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June 6, 2018

Dear Board of Directors:

We have a regular meeting scheduled for next week for Wednesday, June 13, 2018 from 3:00-5:00 p.m. in the Colonel Albert Pope Board Room of the Connecticut Green Bank at 845 Brook Street, Rocky Hill, CT 06067.

This meeting will be focused on reviewing the various agreements – not budgetary amounts, nor investments – the Green Bank expects to engage in with the Nonprofit as we continue to implement the Sustainability Plan.

On the agenda we have the following items:

- **Consent Agenda** – approval of the special meeting minutes for the Nonprofit discussion on May 25, 2018.
- **Nonprofit Organization** – as a follow-up to the special meeting held on May 25<sup>th</sup>, included is a revised business plan for the Nonprofit that includes the comments expressed by the Board of Directors in tracked changes. Also included is a series of agreements between the Green Bank and the Nonprofit that require review and approval by the Board of Directors. Note – we have removed all budgetary value within the agreements so that the Board of Directors can first review and approve the FY 2019 budget (i.e., revenues, expenses, cash flow, and investments) of the Green Bank, and then review and approve the amount of support through the Nonprofit. The FY 2019 budget will be brought forth by the Budget & Operations Committee at the June 28<sup>th</sup> Board of Director meeting. Also, the draft PSAs will be distributed on Friday, June 8, 2018.
- **Committee Recommendations** – as the Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur. The Deployment Committee, Audit, Compliance, and Governance Committee, and the Staff recommend a loan loss decision framework and process for review and approval by the Board of Directors. The draft memo will be distributed on Friday, June 8, 2018 as the ACG Committee has a meeting to discuss the proposed framework on this date.
- **Investment Business Recommendations** – consistent with our Comprehensive Plan and Budget, as well as Sustainability Plan, a follow-on investment in PosiGen is being proposed based on prior commitments. Also, applying the Loan Loss Decision Framework and Process, the staff is proposing to restructure a C-PACE transaction in executive session. The project, Brookfield YMCA, installed a CHP system in combination with a number of energy conservation measures. For details on the transaction, see the memo and appendices provided.

If you have any questions, comments or concerns, please feel free to contact me at any time.

We look forward to seeing you next week.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Garcia', with a long horizontal flourish extending to the right.

Bryan Garcia  
President and CEO



## **AGENDA**

Board of Directors of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Wednesday, June 13, 2018  
3:00-5:00 p.m.

Staff Invited: George Bellas, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Ben Healey, Dale Hedman, Bert Hunter, Sue Kaswan, Kerry O'Neill, Eric Shrago, and Kim Stevenson

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes
4. Nonprofit Organization – Underserved Markets – 75 minutes
  - a. Shared Services Agreement
  - b. Capital Grant Agreements
  - c. Professional Services Agreements
  - d. Licensing Agreement
5. Committee Recommendations and Updates\* – 10 minutes
  - a. Deployment Committee and Audit, Compliance, and Governance Committee – 10 minutes
    - i. Loan Loss Decision Framework and Process – 10 minutes
6. Investment Business – Clean Energy Finance – 20 minutes
  - a. PosiGen Investment
  - b. C-PACE Transaction – Proposed Restructuring
7. Other Business – 5 minutes
8. Adjourn

Next Regular Meeting: Thursday, June 28, 2018 from 9:30 -11:30 a.m.

Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT





## **RESOLUTIONS**

Board of Directors of the  
Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067

Wednesday, June 13, 2018  
3:00-5:00 p.m.

Staff Invited: George Bellas, Craig Connolly, Mackey Dykes, Brian Farnen, Bryan Garcia, Ben Healey, Dale Hedman, Bert Hunter, Sue Kaswan, Kerry O'Neill, Eric Shrago, and Kim Stevenson

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes

### **Resolution #1**

Motion to approve the revised meeting minutes of the Board of Directors for May 25, 2018.

4. Nonprofit Organization – Underserved Markets – 75 minutes
  - a. Shared Services Agreement
  - b. Capital Grant Agreements
  - c. Professional Services Agreements
  - d. Licensing Agreement
  - e. Working Capital Agreement

### **Resolution #2**

**WHEREAS**, on December 15, 2017, the Board of Directors of the Green Bank approved of a budget mitigation strategy consistent with the Sustainability Pathway Strategy, including the need for staff to present a detailed business plan, budget, and transition plan for certain employees to a Nonprofit;

**WHEREAS**, on April 3, 2018, the Board of Directors of the Green Bank was presented by staff a detailed business plan to which the Board of Directors then authorized the President and any other duly authorized officers of the Green Bank to participate in the formation of an independent nonprofit non-stock corporation to further the purposes of the Green Bank, including achieving operating leverage and attracting mission-oriented investors for a set of products serving underserved market segments; and

**WHEREAS**, on April 27, 2018, the Board of Directors of the Green Bank was presented a staff transition plan for those individual staff members of the Green Bank transitioning to the Nonprofit and authorized the President of the Green Bank and any other duly authorized officer of the Green Bank to (1) ensure the orderly transition of individuals transitioning from the Green Bank to the Nonprofit, taking into consideration, but not limited to, the Advisory Opinion No. 2018-2 by the Office of State Ethics, (2) provide assistance to the Nonprofit to identify, analyze, and recommend benefit options for the staff transitioning to the Nonprofit, and (3) notifying the individuals that will be transitioning to the Green Bank to the Nonprofit of their last day with the Green Bank tentatively planned for June 30, 2018;

**WHEREAS**, on June 13, 2018, the staff of the Green Bank presented a series of agreements between the Green Bank and the Nonprofit, including Shared Services Agreement, Capital Grant Agreement, Professional Services Agreements, Licensing Agreement, and Working Capital Agreement, for review and approval by the Board of Directors of the Green Bank.

**NOW**, therefore be it:

**RESOLVED**, that the Board of Directors approves of the series of agreements set forth in the memorandum to the Board of Directors dated June 13, 2018 and authorizes the President of the Green Bank and any other duly authorized officer of the Green Bank to execute on such agreements, except the Professional Services Agreements and Working Capital Agreement; and

**RESOLVED**, that the Board of Directors requests the staff and Budget & Operations Committee of the Green Bank to return on June 28, 2018 with the fiscal year 2019 targets and budget for the consideration by the Board of Directors of the Green Bank, along with a recommendation for review and approval of the budget allotment for the Nonprofit to be included in the Professional Services Agreements and Working Capital Agreement.

5. Committee Recommendations and Updates\* – 10 minutes
  - a. Deployment Committee and Audit, Compliance, and Governance Committee – 10 minutes
    - i. Loan Loss Decision Framework and Process – 10 minutes

### **Resolution #3**

**WHEREAS**, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**WHEREAS**, on January 18, 2013, the Board of Directors authorized 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 ("Staff Approval Policy for Projects Under \$300,000");

**WHEREAS**, on July 18, 2014, the Green Bank Board of Directors approved of a recommendation brought forth by the Audit, Compliance, and Governance Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program 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 \$1,000,000 from the date of the last Deployment Committee meeting;

**WHEREAS**, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting; and

**WHEREAS**, the Staff of the Green Bank propose in a memorandum to the Deployment Committee on May 29, 2018, and revised based on feedback by the Deployment Committee for review and recommendation for approval by the ACG Committee on June 8, 2018 a Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank’s balance sheet.

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee and the ACG Committee recommend that the Board approve of the Staff proposed Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank’s balance sheet and consistent with the memorandum dated June 13, 2018 which incorporates feedback from the Deployment Committee and the ACG Committee; and

**RESOLVED**, that the Board of Directors authorizes Green Bank staff to evaluate and approve loan loss restructurings or write-offs for transactions less than \$100,000 of the principal amount outstanding and no more in aggregate than \$500,000 from the date of the last Deployment Committee meeting (“Staff Loan Loss Approval Policy for Transactions Under \$100,000”) and consistent with the memorandum dated June 13, 2018 which incorporates feedback from the Deployment Committee and the ACG Committee.

