

CONNECTICUT GREEN BANK

Board of Directors

Minutes – Special Meeting

Friday, January, 23, 2015

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on January 23, 2015 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:** Rob Klee, Vice Chairperson of the Connecticut Green Bank, called the meeting to order at 9:04 a.m. Board members participating: Mun Choi; Bettina Ferguson, State Treasurer’s Office; Tom Flynn (by phone); Norma Glover; John Harrity (by phone); Reed Hundt (by phone); Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Matthew Ranelli; Patricia Wrice.

Members absent: Catherine Smith, Chairperson of the Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”).

Staff Attending: Jessica Bailey, George Bellas, Andy Brydges, Joe Buonannata, John D’Agostino, Mackey Dykes, Brian Farnen, Bryan Garcia, Ben Healey (by phone), Dale Hedman, Bert Hunter, Andrea Janecko, Suzanne Kaswan, Alexandra Lieberman, Matt Macunas, Kerry O’Neill, Cheryl Samuels, and Michael Yu.

Others Attending: Tracy Babbidge (DEEP), Denise Farrell (by phone).

2. **Public Comments**

There were no public comments.

3. **Update from the President**

Mr. Garcia welcomed Mr. Yu, the new Senior Manager for Clean Energy Finance, to the Connecticut Green Bank.

Mr. Garcia provided a legislative update to the Board, noting that Green Bank staff met with the legislative co-chairs of the Energy & Technology Committee (“E&T Committee”)

over the past few weeks and is working to put together a forum to showcase what the Green Bank is doing in the community. He explained that the forum, tentatively scheduled for February, will be focused on the Green Bank's financing programs and products.

Mr. Garcia next discussed the progress of the SHREC policy development, stating that the Green Bank is finishing two studies, one with Sustainable Energy Advantage and one with the University of Connecticut, to substantiate the policy position: one study on the cost of the policy (showing the benefit to ratepayers) and the other showing positive, economy-wide benefits from more rooftop solar deployed in the state.

He explained that the Green Bank closed on a contract to sell 100,000 of its Class I RECs for 2014-2016, which will generate \$5 million in revenue at an average REC price of over \$50.

Finally, Mr. Garcia informed the Board that in fulfillment of a directive by the legislature from the 2014 legislative session, the Green Bank finished a study on Residential Property Assessed Clean Energy ("R-PACE") that supports R-PACE policy in Connecticut. He noted that the Green Bank might receive a request from the E&T Committee to develop a policy, but that in the interim, Green Bank staff – led by Ms. O'Neill – and its external contractor (Clean Energy States Alliance) had stakeholder outreach to do to discuss the findings of the report. Ms. O'Neill added that while there is much work yet to do with R-PACE, Green Bank staff will leverage the successes of the C-PACE program that is already in place.

Mr. Klee asked if the Green Bank was thinking of taking steps towards R-PACE this legislative session, to which Mr. Garcia replied that the intention is to fulfill the mandate: doing the report and sharing it with the community for discussion and debate.

Mr. Ranelli posed the question of what steps could be taken to address the concerns regarding the litigation and regulatory issues raised by the Federal Housing Finance Agency ("FHFA"). Attorney Farnen replied that this is an ongoing legal issue being fought primarily in California and that he does not believe the legal and regulatory issues will be resolved in the next year; however, the Green Bank can take reasonable steps to mitigate such issues in implementing a R-PACE program with a senior lien position in Connecticut. Attorney Farnen explained that the relationship between banks and customers differs from the residential to commercial markets so a successful residential policy could not include a requirement for consent from existing mortgage holders. He further commented that any R-PACE program should be administered by the Green Bank, so any legislation that is drafted should come from the Green Bank. He

added, however, that the Green Bank is not ready to draft legislation because it has yet to commit to pushing legislation for a R-PACE program this legislative session. The current approach is to present the positive findings of the study, make a recommendation in favor of implementing a R-PACE program, then react if a request is made by the E&T Committee for legislation.

Ms. Glover asked if consent of an existing mortgage holder would be necessary, to which Attorney Farnen explained that unlike with C-PACE, on the residential side it is nearly impossible to get the consent of the existing mortgage holder due to the structure of the secondary residential markets. He further noted that without a senior position, you lose the benefits behind a PACE financing.

