 12/20/2013) (collectively, the "Finance Agreements");

WHEREAS, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board and *shall be executed no later than 90 days from the date of Board approval*;

WHEREAS, due to delays in fulfilling pre-closing requirements for the C-PACE transactions listed above the Green Bank will need more time to execute the Finance Agreements; and

NOW, therefore be it:

RESOLVED, that the Board extends authorization of the Finance Agreements to no later than 120 days from the date of the December 2, 2014 Board meeting and consistent in every other manner with the original Board authorization for each Finance Agreement.

4. Commercial and Industrial Sector Program Updates and Recommendations

a. C-PACE Transactions

Ms. Bailey provided an overview of the six (6) C-PACE transactions being recommended to the Board for approval. She explained that the transactions total about \$4.5 million, are standard energy efficiency and renewable energy transactions that are all structured in a manner familiar to the Board, and require Board approval due to their size.

929 Connecticut Avenue, Bridgeport

Ms. Bailey discussed the request for C-PACE financing to fund the \$621,575 installation of a 153-kilowatt solar photovoltaic system and LED lighting. She explained that the construction loan would be at 5% and the term loan set at a fixed 6% over the 20-year term.

380 & 398 Somers Road, Ellington

Ms. Bailey discussed the request for C-PACE financing to fund the \$495,768 installation of a 145-kilowatt solar photovoltaic system, HVAC efficiency and fuel switching, and lighting upgrades over two buildings. She explained that the construction loan would be at 5% and the term loan set at a fixed 5% over the 10-year term.

Ms. Bailey stated that the project is located at TSI Harley Davidson. She noted that there is a numerical error on the cover page of the memorandum prepared for the Board, showing the C-PACE assessment as higher than the actual \$495,768. Ms. Smith asked for clarification on the difference between the loan-to-value and lien-to-value; Ms. Bailey replied that there is a very small loan from Webster Bank for which the Green Bank staff must request consent.

Mr. Ranelli asked for clarification regarding where the lien sits if there is more than one property involved; Ms. Bailey replied that the lien has to sit on the benefited property, i.e., where the project is going. Mr. Ranelli followed-up by asking if there is a lien on only one property, would the recourse be only that one property, to which Ms. Bailey replied that the Green Bank would put the lien on both properties if there was a concern with the lien-to-value. Attorney Farnen added that putting the lien on both properties gives the Green Bank extra protection.

Ms. Sherman noted that the properties at 380 and 398 Somers Road are currently being consolidated into one parcel.

24 & 30 Adams Street, Manchester

Ms. Bailey discussed the request for \$596,725 in C-PACE financing to fund the installation of two (2) 100-kilowatt solar photovoltaic systems on two buildings. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term; however, since this deal is part of a group marketing campaign, the term loan rate will be lower if the campaign reaches a critical dollar value of C-PACE deals (5.75% for \$5 million to 5% for \$20 million of total deals).

Ms. Bailey stated the project is located at Manchester Honda and Manchester Motorsports, again noting that these projects came from the same contractor who has brought forth several others from the automobile dealership sector. Ms. Sherman noted, however, that the TSI Harley Davidson project came to the Greek Bank from a separate contractor who has now brought forth two projects in Ellington, the town in which they are headquartered.

Mr. Klee asked if any other sectors expressed interest or were being targeted by the Green Bank in a similar fashion to the automobile dealers, using supermarkets and the Dunkin Donuts chain as examples. Ms. Bailey replied that no other contractor has begun working with a sector in this way and noted that it is a great suggestion that is important for the Green Bank staff to address.

60 Johnson Avenue, Plainville

Ms. Bailey discussed the request for \$1,116,624 in C-PACE financing to fund the installation of a 521-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term.

Ms. Bailey explained that this transaction has a small lien-to-value and that the property is non-mortgaged. She added that the project was the first brought forth by contractor EnterSolar to use C-PACE financing.