6. Investment Business – Clean Energy Finance – 20 minutes

a. PosiGen Investment

**Resolution #4**

**WHEREAS**, the Connecticut Green Bank (“Green Bank”) has a mandate to deploy its resources to benefit all ratepayers, including low and moderate income (“LMI”) residential households;

**WHEREAS**, LMI households bear a disproportionate burden of the state’s high energy costs as a percentage of their income, generally do not benefit from existing federal incentives for clean energy adoption given that such incentives require sufficient tax liabilities to be of value, and traditional financing for residential solar PV and energy efficiency upgrades rely on

credit tests that screen out many LMI households and exclude them from third-party ownership models for residential solar PV;

**WHEREAS**, the Green Bank has an existing and successful partnership with PosiGen, Inc. (together with its affiliates and subsidiaries, "PosiGen") to support PosiGen in delivering a solar lease and energy efficiency financing offering to LMI households in Connecticut;

**WHEREAS**, the Green Bank has provided an initial debt capital commitment of \$5,000,000 (the "Term Loan A Facility") to PosiGen that is currently in repayment with no outstanding payments or amounts due at this time;

**WHEREAS**, the Green Bank had advanced a subsequent debt capital facility of \$3,500,000 as a bridge loan towards subsequent tax equity financing (the "Term Loan B Facility") to PosiGen that is now repaid in full;

**WHEREAS**, PosiGen has successfully deployed 1,623 residential solar PV systems in Connecticut since the formation of its existing and successful partnership with Green Bank;  
**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 Term Loan A Facility with terms and conditions consistent with the memorandum submitted to the Board dated June 13, 2018, 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 the date of authorization by the Board; 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.

b. C-PACE Transaction – Proposed Restructuring

**Resolution #5**

**WHEREAS**, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the "Act"), the Connecticut Green Bank ("Green Bank") established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

**WHEREAS**, pursuant to Conn. General Statute 16a-40g, Green Bank entered into that certain Financing Agreement dated September 30, 2014 (as amended, the "Loan") with the Regional YMCA of Western Connecticut and Eastern Putnam County, Inc., the building owner of the Brookfield YMCA at 2 Huckleberry Hill Road, Brookfield, CT 06804, to finance the construction of certain clean energy measures through C-PACE;

**WHEREAS**, the Green Bank Deployment Committee ("Deployment Committee") and the Audit, Compliance and Governance Committee ("ACG Committee") recommended approval of the Proposed Loan Loss Decision Framework and Process, set forth in that certain memo to the Board of Directors dated June 8, 2018 (the "Loss Process") for their consideration and subsequent approval; and

**WHEREAS**, in accordance with Loss Process, Green Bank staff seeks the Board of Director approval to restructure the Loan by (i) reducing the principal of the Loan to

\$769,428.00, (ii) reducing the term interest rate of the Loan to 3.23% per annum, and (iii) extending the term of the Loan to 18 years (collectively, the “Restructured Loan”), as more particularly described in the memorandum submitted to the Board of Directors dated May 25, 2018.

**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 Restructured Loan with terms and conditions consistent with the memorandum submitted to the Deployment Committee dated May 25, 2018 and subsequently the Board of Directors on June 6, 2018, 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 the date of the Board approval of the Loss Process; 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 affect the above-mentioned legal instruments.

7. Other Business – 5 minutes
8. Adjourn

Next Regular Meeting: Thursday, June 28, 2018 from 9:30 -11:30 a.m.  
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



CONNECTICUT  
**GREEN BANK** SM

# Board of Directors Meeting

June 13, 2018

# Board of Directors

## Agenda Item #1

### Call to Order

Board of Directors  
Agenda Item #2  
Public Comments



# Board of Directors

## Agenda Item #5

Deployment Committee and Audit, Compliance,  
and Governance Committee Recommendation

# Connecticut Green Bank

## Balance Sheet and Assets



- **Balance Sheet** – CT Green Bank has built a balance sheet of over \$70 million in principal and interest producing assets that have seen strong performance with respect to repayment.
- **Restructurings and Write-Offs** – as the CT Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur.
- **Oversight** – the Deployment Committee, per the Bylaws (i.e., Section 5.3.3(ii, iv, v, vi, viii)) has oversight over managing the assets.
- **Process** – senior staff is proposing a loan loss decision framework and process for consideration by the Deployment Committee (feedback provided on May 29, 2018), Audit, Compliance, and Governance Committee (feedback provided on June 8, 2018), and the Board of Directors (June 13, 2018)

# Loan Loss Decision Framework

## Proposed Structure



Type of Loss Anticipated	Amount of Principal Outstanding		
	<\$100,000	\$100,000- \$1,000,000	>\$1,000,000
Provisional Loss Reserve	Staff (with review and reporting from the Auditor)		
Restructuring	Staff	Deployment	BOD
Write-Off	Staff	ACG	BOD

Loan Loss Decision Framework is based on current best practice for the “Under \$500,000 and No More in Aggregate than \$1,000,000” staff transaction approval process, except with a focus on (1) amount of principal outstanding on a transaction, and (2) type of loss anticipated... **“Under \$100,000 and No More in Aggregate than \$500,000”** with monthly (i.e., financials) and quarterly reports (i.e., Deployment Committee)

Board of Directors  
Agenda Item #3  
Consent Agenda

# Consent Agenda

## Resolution 1



1. **Meeting Minutes** – approval of meeting minutes of May 25, 2018
  - **Securitization** – update on SHREC securitization
  - **Cash Flow** – update on cash flow projections of actuals through FY 2018 and projected through FY 2019

# Board of Directors

Agenda Item #4

Nonprofit Organization – Underserved Markets

# Connecticut Green Bank

## Budget Process



- **May 15** – review and discussion on targets (i.e., projects, investment, and deployment) and revenues with the B&O Committee.
- **June 6** – update on targets and revenues (including placeholder for “Income from Inclusive Prosperity Capital, Inc.”), review and discussion of expenses, and “high level” discussion of cash flow with B&O Committee.
- **June 19** – update on targets, revenues, expenses (including detail for Inclusive Prosperity Capital Personnel and Non-Personnel Expenses), review and discussion of cash flow and investments with B&O Committee.
- **June 28** – B&O Committee recommends to Board of Directors FY 2019 targets and budget for the Green Bank, including service fees for the Nonprofit through agreements.

# FY 2019 Proposed Budget (Draft)



CONNECTICUT  
GREEN BANK

## Expenses

	FY19 Budget			FY18 Budget (Original)			FY18 YTD
	General Operations	Programs	Total Operations & Programs	Total Operations & Programs	\$ Incr / (Decr)	% Incr / (Decr)	Actuals (Mar)
<b>Expenses</b>							
Employee compensation	\$ 923,362	\$ 3,223,392	\$ 4,146,754	\$ 5,389,420	\$ (1,242,666)	(23)%	\$ 4,014,387
Employee benefits - Pension	558,634	1,950,152	2,508,786	2,911,381	(402,595)	(14)%	2,299,063
Employee benefits - Insurance, Payroll Tax	198,523	693,029	891,552	1,227,087	(335,534)	(27)%	845,671
Temporary Employees	-	-	-	22,150	(22,150)	(100)%	17,955
Pension Expense	-	-	-	-	-	0 %	-
Program development and administration	-	2,702,650	2,702,650	3,942,726	(1,240,076)	(31)%	1,812,270
IPC Fee Human Capital Component	-	1,124,960	1,124,960	-	1,124,960	0 %	-
IPC Fee Program Expenses Component	-	140,750	140,750	-	140,750	0 %	-
Marketing	407,000	765,500	1,172,500	3,106,296	(1,933,796)	(62)%	1,104,359
EM&V	135,000	325,000	460,000	726,000	(266,000)	(37)%	352,300
Consulting & advisory fees	85,500	142,500	228,000	370,500	(142,500)	(38)%	101,574
R&D expenditures	40,000	-	40,000	810,000	(770,000)	(95)%	93,001
Professional fees: legal and accounting	209,950	217,500	427,450	477,950	(50,500)	(11)%	207,046
Bond Issuance Costs	-	-	-	-	-	0 %	-
Rent and location related expenses	104,029	363,137	467,166	640,629	(173,463)	(27)%	418,766
Office, computer & other expenses	353,121	448,984	802,105	971,895	(169,790)	(17)%	536,342
<b>Expenses before Financial Incentives:</b>	<b>\$ 3,015,118</b>	<b>\$ 12,097,555</b>	<b>\$ 15,112,673</b>	<b>\$ 20,596,034</b>	<b>\$ (5,483,360)</b>	<b>(27)%</b>	<b>\$ 11,802,734</b>