Mr. Hundt asked for clarification as to why Green Bank staff is unsure if R-PACE legislation will pass, to which Mr. Farnen said that it is possible that banking groups may fight it if they do not want a senior lien position to come in over them without their consent. Ms. Bailey added that it is too early to tell what the stance of the banking community will be, but since they are undoubtedly a key partner to have, the Green Bank should build a program that is not threatening to them.

Mr. Klee commented that this legislative session will likely be focused on the state budget and other broad topics, so the Green Bank will need to have a clear legislative agenda of items that it wants to move forward. He recommended that everyone begin reviewing the draft comprehensive study on R-PACE as that is where the conversation will start.

4. Consent Agenda

Mr. Klee requested a motion on the consent agenda, which included C-PACE transactions valued at under \$300,000 but no more in aggregate than \$1,000,000, various operational matters, and the approval of minutes from the December 2, 2014 and December 19, 2014 meetings of the Board of Directors.

Ms. Ferguson and Mr. Flynn both noted that they would abstain from voting on the approval of the December 19, 2014 meeting minutes as they were both absent for that meeting.

Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Board members voted in favor of adopting the consent agenda as written, with Ms. Ferguson and Mr. Flynn abstaining from the approval of the December 19, 2014 meeting minutes.

Under \$300,000 C-PACE Transactions

Resolution #2

WHEREAS, on January 18, 2013, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) authorized the Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting, on July 18, 2014 the Board increase the aggregate not to exceed limit to \$1,000,000 (“Staff Approval Policy for Projects Under \$300,000”); and

WHEREAS, Green Bank staff seeks Board review and approval of the funding requests listed in the Memo to the Board dated January 23, 2015 which were approved by Green Bank staff since the last Deployment Committee meeting and which are consistent with the Staff Approval Policy for Projects Under \$300,000;

NOW, therefore be it:

RESOLVED, that the Board approves the funding requests listed in the Memo to the Board dated January 23, 2015 which were approved by Green Bank staff since the last Deployment Committee meeting. The Board authorizes Green Bank staff to approve funding requests in accordance with the Staff Approval Policy for Projects Under \$300,000 in an aggregate amount to exceed \$1,000,000 from the date of this January 23, 2015 Board meeting until the next Deployment Committee meeting.

Operational Matters

Resolution #3

WHEREAS, at the July 18, 2014, the Connecticut Green Bank (the “CGB”) Board of Directors (the “Board”) approved a new position structure for the CGB. One of the positions in the new structure was Managing Director, a senior position one level below the officers in the organizational structure.

NOW, therefore be it:

RESOLVED, pursuant to Section 3.6 of the CGB Bylaws and Section VII of the CGB Operating Procedures, the Board approves the following CGB staff positions, which are further described in the memo and attachments submitted to the Board dated January 16, 2015:

Managing Director of Commercial and Industrial Programs
Managing Director of Residential Programs
Managing Director of Institution Programs
Managing Director of Statutory and Infrastructure Programs

5. Sector Updates and Progress to Targets

Mr. Garcia informed the Board that the Green Bank is making great progress on its Fiscal Year 2015 Comprehensive Plan targets, and that each sector director would provide an update.

Of the Statutory and Infrastructure sector, Mr. Garcia stated that only six months into the fiscal year, the sector surpassed the \$200 million target set for the end of the fiscal year by approving and closing nearly \$210 million. Mr. Hedman explained that while there none of the Combined Heat and Power (“CHP”) or Anaerobic Digestion (“AD”) projects have fully closed, one of the AD projects is currently working through the closing process and several others remain in the pipeline. He added that these projects have to go through rigorous compliance and environmental permitting processes, which senior lenders often hesitate to move forward on unless they are already in place and therefore have permission to construct. Mr. Garcia also noted that banks are beginning to see the clean energy space as a prime area to invest their money, and some are even developing clean energy sectors within their institutions.