999 Silver Lane, Trumbull

Ms. Bailey discussed the request for \$185,037 in C-PACE financing to fund the installation of lighting upgrades, HVAC replacements and a building management system. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.3% over a 13-year term.

Ms. Bailey noted that under \$300,000 transactions are normally approved by Green Bank staff internally, however, this project was brought forth to the Board for approval so it would not impact the internal transaction limit for other small deals.

90 Scott Road, Waterbury

Ms. Bailey discussed the request for \$1,530,622 in C-PACE financing to fund the installation of a 290-kilowatt solar photovoltaic system. She explained that the construction loan is set at 5% and term loan is at a fixed 6% over the 20-year term; however, this deal is also part of the group marketing campaign so the term loan rate may be lower if the campaign reaches a critical dollar value of C-PACE deals.

Ms. Bailey stated that this project is located at Blasius Chevrolet & Cadillac. She explained that though the lien-to-value of the property is a bit higher than normal, this project having secured a ZREC, the property owner's tax appetite and the property value all give Green Bank staff confidence that lender consent will be granted.

Ms. Smith asked Ms. Bailey if the contractor was close to achieving the critical dollar value of C-PACE deals to lower the term loan rate, to which Ms. Bailey replied that she was unsure of the current total. Ms. Sherman added that there are about ten (10) more deals from the automobile dealership sector still in the pipeline.

With no further discussion, Ms. Smith requested a motion on the resolutions related to the six (6) C-PACE transactions.

Upon a motion made by Mr. Ranelli, seconded by Ms. Glover, the Board members voted in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 929 Connecticut Avenue, Bridgeport, 2) 380 & 398 Somers Road, Ellington, 3) 24 & 30 Adams

Street, Manchester, 4) 60 Johnson Avenue, Plainville, 5) 999 Silver Lane, Trumbull, and 6) 90 Scott Road, Waterbury. Mr. Flynn abstained from voting citing his having missed the discussion.

929 Connecticut Avenue, Bridgeport

Resolution #4

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the “Act”), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

WHEREAS, the Green Bank Board of Directors (the “Board”) has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide \$621,575 construction and (potentially) term loan under the C-PACE program to Incubator Associates Limited Partnership, the property owner of 929 Connecticut Avenue, Bridgeport, CT (the “Loan”), to finance the construction of specified clean energy measures in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the “Feasibility Study Loan”) from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and

instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

380 & 398 Somers Road, Ellington

Resolution #5

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide \$495,768 construction and (potentially) term loan under the C-PACE program to Harold Levesque, Jr, the property owner of 380 and 398 Somers Road, Ellington, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

24 & 30 Adams Street, Manchester

Resolution #6

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank ("Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a \$596,725 construction and (potentially) term loan under the C-PACE program to Manchester Sports Center, Inc., the building owner of 24 Adams Street, Manchester, Connecticut and 30 Adams Street, Manchester, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements, and that the lease on the property does not impact the Green Bank's ability to foreclose on the building; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and

instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

60 Johnson Avenue, Plainville

Resolution #7

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide \$1,116,624 construction and (potentially) term loan under the C-PACE program to Carling Technologies, Inc., the property owner of 60 Johnson Avenue, Plainville, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instrument.

Resolution #8

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and

WHEREAS, the Green Bank seeks to provide a \$185,037 construction and (potentially) term loan under the C-PACE program to Silver Nichols LLC, the building owner of 999 Silver Lane, Trumbull, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements, and that the lease on the property does not impact the Green Bank's ability to foreclose on the building; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

Resolution #9

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a \$1,530,622 construction and (potentially) term loan under the C-PACE program to Loehmann-Blasius Chevrolet, Inc., the building owner of 90 Scott Road, Waterbury CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan and, if applicable, a Feasibility Study Loan in a total amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Act, including but not limited to the savings to investment ratio and lender consent requirements, and that the lease on the property does not impact the Green Bank's ability to foreclose on the building; and

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

b. Pre-C-PACE Interim CES Innovations Fund Loan

Ms. Bailey explained that Green Bank staff is making a first-time request for \$117,091 to allow for a previously approved C-PACE project to close by the end of year, in the absence of consent from the mortgage holder: the U.S. Small Business Administration (“SBA”).