2

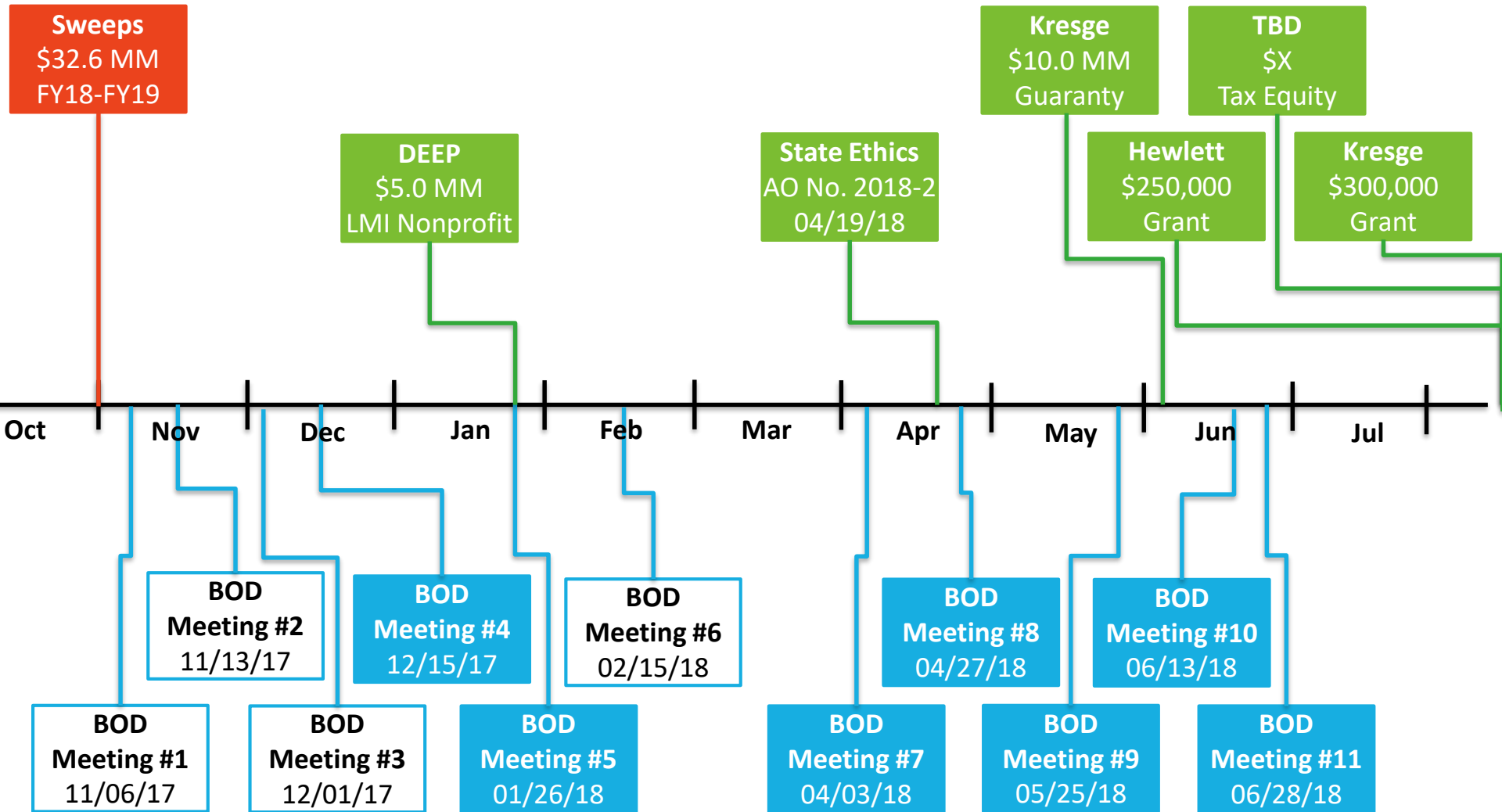
IPC Fees are offset by savings in Employee Compensation and Benefits and other expenses

1



# Sustainability Plan

## Nonprofit Timeline



# Nonprofit Contractual Agreements



- **Professional Services Agreements** – standard PSAs including scope of services, period of performance, and payment terms;
- **Capital Grant Agreements** – partnerships with DEEP for \$1.5 million in health and safety and \$5.0 million in low-to-moderate income single family and multifamily funding;
- **Memorandum of Understanding (Shared Services Agreement)** – modelled after CI and CGB, but also includes Advisory Opinion from Ethics Board, Promissory Note, and Expense Matrix; and
- **Licensing Agreement** – license for nonprofit to use intellectual property of the Green Bank to support products and programs.

## Overview

- Four PSAs govern the programs which the Green Bank will hire Inclusive Prosperity Capital (“IPC”) to administer:
  - A Solar Fund for underserved C&I and nonprofit customers;
  - Certain Investment Management and Low to Moderate Income engagements;
  - Smart-E Loan Program; and
  - Multifamily Programs.
- PSAs and their accompanying scopes of work lay out the services for which the Green Bank is engaging IPC, the roles and responsibilities of both parties, the associated fees, and the terms of those engagements (including targets and milestones).
- This PSA arrangement is similar to other strategic partnership engagements of the Green Bank.

# Professional Services Agreement

## Smart-E Loan (#5410)

- Smart-E Loan Program is administered by the Green Bank in partnership with 10 local lenders and a network of over 350 eligible contractors
- Loans finance over forty qualifying energy improvements at single family homes supporting Connecticut's implementation of the Comprehensive Energy Strategy
- PSA engages IPC to manage the program as an outsourced administrator and enables IPC to bring the program to scale in other jurisdictions
- Green Bank will continue to be the face of the program in Connecticut from a brand perspective

**Budget:** In return for managing the program, the Green Bank will pay IPC monthly based on the cost of the transitioned staff at a lower overhead rate plus partial funding for a new online platform for the program.

**The Green Bank would receive pro-rata royalties for their contribution to the development of the platform depending on the program's uptake.**

After year one, specific targets and milestones will be incorporated into the annual budgetary process that will be approved by the Board.

# Professional Services Agreement CONNECTICUT GREEN BANK

## Multifamily Products (#5411)

- Multifamily suite of products are targeted at the low-to-moderate income subset of the market and provide financing from the Green Bank and partners for pre-development and term loans.
- PSA engages IPC to manage the program as an outsourced administrator and enables IPC to bring new capital into the program from diverse sources
- Staff will transition over 2 years.
- Green Bank will continue to be the face of the program in Connecticut from a brand perspective
- **Green Bank to participate in new transactions depending upon Green Bank capacity under MOU ROFR**

**Budget:** In return for managing the program, the Green Bank will pay IPC monthly based on the cost of the transitioned staff at a lower overhead rate.

After year one, specific targets and milestones will be incorporated into the annual budgetary process that will be approved by the Board.

# Professional Services Agreement CONNECTICUT GREEN BANK

## Solar PPA (#5412)

- The Solar PPA Funds (SL2, SL3, Onyx) have been very successful for the Green Bank but have trouble accessing capital due to their limited size
- PSA engages IPC to launch a new fund that provides access to capital for the projects in Connecticut
- Green Bank will continue to be the face of the program in Connecticut from a brand perspective
- **Green Bank to participate in capital stack of Solar Lease 4 depending upon Green Bank capacity under MOU ROFR**

**Budget:** In return for managing the program, the Green Bank will pay IPC monthly based on the cost of the transitioned staff at a lower overhead rate.

After year one, specific targets and milestones will be incorporated into the annual budgetary process that will be approved by the Board.

# Professional Services Agreement CONNECTICUT GREEN BANK

## LMI and PosiGen (#5413)

- The Green Bank has long supported reducing the energy burden in low-to-moderate income communities (e.g., partnership with PosiGen)
- PSA engages IPC to work with PosiGen to deliver more projects in Connecticut, provide oversight of its investment, as well as manage other LMI related initiatives such as the GHHI
- IPC may provide advice and management services related to asset management (i.e., RECs), project modeling, underwriting, loan modification, and due diligence for existing or future investments made by the Green Bank.
- Green Bank will continue to be the face of the program in CT from a brand perspective
- **Green Bank to participate in new transactions depending upon Green Bank capacity under MOU ROFR**

**Budget:** In return for these services, the Green Bank will pay IPC monthly based on the cost of the transitioned staff at a lower overhead rate

After year one, specific targets and milestones will be incorporated into the annual budgetary process that will be approved by the Board.

# Capital Grant Agreements

## Overview



Green Bank, DEEP and IPC enter into grant agreements to induce additional mission-oriented private capital into the Connecticut market

### ▪ **LMI Capital Grant Agreement**

- This agreement allows for IPC to receive \$5,000,000 in funds from DEEP that passes through the Green Bank
- IPC allowed to use \$100,000 on administrative expenses but must use the remainder of the funds as capital for financing
- All funds must be deployed in the state of CT with the objective of non-profit to use these dollars to attract additional capital for Connecticut projects

### ▪ **Health and Safety Grant Agreement**

- This agreement allows for IPC to receive \$1,500,000 in funds from DEEP after an assignment from the Green Bank (contingent upon DEEP's approval) that are earmarked for Health and Safety concerns associated with energy projects in the state
- IPC must use the funds as capital for financing

- IPC to manage audit and state reporting requirements on behalf of the Green Bank



# MOU Shared Services Agreement

## Overview (1 of 3)



1. **Advisory Opinion and Common Principles**– Recognizes that the Citizens Ethics Advisory Board has opined on the transition of employees to IPC
2. **Common Principles** – defines Operations and Out-of-State
3. **Effective Date and Term** – Sets the effective date as [July 2, 2018] for a term of 6 years and establishes the rules for amending or terminating the MOU and/or particular services
4. **Start-Up Funding** - Green Bank providing revolving line of credit in an amount not to exceed \$150,000 at OTT’s Short Term Investment Fund (STIF) rate to cover initial startup costs, including:
  - the development of IT and telecommunications infrastructure;
  - the implementation of its own accounting software;
  - performance of its own audit and tax filings;
  - the purchase of insurance; and
  - the development of its own branding, among other costs.

# MOU Shared Services Agreement

## Overview (2 of 3)



- 5. Services Provided by the Green Bank** – establishes that the Green Bank will provide desk space, landline phone and connectivity for IPC staff. Services also include:
- **Information Technology Functions** – IPC will have access to Green Bank systems to support Green Bank PSA's but will setup their own separate infrastructure
  - **Accounting Functions** – Green Bank will support IPC's accounting for one year and will offer support (back office, asset management, loan servicing) to IPC based on their needs at a fee
  - **Marketing Services** –Green Bank will provide initial support to IPC on developing their brand at no cost the first year. After the first year, the services will be provided at a cost
  - **Shared Resources, Data, and Professional Services** – allows for the sharing of Green Bank data and materials between the two parties
  - **Charges** – Green Bank to defer charges for Year 1, and will bill and collect for current services in Year 2, and collect deferred charges out of first 5% of net cash flow starting in Year 3

# Shared Services Agreement

## Overview (2 of 3)



### 6. Green Bank Access to Market & Protection

- **Rights of First Refusal** – Protects the Green Bank’s path to sustainability by ensuring that IPC offers the Green Bank a chance to invest in any opportunity presented to them in Connecticut;
- **Non-Compete** – IPC will not compete with the Green Bank in Connecticut; and
- **Consideration** – Annual review of financials to determine program savings at IPC that will be passed on to the Green Bank pro-rata.