In the Residential sector, Ms. O’Neill stated that there are now over a thousand approved/closed transactions, meaning that many Connecticut residences are being touched by the Green Bank’s financing products. She explained that as the industry is trying to keep up with demand, there is a lot of time being taken for the solar contractors to install the projects and lenders are having to keep credit open for longer than they may be accustomed to. Overall, however, there is a lot of strong progress.

Mr. Hundt stated that lots of solar industry leaders are forecasting their volume to double each year and asked if the Green Bank’s solar products were on a similar growth curve. Ms. O’Neill replied that the Green Bank’s products were on a faster growth curve that does not show signs of abating. Mr. Hundt added that the Green Bank needs to think about how these programs will be sustained in years to come, to which Mr. Garcia responded that the Green Bank is now moving out of the start-up phase and is working to manage how to become more efficient and not be a market barrier.

Of the Commercial and Industrial sector, Mr. Garcia stated that six months into the fiscal year, the sector had already met its end of year targets. Ms. Bailey added that although she initially felt that the targets were too aggressive, the Green Bank has demonstrated the benefits of C-PACE and has shown tremendous results.

Mr. Garcia stated that Mr. Klee and Ms. Smith may need to lend support to the “Lead By Example” program in the Green Bank’s Institutional sector. Mr. Brydges explained that the State of Connecticut spends \$200 million in energy costs annually, but that the projects identified through the Lead By Example program could save 25-30% of those costs. He noted that the State agencies are desperate to do the work, but that the approval of a financing mechanism for the projects has taken very long.

Mr. Brydges explained that the Green Bank has identified private capital providers willing to put their money into these projects, but noted his concern that a financing solution could go against the State’s bond cap – thereby limiting how many projects can actually be done. He added that the private capital solution does not require any additional funds from the taxpayer, but that if all financing mechanisms go against the bond cap, then a legislative fix must be discussed as soon as possible. Mr. Brydges stated that showing that the first projects work will highlight the potentially huge energy cost savings for the State.

Ms. Ferguson added that the Office of the Treasurer (“OTT”) shares the Green Bank’s frustration with the delay in moving the projects forward. She explained that there was a bottleneck surrounding sovereign immunity, which is of vital importance to the Attorney General’s Office (“AGO”), but is encouraged by the notion that there may be a way to get around the issue. She noted that the OTT is working diligently with the AGO to move the discussion forward.

Mr. Klee asked for clarification on if the bond cap and sovereign immunity issues were linked, to which Mr. Brydges confirmed that they are separate issues. Attorney Farnen added that the Green Bank was getting close to closure on the issue and is confident with a resolution in the very near term, which Ms. Ferguson affirmed. Mr. Klee asked who made the decision on if Lead By Example financing would go against the bond cap. Attorney Farnen explained that the Green Bank is working with the OTT’s legal counsel to think through issues with the bond cap and would then go back to the Office of Policy Management (“OPM”) if necessary.

Mr. Klee offered his and Ms. Smith’s services to the Lead By Example program, noting that it is a program that will save the state money.

Mr. Bellas noted that things are progressing nicely from an Accounting perspective and reminded the Board that all of his materials are available to them in their packages. He noted that the Green Bank continues to move towards a balance sheet type operation with an increasing level of loans and investments being reflected in the financial statements.

6. Commercial and Industrial Sector Program Recommendations

a. C-PACE Transactions

Ms. Bailey provided an overview of the seven C-PACE transactions being recommended to the Board for approval. She explained that the transactions total about \$13.7 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.

Ms. Bailey informed the Board that the Green Bank was able to onboard the City of Bristol into the C-PACE program and thanked Mr. Klee for his support in making that happen. She noted that the first four projects being presented to the Board for their approval were from Bristol, and that all were part of the car dealership portfolio. She explained that the portfolio of car dealership projects is now eligible for a 25 basis point interest rate reduction.

Ms. Bailey explained that the Board would also hear about the Cargill Falls hydroelectric project in Putnam – which has several DEEP aspects to it, including soil and erosion control as well as fish passage facilities – and the Amgraph project in Sprague – which is the first fuel cell project to use C-PACE financing and includes several fuel cells manufactured in Connecticut by Doosan Fuel Cell America.