Ms. Bailey noted that this is the transaction that the Green Bank is working with DECD on to get lender consent from the SBA. She explained that for reasons important to the property owner (i.e., using the ITC in the 2014 tax year and losing ZREC revenue) and to the Green Bank (i.e., continuing to position the C-PACE program as a solution for building owners), the Green Bank is requesting Board approval for the secured loan. She added that the security being placed on the project by the Green Bank includes closing fees, security interest in the ZREC contract, security interest in the installed solar photovoltaic system through a UCC-1 filing and \$35,000 of the ITC value within six (6) months of the loan closing if the SBA does not consent on C-PACE.

Mr. Dykes added that the Green Bank has \$2 million set aside in its budget for one-off projects that support the State’s Comprehensive Energy Strategy.

Mr. Ranelli inquired as to why the Green Bank cannot get a lien on the property, to which Ms. Bailey replied that the Green Bank cannot file a lien until it receives consent from the SBA as an existing mortgage holder. Mr. Ranelli asked if the Green Bank could take a second position without lender consent, to which Attorney Farnen replied that the Green Bank could file a subordinate lien as part of a non-PACE financing. Ms. Bailey added that the Green Bank will take a piece of their ITC, which buys down the Green Bank’s exposure to a very small dollar amount.

Ms. Wrice asked what the rationale is for the request. Ms. Bailey explained that the request is related to a timeliness issue and the hope that the project could be closed on by the end of the year. She stated that she expects the SBA to consent, but noted that if lender consent would have been given, the project likely would have already been closed on.

Ms. Smith recommended that when Green Bank staff speaks with the SBA that the entire C-PACE program is explained to them so that this issue does not reoccur. Ms. Bailey agreed and added that there are currently about five projects with SBA lender consent issues, though they are not as far along as this.

Mr. Ranelli recommended that the Green Bank receive authorization to file a lien so that if the SBA does not grant consent, the Green Bank could secure the rest of the loan. Attorney Farnen replied that he would ensure that Mr. Ranelli's recommendation is reflected in the loan agreement documentation. With no further discussion, Ms. Smith requested a motion on the resolution regarding the approval of this pre-C-PACE loan.

Upon a motion made by Ms. Glover, seconded by Mr. Ranelli, the Board members voted unanimously in favor of adopting the following resolution as written.

Resolution #10

WHEREAS, Pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), the Connecticut Green Bank ("Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, On November 14, 2014, the Deployment Committee of the Green Bank approved an \$117,091 C-PACE transaction to finance the installation of a 32.5 kW solar PV system at the Little House Properties LLC property in Ellington, CT. Consistent with the C-PACE program, the approval is contingent upon the property owner receiving mortgage lender consent;

WHEREAS, as an interim solution, while waiting for lender consent for the C-PACE assessment, the Green Bank seeks to provide an \$117,091 secured construction loan under the Comprehensive Energy Strategy Innovation Fund to the property owner, Little House Properties LLC, (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated November 25, 2014, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from December 2, 2014;

RESOLVED, that the proper the Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and

instruments as they shall deem necessary and desirable to effect the above-mentioned legal instrument.

5. Audit, Compliance and Governance Committee*

Mr. Ranelli stated that through efforts lead by Mr. Bellas he is pleased to share that the audit revealed no disputes, no adjustments, and only one recommendation for quarterly reporting.

Mr. Bellas explained that the Federal Single Audit Report is required to be issued to the Federal OMB if an entity expends \$500,000 or greater in federal funds. As we have won several federal solicitations, we have to file this report. There was a finding on an incorrect quarterly filing. The auditor recommendation, which is being implemented, suggests that an individual other than the one preparing the report, review the package for completeness and accuracy before submission.