# Licensing Agreement Overview



Licensing Agreement provides structure around IPC's use of the Green Bank's IP and brand.

- Grants IPC exclusive license to use certain Green Bank's Intellectual Property
- Gives Green Bank oversight of IPC's use of the Green Bank's brand

**smart-e loan**

# Green Bank and Nonprofit Questions



- **Green Bank** – the following are a list of outstanding Green Bank questions:
  - ❖ **Cash Flow** – what is the cash flow position now? 6 months from now? Year from now? Beyond (if so, how long)?
  - ❖ **Break-Even** – when do we break-even?
  - ❖ **Securitization** – can you provide a better understanding of the securitization and how the risks of that not going forward or a deal less favorable impacts the Green Bank? Can you provide a term sheet on the securitization?
  - ❖ **Warehouse** – can you provide a term sheet on the warehouse? What are the risks?
  - ❖ **Pro Forma** – what are the 5-year pro forma statements of the Green Bank before and after the Nonprofit?
  - ❖ **SCRF Obligations** – what do the Green Bank cash flow projections look like with respect to the SCRF obligations over the next 20 years?
  - ❖ **Parent Support Agreement** – does the Green Bank creation of a nonprofit adversely impact the (1) Meriden hydro and (2) CSCU bond and SCRF transactions?
  - ❖ **Authority** – does the Green Bank have the authority to create a nonprofit? Does the State have to approve its formation? Have other quasi-publics created nonprofits?
  - ❖ Others?

# Green Bank and Nonprofit Questions



- **Nonprofit** – the following are a list of outstanding Nonprofit questions:
  - ❖ **Product Breakdown** – what is the product-by-product breakdown for the Nonprofit in terms of personnel expenses and program expenses? What are growth assumptions? What is remaining at the Green Bank?
  - ❖ **Pro Forma** – what are the 5-year pro forma statements of the Nonprofit?
  - ❖ **Recovery** – if the Nonprofit is profitable, can the Green Bank lesson its contributions over time?
  - ❖ **Contracting** – will the Nonprofit have its own system or process for contracting with venders and contractors?
  - ❖ **Timing** – what would happen if the Nonprofit launched in November after the securitization?
  - ❖ Others?

**Next Step** – Green Bank staff will respond in writing to all of these questions and provide a memo to the Board prior to any resolution approving funding allocation from the Green Bank to the Nonprofit.

Board of Directors  
Agenda Item #6a  
Investment Business  
PosiGen Investment

# PosiGen Investment Deployment Success



- Over 10.6 MW deployed (1,600+ systems)
  - Represents FMV of ~\$45MM
- Approximately 57% qualified as LMI
  - 74% in census tracts <100% of area median income
- Nearly 1,000 projects also include EE savings agreements
- CT now one of only four states to reach “income parity” with respect to rooftop solar PV adoption



# PosiGen Investment Financing Summary



- Green Bank board originally approved \$10MM facility
  - Initial \$5MM plus further \$5MM upon successful leveraging of senior capital investment(s)
  
- Two senior lenders together invested \$8.5MM
  - Green Bank deployed \$5MM in subordinate term financing, after which the Green Bank board approved short-term “tax equity bridge loan” of \$3.5MM (rather than further \$5MM as originally envisioned)
  - Bridge loan was first extended and then repaid in full by PosiGen in early June 2018
  
- Request is to re-lend that \$3.5MM as term financing, in accordance with initial board authorization

# PosiGen Investment Staff Recommendation



- Approximately \$7.8MM in senior lender capital still outstanding
  - Green Bank principal outstanding = ~\$4.4MM
  
- Authorize Green Bank to re-lend \$3.5MM recently repaid bridge loan as term financing
  - Same terms and conditions as original Green Bank / PosiGen credit agreement
  
- Relax more conservative underwriting constraints put in place for bridge loan
  - Specifically, remove DSCR constraint (per board memo rationale)

Board of Directors  
Agenda Item #6b  
Investment Business  
C-PACE Transaction – Proposed Restructuring

Board of Directors  
Agenda Item #7  
Other Business

# Board of Directors

## Agenda Item #8

### Adjourn

Subject to changes and deletions

## **CONNECTICUT GREEN BANK**

### **Board of Directors**

Draft Minutes – Special Meeting

Friday, May 25, 2018

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on May 25, 2018 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 Green Bank and Commissioner of the Department of Economic and Community Development (“DECD”), called the meeting to order at 3:34 p.m.

**Board members participating:** Bettina Bronisz, State Treasurer’s Office; Eric Brown (by phone); Betsy Crum (by phone); Tom Flynn (by phone); Rob Klee, Vice Chairperson of the Green Bank and Commissioner of the Department of Energy and Environmental Protection (“DEEP”); Gina McCarthy (by phone); and Matthew Ranelli (by phone).

**Members absent:** John Harrity and Kevin Walsh

**Staff Attending:** George Bellas; Joe Buonannata; John D’Agostino (by phone); Mackey Dykes; Brian Farnen (by phone); Bryan Garcia; Bert Hunter; Chris Magalhaes (by phone); Kerry O’Neill; Cheryl Samuels; Eric Shrago; Kim Stevenson.

**Others Attending:** Guy West.

#### **2. Public Comments**

There were no public comments.

### **3. Consent Agenda**

Ms. Smith provided an overview of the consent agenda, which included the revised minutes from the April 3, 2018 and April 27, 2018 Board of Directors meetings. She called for discussion and a vote on the items in the Consent Agenda.

**Upon a motion made by Ms. Bronisz, seconded by Ms. Smith, the Board members voted in favor of adopting the Consent Agenda and Resolutions 1 as written. Ms. McCarthy abstained from voting due to being absent from the previous Board of Directors meeting. Mr. Ranelli joined the meeting during discussion of the Consent Agenda and abstained from voting as well.**

#### **Resolution #1**

Motion to approve the revised meeting minutes of the Board of Directors for April 3, 2018 and the meeting minutes of the Board of Directors Meeting for April 27, 2018.

### **4. Non-Profit Organization – Underserved Markets**

Mr. Garcia set the context for continuing the conversation on the Nonprofit from the previous Board of Directors meeting. He reminded the Board that as part of the Green Bank's continued progress to implement a Sustainability Plan, the agency's focus would be on two core functions: the incentive business and investment business, and that a Nonprofit would be created.

Mr. Garcia explained that the focus of the Nonprofit would be on spinning out products in low-to-moderate income ("LMI") markets and underserved credits to attract private investment and scale-up impact, while reducing expenses and providing opportunities for investment returns to the Green Bank.

Mr. Garcia announced that at the June 13, 2018 Board of Directors meeting, Green Bank staff planned to present to the Board a set of Professional Services Agreements that will provide the scope of work between the Green Bank and Nonprofit. Included in the Professional Services Agreements will be a set of targets that the Nonprofit is expected to deliver to the Green Bank – targets that are currently being reviewed with the Budget and Operations Committee of the Board of Directors.

Mr. Garcia noted that the creation of the Nonprofit was a collaborative approach to keep

specific products in the Connecticut market. He highlighted two key items for the Board: first, that the Green Bank will maintain the right of first refusal for it to participate in any Connecticut investment activities that the Nonprofit engages in; and, second, there will be non-compete protection for the Green Bank.

Mr. Hunter guided the Board through the investments that will be conducted by the Nonprofit: single family LMI solar (i.e., PosiGen and other originators with emphasis on the LMI marketplace), the Smart-E Loan product, multifamily and affordable housing, the commercial solar fund (currently under the name CT Solar Lease 3) and a special project offering (i.e., project finance-type transactions) - though he noted that this offering will reside with both the Nonprofit and the Green Bank.

Ms. Smith advised Green Bank staff that the Nonprofit's business plan should make it clear that its focus will be on underserved communities to keep in line with its mission. Green Bank staff acknowledged this recommendation.

Mr. Hunter explained the Green Bank's relationship with the Nonprofit, stating there are two ways the Green Bank could easily participate: first, the Green Bank could provide funding to the Nonprofit that is secured by transactions to the ultimate end user (e.g., a housing authority); and, second, the Green Bank could execute a participation agreement as it has done previously for Enhanced Capital and Cargill Falls, standing side-by-side with the Nonprofit on a risk basis.

Mr. Garcia noted that the Budget and Operations Committee of the Board has reviewed the Green Bank's draft revenues and targets for fiscal year 2019, and that for added transparency, the Green Bank will create a line item that shows Nonprofit interest revenue moving forward.

Mr. Brown asked about the status of commercial and industrial operations under the Green Bank, based on how responsibilities were being divided between it and the Nonprofit. Mr. Garcia replied that the Green Bank's commercial and industrial goals will come from the C-PACE and potentially SBEA programs, while the commercial solar PPA targets will be the responsibility of the Nonprofit. Mr. Dykes added that the commercial solar PPA would be transitioned to the Nonprofit as it primarily serves clients that cannot monetize tax credits. Ms. Smith noted that using "commercial" to describe one of the offerings of the Nonprofit could cause confusion and recommended that Green Bank staff consider clarifying the name internally.