1461 Farmington Avenue, Bristol

Ms. Bailey discussed the request for C-PACE financing to fund the \$591,675 installation of a 200-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, 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).

24 Redstone Street, Bristol

Ms. Bailey discussed the request for C-PACE financing to fund the \$318,025 installation of a 100-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, 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).

223 Broad Street, Bristol

Ms. Bailey discussed the request for \$519,713 in C-PACE financing to fund the installation of a 175-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, 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).

1 Hartford Square, New Britain

Ms. Bailey discussed the request for \$3,049,200 in C-PACE financing to fund the installation of a 1.25-megawatt ground mounted 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 this is the first project brought forth by the contractor (Resources Development Associates), and that the Green Bank hopes to see additional projects from them in the future.

Mr. Garcia added that this project is a 1.25-megawatt ground mounted system that has yet to receive a ZREC, but that the Green Bank and the property owner felt comfortable moving forward without including potential ZREC revenue. He noted that this is evidence of C-PACE assisting the market. Mr. Ranelli asked if the financial underwriting assumed the property owner would be awarded a ZREC, to which Mr. Hunter replied that no assumption was made and that any ZREC revenue would be an additional positive for the project.

58 Pomfret Street, Putnam

Ms. Bailey discussed the request for approximately \$2,250,000 in C-PACE financing to fund the installation of an 875-kilowatt hydroelectric system. She explained that the construction loan is set at 5% and the term loan is at a fixed 5.5% over a 15-year term.

Ms. Bailey explained that the Green Bank requested and received contingent approval for this project in 2014, and is now requesting the release of a portion of the total amount financed without the project having met a piece of a milestone. Mr. Hunter

added that there are seven (7) conditions present to advancing the funds and that two (2) remain open.

Mr. Healey stated that this is the first hydroelectric project to come through the C-PACE program and is at the oldest continuously operating mill site in the country. He explained that the project is missing a set of permits that do not get fully vetted until finalized drawings are in place, which is why the Green Bank is requesting funds be released in advance.

Ms. Glover stated that she believes this is a great project and hopes to see additional hydroelectric projects in the future. She asked if FERC was involved at some level, to which Ms. Bailey replied that this project required FERC permits. Mr. Hunter noted that this is an approximately \$25 million project with residential (some of which is considered affordable housing) and mixed-use areas. He continued that the project has secured a good deal of the capital stack, with the rest being residual. Mr. Hedman added that this project originated under the OSDG program of the Clean Energy Fund, from which it received funds for feasibility studies. He stated that this is an example of a legacy project being helped forward by the Green Bank's new financing programs.

Mr. Klee recommended that the Green Bank approach DEEP on issues where it may be helpful, including the energy and fisheries side, to which Mr. Healey acknowledged that DEEP staff had already been very responsive to questions from the Green Bank.

Mr. Ranelli expressed his concern on some pieces of the milestone not yet being approved by DEEP or the State Historic Preservation Office ("SHPO"). He noted that there are issues that may arise along the way with a mill site that can affect the project, and that it worries him to approve a pre-construction loan. Mr. Healey replied that, regarding permitting, the development team has shown the Green Bank permits and/or indicative letters of pre-approval, but some will not be finalized until final drawings are submitted. He acknowledged Mr. Ranelli's concerns as valid and explained that these concerns are why the bulk of the project's financing are being held by the Green Bank until the issues are resolved and documentation is in place. Mr. Healey added that the C-PACE lien helps secure the project when funds start to be released. He explained that the Green Bank underwrote the project assuming more of the hydroelectric power would be sold back into the grid, which should be able to cover the debt service, and that the commercial pieces of the project would also be served by the power produced.

Mr. Ranelli asked for clarification as to what assurance the Green Bank will have that the project will move forward if either the residential or commercial development piece is delayed, and if the project was insulated from environmental liability. Mr. Healey replied

that the remainder of the overall project's financing will close over the next six-to-eight months, while the hydroelectric project's construction will begin well before that. Mr. Hunter added that the project developers have also engaged environmental counsel. Mr. Ranelli restated his environmental concerns, noting that the standards are stricter than construction of a residential site. He asked if the risks of undercapitalization or environmental clean-up would impact the work on the hydroelectric portion of the project. Mr. Hunter stated that, regarding foreclosure, the C-PACE lien is superior, and Mr. Healey added that the remediation work on the site has been completed under a DEEP grant.