Ms. Smith congratulated the team on a job well done with few very minor issues. Mr. Garcia also expressed congratulations to George and team for such a big effort, stating the speed of change is impressive.

Upon a motion made to approve made by Ms. Ferguson, seconded by Ms. Glover, the Board members voted unanimously in favor of approving the 2014 Comprehensive Annual Financial Report.

Resolution #12

WHEREAS, Article V, Section 5.3.1(ii) of the Connecticut Green Bank (“Green Bank”) Operating Procedures requires the Audit, Compliance, and the Governance Committee (the “Committee”) to meet with the auditors to review the annual audit and formulation of an appropriate report and recommendations to the Board of Directors of the Green Bank (the “Board”) with respect to the approval of the audit report;

WHEREAS, the Committee recommended to the Board for approval the 2014 Comprehensive Annual Financial Report which includes the Financial Statements and the Federal Single Audit Report of the Connecticut Green Bank for the Fiscal Year Ending June 30, 2014 (Attachments A and B).

NOW, therefore be it:

RESOLVED, that the Board approves the 2014 Comprehensive Annual Financial Report which includes the Financial Statements and the Federal Single Audit Report of the Connecticut Green Bank for the Fiscal Year Ending June 30, 2014 (Attachments A and B).

6. State of Connecticut Auditor’s Report for FY 2012 and FY 2013

Mr. Garcia stated that there were three (3) State Auditor findings that although not significant, present an opportunity to further improve upon our process and systems. The findings include administration of comp time, statutory noncompliance with the awarding of contracts, and untimely reporting. Mr. Garcia expressed that Mr. Farnen and staff are leading efforts to improve such processes and procedures.

Mr. Garcia also introduced Matt Macunas, the Connecticut Green Bank's new Legislative Liaison and Senior Marketing Manager who has 7 years of experience at the state legislature and will be on the ground as the ears and voice in the capital.

Mr. Ranelli suggested that the Audit Compliance and Governance Committee maintain an agenda item to monitor reporting and develop a calendar that will be submitted as board materials for review. Ms. Smith responded stating that the board is interested in proposals and happy to review at the next board meeting.

7. Statutory and Infrastructure Sector Program Updates and Recommendations*

Mr. Garcia provided the board with a program overview stating that the Residential Solar Investment Program (RSIP) is growing very rapidly, "we approved Step 5, a 25% decrease from Step 4, and in only three months and nearly 10 MW of projects have been approved – this is a lot as it is one-third of the 10-year legislative target in 1 quarter and with the 25-50% rate increase in CL&P and UI service territories expected on the standard offer for generation starting January 1st, we expect demand for residential solar PV to continue to increase".

Mr. Garcia stated that the Green Bank is seeing contractors use our financing products, stating "our CT Solar Lease demand is really picking up. Our \$10 million CT Solar Loan partner (Sungage Financial), was able to secure a \$100 million commitment from Digital Federal Credit Union – so we have access to a lot of private capital. And our Smart-E Bundle special offer is doing well".

Mr. Garcia also noted: "We are also making great progress with the "Solar Homes and Jobs Act," which proposes a Solar Home Renewable Energy Credit (SHREC). The Governor included this in his campaign, and we have been meeting with various stakeholders on it and receiving positive responses."

Mr. Dykes added that the Green Bank is also working with UCONN to develop census maps as a tool to encourage momentum for solar development. Mr. Dykes shared that the team will bring suggestions on ways to target low income communities at the next board meeting.

8. **Adjournment:** Upon a motion made by Ms. Glover and seconded by Ms. Ferguson, the Board voted unanimously in favor of adjourning the December 2, 2014 meeting at 10:04 a.m.

Respectfully Submitted,

Catherine Smith, Chairperson