Mr. Hunter provided an overview of the Profit & Loss impacts as they relate to the Green Bank's relationship with the Nonprofit. A conversation ensued with questions and requests for further clarification, with specific examples, from Ms. Bronisz and Ms. Smith to Green Bank staff, which they agreed to provide.



Mr. Hunter continued with an overview of the Nonprofit's financials, focusing on the balance sheet, revenue and non-interest expenses. He explained that the key to the Nonprofit's long-term sustainability is building its own balance sheet. Mr. Hunter then provided an overview of the growth assumptions of each product that will be administered by the Nonprofit, noting that the assumptions were scaled back from what had been presented to the Board at the April 2018 meetings.

Mr. Hunter concluded with a summary of funding opportunities (i.e., investment transactions) available to the Green Bank from the Nonprofit. He noted an approximate total of between \$10.5M - \$12.5M in funding opportunities available to the Green Bank through single-family LMI, term lending and the commercial solar fund. Ms. Smith noted for the Board that she requested Green Bank staff provide a clear overview of the Green Bank pro forma.

Ms. Smith and several Board members requested further clarification from Green Bank staff on the level of risk and any other implications associated with the transition of programs to the Nonprofit. The Board and Green Bank staff agreed to schedule an additional special meeting to continue the conversation. Ms. Smith requested that the Board members who joined by phone send in any questions or comments that were not addressed during the meeting.

Ms. O'Neill noted that the name "Inclusive Prosperity Capital" had been selected for the Nonprofit.

**6. Adjourn:** Upon a motion made by Ms. Bronisz, seconded by Mr. Klee, the Board voted unanimously in favor of adjourning the May 25, 2018 meeting at 4:46 p.m.

Respectfully Submitted,

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Catherine Smith, Chairperson

# MEMORANDUM OF UNDERSTANDING

## BY AND BETWEEN

### CONNECTICUT GREEN BANK AND INCLUSIVE PROSPERITY CAPITAL, INC.

This Memorandum of Understanding (MOU) by and between Connecticut Green Bank (Green Bank) and Inclusive Prosperity Capital, Inc. (Nonprofit) is effective as of the date set forth below.

#### **Background**

A. Despite the Green Bank mobilizing nearly \$1.1 billion of investment into Connecticut's economy from 2012 through 2017 by using \$175 million of public funds to attract \$915 million of private investment, creating over 13,000 new jobs, reducing the burden of energy costs on nearly 25,000 families and businesses, and winning the "Innovations in American Government Awards," the State of Connecticut on October 31, 2017 swept \$32.6 million of funds from the Clean Energy Fund and the Regional Greenhouse Gas Initiative in fiscal years 2018 and 2019 to the General Fund. As a result, the Green Bank had to adjust its strategy and implement a sustainability plan approved by its Board of Directors on December 15, 2017 to manage within more limited resources to fund operations and investments. In order to continue its efforts to advance green energy deployment in underserved market segments (e.g., low-to-moderate income households and underserved credits), the Green Bank is supporting the creation of a mission-aligned independent nonprofit to efficiently deliver capital.

B. The Green Bank has participated in the formation of the Nonprofit, and is entering into this MOU, in the exercise of powers granted in subdivisions (ii) and (ix) of subsection (D) of Section 16-245n(d)(1) of the Connecticut General Statutes.

C. In exercising such powers, the Board of Directors of the Green Bank has determined that the public purposes of the Green Bank will be furthered by the formation and activities of the Nonprofit conducted in accordance with its organizational documents, including through its ability to seek and accept foundation grants, charitable contributions or other public or private support in order to continue the operation of certain Green Bank clean energy programs that might otherwise have to be discontinued as a result of a reduction of state funding available to the Green Bank.

D. Such programs include those to be administrated by the Nonprofit on behalf of the Green Bank pursuant to, and with the funding provided under, various Professional Services Agreements entered into or that may be entered into between the Green Bank and the Nonprofit (PSAs).

E. It is recognized that the Nonprofit is newly formed and does not yet have the office space or administrative support structure necessary for such activities and programs, and the parties are therefore entering into this MOU to set forth the terms on which the Green Bank is willing to provide such space and administrative support on a transitional basis, as part of its participation in the formation and initial operations of the Nonprofit.

#### **1. Advisory Opinion**

1.1. Advisory Opinion. The parties acknowledge that the formation and certain activities of the Nonprofit, including particularly the transition in employment of certain Green Bank employees to the Nonprofit, have been addressed in Advisory Opinion No. 2018-2 from the Citizens Ethics Advisory Board of the State of Connecticut attached hereto as Exhibit A (Advisory Opinion).

## 2. Common Principles

2.1. Operations. It is the intention of the parties that the services provided in this MOU and the interactions of the parties hereunder shall all be in accordance and consistent with the terms of the Advisory Opinion. If there is a conflict between the terms of this MOU, the PSAs and the Advisory Opinion, the Advisory Opinion shall prevail, and a party shall be excused from performing any term of this MOU (each, a “Nonconforming Activity”) if it would conflict with the Advisory Opinion; provided, however, that with respect to such Nonconforming Activity, the parties will act in good faith to modify such Nonconforming Activity to be consistent with the terms of the Advisory Opinion to achieve as practically as possible the goals intended by this MOU and the PSAs.

2.2. Out-of-state. “Out-of-state” refers to all activities that take place outside of the borders of and without the primary benefit for the ratepayers of Connecticut.

## 3. Effective Date and Term

3.1. Effective Date. The Nonprofit was created on \_\_\_\_\_, 2018 and has entered into four PSAs with the Green Bank effective as of July 2, 2018 with respect to multifamily suite of products; investment management including those targeting low-to-moderate communities; Smart-E Loan Program; and a solar fund for underserved commercial, industrial, and institutional customers. The parties therefore agree that, consistent with the PSAs, the effective date of this MOU shall be July 2, 2018 (Effective Date).

3.2. Term. This MOU shall be effective from the Effective Date through June 30, 2024 unless earlier terminated as provided herein; provided that certain services provided pursuant to this MOU shall be for shorter durations as set forth herein. This MOU may be extended by mutual written consent of the parties.

3.3. Termination of Particular Services. On at least 30 days’ prior written notice to the Green Bank, the Nonprofit may terminate any particular service provided by the Green Bank under this MOU when the Nonprofit is no longer in need of such service. If amounts are owing by the Nonprofit for such service, it shall pay Green Bank all amounts then accrued but not yet paid for such service upon such termination.

3.4. Amendment of MOU. Upon (a) the termination of the Nonprofit as the administrator of one or more programs by the Green Bank, (b) the relocation of the Green Bank or the Nonprofit to physical space not currently covered by this MOU, (c) a change in the business model, sustainability plan or that changes its mission of the Green Bank the parties will amend this MOU accordingly.

3.5. Termination for Default. This MOU may be terminated by a non-breaching party upon giving prior written notice to the breaching party of breach of this MOU, or of the

promissory note evidencing the Line of Credit (defined in Section 4.1), or of a PSA with an opportunity to cure (which shall be not less than ninety days after formal notice by the non-breaching party).

#### **4. Start-up Funding**

- 4.1. Line of Credit. The Green Bank will make available to the Nonprofit a revolving line of credit in an amount not to exceed \$150,000 (Line of Credit) to cover its initial startup costs, including but not limited to the development of its information technology and telecommunications infrastructure, the implementation of its own accounting software, performance of its own audit and tax filings, the purchase of insurance, and the development of its own branding, among other costs.
- 4.2. Advances. The Nonprofit may request advances in writing not more than twice a month, specifying the use of such advances, and the Green Bank shall fund such advances in its reasonable discretion to an account designated by the Nonprofit by wire transfer.
- 4.3. Promissory Note. The Nonprofit shall execute a promissory note substantially in the form attached hereto as Exhibit B evidencing the Line of Credit.

#### **5. Services Provided by the Green Bank**

The Green Bank will provide the following services (Services) to the Nonprofit for the durations and costs set forth below.

- 5.1. Costs for Services. Exhibit C sets forth the charges (if any) applicable to the Services provided under this MOU, and the frequency of the payment thereof by the Nonprofit to the Green Bank shall be monthly unless otherwise noted.
- 5.2. Office Space, Supplies and Accommodation of Nonprofit Meetings
  - 5.2.1. Office Space. The Green Bank shall, without charge, provide office and/or cubicle space necessary for the employees of the Nonprofit that are supporting the PSAs.
  - 5.2.2. Safety and Security; General Use. All Nonprofit employees on Green Bank premises agree to adhere to Green Bank policies and procedures relative to occupying Green Bank office space and agree to adhere to the dress code otherwise applicable to Green Bank employees. Two employees from the Nonprofit may attend and participate in the Green Bank Safety Committee meetings as a means of communicating and expressing the Nonprofit viewpoint.
  - 5.2.3. General Supplies. The Green Bank shall provide the Nonprofit with general office supplies (general items usually maintained on hand such as pens, paper, staples, etc.), photocopying and other general administrative services. All such materials and services shall only be used in support of the PSAs. During the first year of this MOU, the Green Bank shall provide such materials and services without charge. Thereafter, the Nonprofit agrees to pay the Green Bank a monthly flat fee of \$50 for such materials and services.