Attorney Farnen stated that the Board could vote on this resolution with a charge to staff to keep all of the Board members' concerns in consideration during the drafting of the definitive loan documentation. Mr. Ranelli noted that the charge is that pre-construction funds not be at risk.

90 Versailles Road, Sprague

Ms. Bailey discussed the request for \$6,765,892 in C-PACE financing to fund the installation of an 800-kilowatt fuel cell system. She explained that the construction loan is set at 5% and term loan is at a fixed 5.5% over the 15-year term.

Ms. Bailey explained Clear Edge Power, the original manufacturer of the fuel cells for this project, declared bankruptcy the day before this project was to be presented to the Board for approval in April 2014, so it was pulled from consideration. She added that the Green Bank re-underwrote the project after Doosan took control of the fuel cell company. Ms. Bailey noted that Ms. Lieberman took the lead on this project and that the Green Bank is excited to present the first LREC/C-PACE combined project.

Mr. Klee stated that this project also included a gas main expansion (which the gas company will do at no cost), so the hope is that other businesses and residences will be brought onto the main along the way. Ms. Lieberman added that an extension was initially granted so that the LREC would not begin until October 2016, however, PURA cut that timeline by six months to April 2016; regardless, Doosan has stated that the system will be in service by the end of 2015. She noted that the financing for this project is just shy of the largest C-PACE transaction to date, with the other being a large hotel. Mr. Garcia added that this project is an example of how Connecticut companies can become more competitive in the LREC auction, and stated that the Green Bank hopes Doosan and Fuel Cell Energy use C-PACE for their commercial projects.

Mr. Ranelli stated that the Green Bank should be aware that fuel cells are part of a single source industry, so that one when company goes out of business, the system cannot get serviced by someone else as the service agreements do not always transfer. He recommended that the Green Bank ensure that the maintenance agreements are tie so that if a company buys a technology, it also buys its service agreement – to which the Board and Green Bank all expressed agreement.

With no further discussion, Mr. Klee requested a motion on the resolutions related to the seven C-PACE transactions.

Upon a motion made by Ms. Glover, seconded by Mr. Ranelli, the Board members voted in favor of adopting the following resolutions regarding the C-PACE transactions for 1) 1461 Farmington Avenue, Bristol, 2) 24 Redstone Street, Bristol, 3) 9 Barber Street, Bristol, 4) 223 Broad Street, Bristol, 5) 1 Hartford Square, New Britain, 6) 58 Pomfret Street, Putnam, and 7) 90 Versailles Road, Sprague.

1461 Farmington Avenue, Bristol

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 a \$591,675 construction and (potentially) term loan under the C-PACE program to Bristol Farms Associates, LLC, the building owner of 1461 Farmington Avenue, Bristol, 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 January 16, 2015, 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 January 23, 2015;

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.

24 Redstone Street, Bristol

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;

WHEREAS, the Green Bank seeks to provide a \$318,025 construction and (potentially) term loan under the C-PACE program to 754 Pine Street, LLC, the building owner of 24 Redstone Street, Bristol, 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 January 16, 2015, 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 January 23, 2015;

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.

9 Barber Street, Bristol

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 \$302,763 construction and (potentially) term loan under the C-PACE program to 333 Associates, LLC, the building owner of 9 Barber Street, Bristol, 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 January 16, 2015, 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 January 23, 2015;

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.

223 Broad Street, Bristol

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 a \$519,713 construction and (potentially) term loan under the C-PACE program to 223 Broad Street, LLC, the building owner of 223 Broad Street, Bristol, 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 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 January 16, 2015, 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 January 23, 2015;

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.

1 Hartford Square, New Britain

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;

WHEREAS, the Green Bank seeks to provide \$3,049,200 construction and (potentially) term loans under the C-PACE program to Hartford Square Associates LLC, the property owner of One Hartford Square, New Britain, 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, 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 January 16, 2015, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 150 days from January 23, 2015;

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 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.