- 5.2.4. Special Requests. If there are requests by the Nonprofit for specific administrative services or supplies that are outside of those normally procured by the Green Bank for its own operations, the Green Bank will provide such services and supplies to the Nonprofit; provided that the Nonprofit reimburses the Green Bank therefor at cost.
- 5.2.5. Costs of Supplies. Costs of all other general office services, materials and supplies (except Information Technology resources or other services explicitly stated in this MOU) shall be shared at cost between the Green Bank and the Nonprofit and on a “per head count” basis or such other basis as the President of Green Bank and an officer of the Nonprofit may from time to time determine to be fair and equitable in the circumstances.
- 5.2.6. Nonprofit Board and Committee Meetings. The Green Bank shall make its “board room” and other suitable conference rooms available for meetings of the Nonprofit Board of Directors, committees of the Nonprofit Board of Directors, and Nonprofit advisory committees, subject to reasonable rules regarding availability and advance booking of such spaces. In connection with such meetings, the Green Bank shall provide any necessary staff and administrative support for meeting set-up, audio-visual requirements, conference telephone and video-conference arrangements.
- 5.2.7. Other Nonprofit Meetings. The Green Bank will also make available to the Nonprofit for its use in connection with staff meetings, meetings with applicants, and other business purposes of the Nonprofit, the “board room” and other available conference rooms, subject to reasonable rules regarding the availability and advance booking of such spaces. In connection with such meetings, the Green Bank shall provide any necessary staff and administrative support for meeting set-up, audio-visual requirements, conference telephone and video-conference arrangements.
- 5.2.8. Meeting Costs. There will be no separate cost reimbursement to the Green Bank for the use of such office space or conference facilities and any Green Bank staff support pursuant to this Section 5.2, but any out-of-pocket costs incurred by the Green Bank in connection with the hosting of such meetings shall be promptly reimbursed by the Nonprofit to the Green Bank at cost.

### 5.3. Information Technology Functions

- 5.3.1. Computer Access and Use Generally. The Green Bank shall, without charge, provide to the Nonprofit employees access to and use of the Green Bank’s computer network, internet access, software applications, files and databases for purposes of Nonprofit operations, subject to (a) such “firewalls” and password protection as may be appropriate to limit access (i) of Green Bank employees to non-public documents and information received or maintained by the Nonprofit, and (ii) of Nonprofit employees to non-public documents and information received or maintained by Green Bank and (b) compliance by all employees of the Nonprofit with all rules, regulations, protocols and any license requirements of the Green Bank or its hardware or software providers in respect of such network access and services.

- 5.3.1.1. Hardware. The Green Bank shall sell to the Nonprofit at current value computers needed to support the PSAs. The Nonprofit agrees to allow for the machines to be maintained and supported as if they were Green Bank-owned machines.
- 5.3.1.2. Software. The Green Bank shall provide to the Nonprofit employees access to and use of software in support of the PSAs, as well as access to Microsoft Office or similar successor software then used by the Green Bank. The Nonprofit agrees not to use Green Bank-supplied software in support of programs, projects and services that are not contracted by the Green Bank under a PSA.
- 5.3.1.3. Email. The Nonprofit will establish its own email addresses that do not use “Green Bank” or a confusingly similar domain name. Where the Nonprofit conducts business on behalf of the Green Bank and administers the Green Bank programs under a PSA, employees of the Nonprofit will have and use Green Bank email addresses to conduct Green Bank business. The continuation of this use of Green Bank email will continue at the discretion of the Green Bank.
- 5.3.1.4. Special Development. The Green Bank will prioritize, support, and cover the reasonable costs of requested system enhancements and developments by the Nonprofit in support of the PSAs.

5.3.1.4.1. Technology Investment. The Green Bank may finance and invest in the development of technology for the administration and operation of its programs by the Nonprofit. The Green Bank will reserve its right to a pro-rata share in the proceeds of income earned in the future. Details of such investments shall be established and governed by the PSA’s for specific programs.

5.3.2. Proprietary Infrastructure for the Nonprofit. Notwithstanding Section 4.3.1, the Nonprofit shall establish its own information technology infrastructure to support its businesses including hardware, software, document storage/sharing/management.

5.3.3. Telecommunications. The Green Bank shall provide to the Nonprofit employees access to telecommunications equipment, services and support, including voicemail, on the same basis and as part of the same telecommunications system as installed and maintained for the use of Green Bank employees. Similarly, the Green Bank will provide the Nonprofit access to a teleconferencing service (such as Skype for business or Go-To-meeting). During the first year of this MOU, the Green Bank shall provide the above telecommunication services and support without charge. Thereafter, the Nonprofit agrees to pay the Green Bank a monthly fee to be mutually agreed upon.

5.3.4. Remote Access. The Green Bank shall provide the Nonprofit employees designated by the Nonprofit with remote access and remote access support for the computer and telecommunications systems to which such employees otherwise have access in the office during normal business hours (including while telecommuting) and with similar functionality and service level afforded employees of the Green Bank.

#### 5.4. Accounting Functions

- 5.4.1. Accounting Services Generally. The Green Bank shall, without charge, provide to the Nonprofit all accounting services necessary to prepare financial statements, in accordance with applicable accounting principles, for the financial position, operations and activities, and cash flows of the Nonprofit related to the time period(s) from the inception of the Nonprofit through June 30, 2019. Notwithstanding the foregoing, while the Green Bank will provide accounting support to the best of its abilities, it shall not be responsible for the accuracy of accounting records provided to it by the Nonprofit. The Nonprofit shall be solely responsible for financial control and oversight and providing accurate and timely information to the Green Bank.
- 5.4.2. Accounting Principles. All calculations, accounting entries and other cost accounting matters pursuant to or arising under this MOU shall be consistent with applicable generally accepted accounting principles.
- 5.4.3. Accounting Systems. During the first year of this MOU, the Green Bank shall provide to the Nonprofit access to and use of accounting software.
- 5.4.4. Audits. Notwithstanding Section 4.4.1, the Nonprofit shall be solely responsible for obtaining and paying for any audits.
- 5.4.5. Taxes. The Nonprofit is solely responsible for the timely preparation and filing of all applicable tax returns and payment of any taxes due.
- 5.4.6. Insurance. The Nonprofit shall obtain and pay for all insurance as required by law or is customarily carried by businesses similarly situated, such as workers' compensation insurance, directors and officers liability insurance, general liability insurance, automobile liability insurance, and property and casualty insurance.
- 5.4.7. Loan Servicing. If provided in a PSA, the Green Bank shall retain the loan servicing function necessary for the Green Bank programs covered thereunder under the terms provided in such PSA. For all other Nonprofit loans, the parties will mutually agree to terms and pricing for any additional loan servicing functions, or the Nonprofit will procure such service independently.
- 5.4.8. Asset Management. If provided in a PSA, the Green Bank shall retain the asset management function necessary for the Green Bank programs covered thereunder, with support from staff at the Nonprofit, under the terms provided in such PSA. For all other Nonprofit asset management functions, the parties will mutually agree to terms and pricing for any additional asset management functions, or the Nonprofit will procure such service independently.
- 5.4.9. Other Back Office Support. If provided in a PSA, the Green Bank shall retain the other back office support functions necessary for the Green Bank programs covered thereunder, such as regulatory filings, customer service and support, and reserve calculations. For all other Nonprofit back office support functions, the parties will mutually agree to terms and pricing for any additional back office support functions, or the Nonprofit will procure such service independently.

5.4.10. Bank Account Management Functions. Any accounts maintained at financial institutions by the Green Bank related to the programs covered in the PSAs shall continue as Green Bank accounts. The Green Bank will support the Nonprofit in its establishment of new accounts at financial institutions for its operations.

5.5. Legal Functions. The Nonprofit shall retain its own legal advisors at its own expense; provided that the Green Bank shall retain all legal functions necessary for the continued Green Bank programs. For all other Nonprofit programs, accounts and investments, the Nonprofit will procure such service independently.

5.6. Human Resources Administration. The Nonprofit shall be responsible for all hiring decisions related to its employees and for all employee benefits provided thereto; provided that the Green Bank will provide initial assistance to the Nonprofit to establish benefits and payroll services for the Nonprofit with a third-party payroll provider (at the cost of the Nonprofit).

## 5.7. **Marketing Services**

5.7.1. Marketing Services; Program and Product Marketing. The Green Bank will, without charge, provide to the Nonprofit marketing staff time in support of the PSAs. Marketing services provided by the Green Bank can include the following: creating marketing plans, collateral development and support, digital and traditional media planning, monitoring and reporting, public relations and media relations, event planning, website support, email marketing, and social media management.

5.7.2. Organizational Marketing, Brand Development, and Management. The Green Bank shall provide support to the Nonprofit with regard to organizational communications strategy, brand strategy, etc. During the first year of this MOU, the Green Bank shall provide such organizational marketing support without charge, except that the Nonprofit shall reimburse the Green Bank for its out-of-pocket costs in connection therewith. Thereafter, the Nonprofit agrees to pay the Green Bank a monthly fee equal to the Green Bank's cost for staff time used for the organizational marketing and communications of the Nonprofit.