58 Pomfret Street, Putnam

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 \$2,250,000 construction and (potentially) term loan under the C-PACE program to Historic Cargill Falls Mill, LLC, the property owner of 58 Pomfret Street, Putnam, 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, which Loan was conditionally approved by the Green Bank Deployment Committee at its May 15, 2015 meeting; 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, 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 January 16, 2015, 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 January 23, 2015;

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 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.

90 Versailles Road, Sprague

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

WHEREAS, the Connecticut Green Bank seeks to provide a \$6,765,892 term loan under the C-PACE program to Amgraph Packaging, Inc., the property owner of 90 Versailles Road, Sprague, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and CEFIA's Strategic Plan, contingent on the final project meeting all statutory and programmatic requirements;

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 January 16, 2015, 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 January 23, 2015;

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 instrument.

7. Residential Sector Program Updates and Recommendations

a. Low Income and Multifamily – Private Foundation Program Related Investment

Mr. Garcia spoke about the \$5 million program-related investment ("PRI") given to the Green Bank by a private foundation to support the Green Bank's emerging affordable/multifamily financing programs. He explained that the funds would first be used for predevelopment financing and that a request was being made to the Board to allow for the Green Bank to accept the PRI.

Ms. O'Neill added that Mr. Healey has done a tremendous amount of work building the relationship with private foundation and Ms. Stevenson has worked to nurture it. Mr. Garcia requested the Board's assistance with informing the Governor of this investment.

The Board commended the Green Bank for this achievement.

Upon a motion made by Mr. Ranelli, seconded by Ms. Ferguson, the Board members voted in favor of approving the resolution allowing the Connecticut Green Bank to accept the program-related investment.

Resolution #11

WHEREAS, the Connecticut Green Bank ("Green Bank") is actively seeking to deploy private capital to support clean energy upgrades in the state's affordable multifamily housing sector;

WHEREAS, the John D. and Catherine T. MacArthur Foundation ("MacArthur") offers concessionary financing in the form of Program Related Investments ("PRIs") to support core social welfare goals;

WHEREAS, pursuant to Section 99 of Public Act No. 11-80 of the Connecticut General Assembly, as amended from time to time (the "Act"), the Green Bank is authorized to accept both charitable gifts and loans from philanthropic foundations; and

WHEREAS, the Green Bank drafted a proposal to MacArthur dated June 30, 2014, which the latter has accepted, for a \$5,000,000 PRI to support three or more new multifamily clean energy financing programs in Connecticut;

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 accept the MacArthur PRI, and in so doing obligate the Green Bank in a total amount not to exceed \$5,000,000 with terms and conditions consistent with the memorandum and associated exhibits submitted to the Board of Directors dated January 16, 2015, 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 January 23, 2015; and

RESOLVED, that the proper 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.

8. Marketing

Mr. Connolly informed the Board that the Green Bank's marketing team had run a solicitation process starting in November 2014 for a firm to assist with general marketing services and advertising platform development. He explained that the nine firms that responded to the solicitation were scored in a matrix based on sixteen different criteria. Three of the nine firms were invited to present to the Green Bank, and ultimately, two were selected to be presented to the Board for approval.

Mr. Connolly requested the Board's approval to select Cronin & Co. as the marketing and advertising agency of record, and explained that they will take on the services currently provided by MatchDrive. He also requested the Board's approval for the Green Bank to partner with The Verse Group, calling them a best in class branding consultancy with considerable experience with rebranding and an in-house green marketing practice.

Mr. Connolly informed the Board that the Green Bank developed an aggressive timeline for the rebranding, with a public launch targeted for early April. He explained the need to capture considerable insight from internal and external stakeholders, with the three phases of the project being (1) creating a strategic roadmap, (2) brand creation and (3) staging. He offered to conduct an optional meeting for Board members who might be

interested in learning more about where the Green Bank was in terms of branding and messaging.

Mr. Garcia added that the Green Bank has come a long way as an organization and noted that the upcoming launch would be focused on the name as well as the culture of the Green Bank. He explained that Ms. Smith felt that it was important for the Green Bank to go before the Board to discuss not only the process and recommendation to engage several contractors, but to also discuss the plans with the respect to brand launch.

Mr. Klee thanked the Green Bank for focusing on this with such detail and noted that an April launch would coincide with Earth Day, which is a great day to tie a launch event around.

Upon a motion made by Mr. Choi, seconded by Ms. Glover, the Board members voted unanimously in favor of approving the following resolution related to the approval of marketing professional services agreements as written.

Resolution #12

WHEREAS, pursuant to Section IX of the Connecticut Green Bank's (the "Green Bank") operating procedures, contracts for professional services requiring expenditure by the Green Bank over \$150,000 call for a process in which proposals are solicited from at least three qualified parties; and

WHEREAS, this Request for Qualifications (RFQ) process was recently performed by Green Bank staff and the qualifications of several marketing firms were assessed by the staff, as their professional service agreements were expected to exceed the \$150,000 threshold defined above. The outcome of this process is described in more detail in memo to the Board dated January 23, 2015.

NOW, therefore be it:

RESOLVED, that the Green Bank's President and Chair hereby recommend to the Board of Directors approval of the professional services agreements ("PSAs"), as described in more detail in memo to the Board dated January 23, 2015, with:

- i. Cronin & Co, LLC; and
- ii. The Verse Group, LLC

for marketing and brand consulting services with the amounts of each PSA not to exceed the amount referenced in this memorandum; and

RESOLVED, that the proper 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 execute these professional service agreements.

9. Other Business

Mr. Garcia informed the Board that there are two items as “other business.”

Firstly, Mr. Garcia stated that he would update the Board on the succession plan, stating that he has an initial draft of the plan underway and is working with Ms. Smith to refine it. He explained that it was important to know how to respond when someone leaves the Green Bank, as well as how to work with the next generation of leadership of the organization. Mr. Garcia noted that he would deliver the plan to the Board at the next meeting, scheduled for April 17, 2015.

Secondly, in honor of her service to the organization, Mr. Garcia requested the Board's approval to designate Ms. Bailey as the first Connecticut Green Bank Honorary Fellow. He explained that while there is no financing remuneration for the honor, it was similar to emeritus status in academia.

Upon a motion made by Mr. Choi, seconded by Mr. Ranelli, the Board members voted unanimously in favor of approving the following resolution designating Ms. Bailey as the first Connecticut Green Bank Honorary Fellow.

Resolution #13

WHEREAS, the vision of the Connecticut Green Bank (“Green Bank”) is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security and address climate change;

WHEREAS, the mission of the Green Bank is to support the Governor's and Legislature's energy strategy to achieve cleaner, cheaper, and more reliable sources of energy while creating jobs and supporting local economic development;

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 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 August 30, 2013 the Green Bank hired Jessica Bailey as the Director of Commercial and Industrial Programs, including C-PACE;

WHEREAS, on April 8, 2014, Jessica Bailey was acknowledged by the Hartford Business Journal in their special edition Connecticut Green Guide as a “Green Warrior” for getting deals done;

WHEREAS, on April 17, 2014, Jessica Bailey was honored by President Obama as a “Champion of Change” for her efforts to promote and expand solar deployment through C-PACE;

WHEREAS, on November 19, 2014 the Green Bank’s C-PACE program was recognized by the Clean Energy States Alliance with a 2014 State Leadership in Clean Energy Awards; and

WHEREAS, the Board of Directors desire to recognize the significant contribution Jessica Bailey has made to the success of the Green Bank’s C-PACE Program together with her colleagues at the Green Bank, and those in the community who have benefitted from her public service.

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Green Bank hereby designates Jessica Bailey as a Connecticut Green Bank Honorary Fellow to recognize her outstanding public service towards advancing private investment in clean energy deployment in Connecticut which has resulted in substantial energy savings, economic development and environmental protection.

- 10. Adjournment:** Upon a motion made by Ms. Glover, seconded by Ms. Ferguson, the Board voted unanimously in favor of adjourning the January 23, 2015 meeting at 10:31 a.m.

Respectfully Submitted,

Rob Klee, Vice Chairperson