5.7.3. Marketing Service Cost. The Green Bank will provide marketing to support the Nonprofit itself and the programs managed on behalf of the Green Bank. Such support is included as part of the PSA arrangement for the continued Green Bank programs. For any Out-of-state marketing support that aligns with the continued Green Bank Programs, a fee based on the hourly rate of the Green Bank employee with an overhead rate consistent with the rate applicable to the Green Bank as a quasi-public state entity.

## 5.8. **Shared Resources, Data, and Professional Services**

5.8.1. Shared Information and Resources. The Green Bank will provide the Nonprofit with access to the Green Bank's proprietary developed methodologies, models, collateral, and other materials as it assists the Nonprofit in establishing its operations. The Nonprofit will provide the Green Bank with access to the Nonprofit's proprietary



developed methodologies, models, collateral, and other materials that pertain to any Green Bank programs under the PSAs.

5.8.2. Other Data and resources. The Green Bank will provide the Nonprofit with access to specific resources (websites, market studies, data sets, etc.) necessary for the implementation of the Green Bank's programs under the PSAs. The Nonprofit will provide the Green Bank with access to specific resources (websites, market studies, data sets, etc.) it acquires or develops in respect of the Green Bank's programs under the PSAs.

5.8.3. Shared Professional Resources. In circumstances where, as a matter of time, cost or convenience, it is desirable to make use of the services of professionals already selected and engaged by either party or for either party to engage professionals to provide services to both the Green Bank and the Nonprofit, and there is no disqualifying conflict of interest, with the approval of the President of the Green Bank and the CEO of the Nonprofit, the services of such professionals may be made available to or for the benefit of Green Bank and/or the Nonprofit, with the costs of services provided shared equitably between the parties.

## **6. Other Terms**

6.1. Program, Project, and Investment Management. The Nonprofit shall first and foremost manage specific programs, projects, and investments on behalf of and in the best interests of the Green Bank. These obligations shall be governed by the PSAs. In case of any conflict between this MOU and any PSA, with the exception of Section 2.1 hereof, the applicable PSA shall control.

6.1.1. Data Collection and Maintenance. In conjunction with the PSAs managed on behalf of the Green Bank, the Nonprofit shall provide to the Green Bank in a format and manner consistent with what is currently performed, the project level data for each program managed.

6.1.1.1. Data Maintenance. Green Bank program data are to be maintained on a regular and timely basis as set forth in the PSAs. Such data shall be maintained in the same systems they currently are unless expressly agreed by the Green Bank's Director of Operations.

6.1.1.2. Privacy. The Nonprofit will strictly abide by all privacy policies established by the Green Bank related to the Green Bank program data. Any breach of policy must be promptly reported to the Green Bank.

6.2. Rights of First Refusal. During the term of this MOU, before the Nonprofit may offer to parties other than the Green Bank investments in a project it is developing or into a fund it manages or will manage, and provided at least a portion of such project or fund has a nexus within the State of Connecticut, the Nonprofit shall first offer the opportunity to invest in writing to the Green Bank before offering to such other parties. The Nonprofit shall describe the opportunity, the capital needs, proposed rate of return, and proposed capital structure, which shall be sent to the Chief Executive Officer and the Chief Investment

Officer of the Green Bank via email. The Green Bank shall have 10 business days during which to accept such offer. If the Green Bank does not accept the offer within such 10 business day period, the Nonprofit shall be free to offer such investment opportunity to one or more third parties on terms not more favorable than those offered to the Green Bank. If the Nonprofit does not enter into an agreement with a third party on said terms and conditions and develops a revised offer with different terms and conditions that it once again offers to multiple potential capital providers, the Nonprofit's right to accept investment from any third party shall not be applicable to this new offering and the procedure described in this Section shall again be applicable.

- 6.3. Consideration: Annually, the Green Bank and the Nonprofit will review the financials of the nonprofit during which it will be determined if there have been any cost savings or profit due to the growing scale of the Nonprofit's programs. If such a savings/profit can be identified, a prorated portion will be passed on to the Green Bank in the form of a fee reduction. Specifics will be set forth in the individual PSA's.
- 6.4. Non-Compete. During the term of this MOU, the Nonprofit shall not introduce any product, service or program within the State of Connecticut or for the benefit of the ratepayers in the State of Connecticut that directly competes with any Green Bank product, service or program (including those covered by the PSAs) without the prior written consent of the Green Bank, which consent shall not be unreasonably withheld. For a period of one year after the termination of this MOU, the Nonprofit shall not offer any product, service or program within the State of Connecticut or for the benefit of the ratepayers in the State of Connecticut if such product, service or program directly competes with any then existing Green Bank product, service or program. The Nonprofit acknowledges that this Section 6.4 imposes reasonable restrictions on the Nonprofit and acknowledges that a remedy at law for any breach or threatened breach by the Nonprofit of the provisions of this Section 6.4 may be inadequate; therefore, the Nonprofit agrees that, in addition to, and not in limitation of, any other remedies available to the Green Bank, the Green Bank shall be entitled to injunctive relief in a court of competent jurisdiction in case of any such breach or threatened breach, without the necessity of the proof of actual damages or the posting of a bond or other security.
- 6.5. State Contracting Requirements. To the extent applicable, the Nonprofit shall agree to and be bound by the state contracting requirements set forth in Exhibit D and references therein to the "contractor" shall be deemed to mean the Nonprofit and references therein to the "contract" shall be deemed to mean this MOU.
- 6.6. Indemnification. The parties agree to indemnify the non-breaching party and its officers, directors, employees, agents and affiliates (the "Indemnified Parties") against, and defend and hold each of them harmless from, any liability, obligation, loss, cost, damage or expense (including attorneys' fees) suffered or incurred by any of them as a result of, arising out of, and/or relating to this MOU, other than resulting from the negligence or willful misconduct of an Indemnified Party.
- 6.7. Relationship of the Parties. Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its

obligations under this MOU and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either party responsible or liable for the obligations and undertakings of the other party. Nothing in this MOU shall constitute a party as a legal representative or agent of the other party, nor shall a party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other party unless otherwise expressly permitted by such other party.

6.8. Notice. Whenever this MOU requires or permits any notice, approval, request or demand from one party to another, the notice, approval, request or demand must be in writing and addressed to the party to be notified at the following address (or at such other address as may have been designated by written notice of such party to the other party) and delivered in person, by certified mail return receipt requested or by overnight courier service (or by email where specified in this MOU) and shall be deemed given when actually received or delivery is refused:

If to the Green Bank:	Connecticut Green Bank 845 Brook Street Rocky Hill, CT 06067 Attn: General Counsel
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If to the Nonprofit	Inclusive Prosperity Capital, Inc. 845 Brook Street Rocky Hill, CT 06067 Attn: Chief Executive Officer
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6.9. Assignment: This MOU is not assignable by either party without the prior written consent of the other party, and any assignment without such consent shall be null and void.

6.10. Governing Law. This MOU shall be governed by and construed and enforced in accordance with the laws of the State of Connecticut, without regard to its principles relating to conflicts of laws.

6.11. Waiver: The waiver by either party of a breach of a provision of this MOU shall not operate or be construed to invalidate the balance of the provisions contained in this MOU, which shall continue to remain in effect.

6.12. Severability. In the event that any one or more of the provisions contained in this MOU shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this MOU, and all other provisions shall remain in full force and effect.

6.13. Entire Agreement. This MOU, including all of the attachments hereto, the PSAs, a Grant Agreement between the parties of even date herewith and a License Agreement between the parties of even date herewith constitute the entire agreement of the parties

hereto related to the subject matter hereof, and supersede any previous agreement or understanding related to the subject matter hereof. This MOU may not be modified or extended except in writing executed by the parties.

- 6.14. Counterparts. This MOU may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), each of which shall be deemed to be an original and all of which taken together shall be deemed to be one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date first set forth above.

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**ADVISORY OPINION**

[attached]

**EXHIBIT B**

**FORM OF PROMISSORY NOTE**

[attached]

**EXHIBIT C**

**COST MATRIX**

[attached]



## EXHIBIT D

### STATE CONTRACTING REQUIREMENTS

#### **Sec. 4a-60. (Formerly Sec. 4-114a). Nondiscrimination and affirmative action provisions in awarding agency, municipal public works and quasi-public agency project contracts.**

(a) Every contract to which an awarding agency is a party, every quasi-public agency project contract and every municipal public works contract shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Commission on Human Rights and Opportunities;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers’ representative of the contractor’s commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e, 46a-68f and 46a-86; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.

(b) If the contract is a public works contract, municipal public works contract or contract for a quasi-public agency project, the contractor agrees and warrants that he or she will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works or quasi-public agency project.

(c) (1) Any contractor who has one or more contracts with an awarding agency or who is a party to a municipal public works contract or a contract for a quasi-public agency project, where any such contract is valued at less than fifty thousand dollars for each year of the contract, shall provide the awarding agency, or in the case of a municipal public works or quasi-public agency project contract, the Commission on Human Rights and Opportunities, with a written or electronic representation that complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section, provided if there is any change in such representation, the contractor shall provide the updated representation to the awarding agency or commission not later than thirty days after such change.

(2) Any contractor who has one or more contracts with an awarding agency or who is a party to a municipal public works contract or a contract for a quasi-public agency project, where any such contract is valued at fifty thousand dollars or more for any year of the contract, shall provide the awarding agency, or in the case of a municipal public works or quasi-public agency project contract, the Commission on Human Rights and Opportunities, with any one of the following:

(A) Documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor that complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section;

(B) Documentation in the form of a company or corporate policy adopted by a prior resolution of the board of directors, shareholders, managers, members or other governing body of such contractor if (i) the prior resolution is certified by a duly authorized corporate officer of such contractor to be in effect on the date the documentation is submitted, and (ii) the head of the awarding agency, or a designee, or in the case of a municipal public works or quasi-public agency project contract, the executive director of the Commission on Human Rights and Opportunities or a designee, certifies that the prior resolution complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section; or

(C) Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson or other corporate officer duly authorized to adopt company or corporate policy that certifies that the company or corporate policy of the contractor complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section and is in effect on the date the affidavit is signed.

(3) No awarding agency, or in the case of a municipal public works contract, no municipality, or in the case of a quasi-public agency project contract, no entity, shall award a contract to a contractor who has not provided the representation or documentation required under subdivisions (1) and (2) of this subsection, as applicable. After the initial submission of such representation or documentation, the contractor shall not be required to resubmit such representation or documentation unless there is a change in the information contained in such representation or documentation. If there is any change in the information contained in the most recently filed representation or updated documentation, the contractor shall submit an updated representation or documentation, as applicable, either (A) not later than thirty days after the effective date of such change, or (B) upon the execution of a new contract with the awarding agency, municipality or

entity, as applicable, whichever is earlier. Such contractor shall also certify, in accordance with subparagraph (B) or (C) of subdivision (2) of this subsection, to the awarding agency or commission, as applicable, not later than fourteen days after the twelve-month anniversary of the most recently filed representation, documentation or updated representation or documentation, that the representation on file with the awarding agency or commission, as applicable, is current and accurate.

(d) For the purposes of this section, “contract” includes any extension or modification of the contract, “contractor” includes any successors or assigns of the contractor, “marital status” means being single, married as recognized by the state of Connecticut, widowed, separated or divorced, and “mental disability” means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association’s “Diagnostic and Statistical Manual of Mental Disorders”, or a record of or regarding a person as having one or more such disorders. For the purposes of this section, “contract” does not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, unless the contract is a municipal public works contract or quasi-public agency project contract, (2) any other state, as defined in section 1-267, (3) the federal government, (4) a foreign government, or (5) an agency of a subdivision, state or government described in subdivision (1), (2), (3) or (4) of this subsection.

(e) For the purposes of this section, “minority business enterprise” means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of section 32-9n; and “good faith” means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. “Good faith efforts” shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

(f) Determination of the contractor’s good faith efforts shall include, but shall not be limited to, the following factors: The contractor’s employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission on Human Rights and Opportunities may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(g) The contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission on Human Rights and Opportunities, of its good faith efforts.

(h) The contractor shall include the provisions of subsections (a) and (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state, and in every subcontract entered into in order to fulfill any obligation of a municipal public works contract or contract for a quasi-public agency project, and such provisions shall be binding on a subcontractor, vendor or manufacturer, unless exempted by regulations or orders of the Commission on Human Rights and Opportunities. The contractor shall take such action with respect

to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission regarding a state contract, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

**Sec. 4a-60a. Provisions re nondiscrimination on the basis of sexual orientation required in awarding agency, municipal public works and quasi-public agency project contracts.**

(a) Every contract to which an awarding agency is a party, every contract for a quasi-public agency project and every municipal public works contract shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.

(b) (1) Any contractor who has one or more contracts with an awarding agency or who is a party to a municipal public works contract or a contract for a quasi-public agency project, where any such contract is valued at less than fifty thousand dollars for each year of the contract, shall provide the awarding agency, or in the case of a municipal public works or quasi-public agency project contract, the Commission on Human Rights and Opportunities, with a written representation that complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section.

(2) Any contractor who has one or more contracts with an awarding agency or who is a party to a municipal public works contract or a contract for a quasi-public agency project, where any such contract is valued at fifty thousand dollars or more for any year of the contract, shall provide such awarding agency, or in the case of a municipal public works or quasi-public agency project contract, the Commission on Human Rights and Opportunities, with any of the following:

(A) Documentation in the form of a company or corporate policy adopted by resolution of the board of directors, shareholders, managers, members or other governing body of such contractor that complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section;

(B) Documentation in the form of a company or corporate policy adopted by a prior resolution of the board of directors, shareholders, managers, members or other governing body of such contractor if (i) the prior resolution is certified by a duly authorized corporate officer of such contractor to be in effect on the date the documentation is submitted, and (ii) the head of the awarding agency, or a designee, or in the case of a municipal public works or quasi-public agency project contract, the executive director of the Commission on Human Rights and Opportunities or a designee, certifies that the prior resolution complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section; or

(C) Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson or other corporate officer duly authorized to adopt company or corporate policy that certifies that the company or corporate policy of the contractor complies with the nondiscrimination agreement and warranty under subdivision (1) of subsection (a) of this section and is in effect on the date the affidavit is signed.

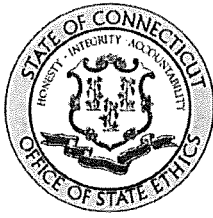
(3) No awarding agency, or in the case of a municipal public works contract, no municipality, or in the case of a quasi-public agency project contract, no entity, shall award a contract to a contractor who has not provided the representation or documentation required under subdivisions (1) and (2) of this subsection, as applicable. After the initial submission of such representation or documentation, the contractor shall not be required to resubmit such representation or documentation unless there is a change in the information contained in such representation or documentation. If there is any change in the information contained in the most recently filed representation or updated documentation, the contractor shall submit an updated representation or documentation, as applicable, either (A) not later than thirty days after the effective date of such change, or (B) upon the execution of a new contract with the awarding agency, municipality, or entity, as applicable, whichever is earlier. Such contractor shall also certify, in accordance with subparagraph (B) or (C) of subdivision (2) of this subsection, to the awarding agency or commission, as applicable, not later than fourteen days after the twelve-month anniversary of the most recently filed representation, documentation or updated representation or documentation, that the representation on file with the awarding agency or commission, as applicable, is current and accurate.

(4) For the purposes of this section, “contract” includes any extension or modification of the contract, and “contractor” includes any successors or assigns of the contractor. For the purposes of this section, “contract” does not include a contract where each contractor is (A) a political subdivision of the state, including, but not limited to, a municipality, unless the contract is a municipal public works contract or quasi-public agency project contract, (B) any other state, as defined in section 1-267, (C) the federal government, (D) a foreign government, or (E) an agency of a subdivision, state or government described in subparagraph (A), (B), (C) or (D) of this subdivision.

(c) The contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state, and in every subcontract entered into in order to fulfill any obligation of a municipal public works contractor contract for a quasi-public agency project, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission on Human Rights and Opportunities. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission regarding a state contract, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

**Executive Orders.** This contract may be subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices; Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings; Executive Order No. Sixteen of Governor John G. Rowland, promulgated August 4, 1999, concerning violence in the workplace, Executive Order 7C of Governor M. Jodi Rell, promulgated July 13, 2006, concerning contracting reforms and Executive Order 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, in accordance with their respective terms and conditions; all of which are incorporated into and made a part of the contract as if they had been fully set forth in it. At the contractor's request, the Green Bank shall provide a copy of these Executive Orders to the contractor.

**Certification Regarding Occupational Safety and Health Act Compliance (Conn. Gen. Stat. § 31-57b).** By executing the contract to which this Attachment A is attached, the Grant Recipient certifies that it has not (1) been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the bid/RFP/solicitation, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the bid/RFP/solicitation.



STATE OF CONNECTICUT  
OFFICE OF STATE ETHICS

**Advisory Opinion No. 2018-2**

April 19, 2018

**Questions  
Presented:**

The petitioner asks (1) whether the involvement of seven (7) Connecticut Green Bank (“CGB”) employees in the formation of a non-governmental organization (“NGO”) and their subsequent transition to it would be in violation of General Statutes § 1-84 (c); (2) whether those employees may begin employment with the NGO immediately after leaving state service with CGB without violating General Statutes § 1-84b (f); and (3) whether the transitioning employees may have contact with CGB immediately upon leaving state service under the technical implementation of an existing contract exception to General Statutes § 1-84b (b).

**Brief Answer:**

We conclude that (1) the employees who transition to the NGO will not be in violation of § 1-84 (c); (2) the employees may begin employment with the NGO immediately after leaving state service without violating § 1-84b (f); and may have contact with CGB immediately upon leaving state service under

**the technical implementation of an  
existing contract exception to  
General Statutes § 1-84b (b).**

At its March 2018 regular meeting, the Citizen's Ethics Advisory Board granted the petition for an advisory opinion submitted by Attorney Scott L. Murphy of Shipman & Goodwin, LLP, on behalf of the Connecticut Green Bank, a quasi-public agency of the state of Connecticut. The Board now issues this advisory opinion, which interprets the Code of Ethics for Public Officials<sup>1</sup> ("Ethics Code"), is binding on the Board concerning the person who requested it and who acted in good-faith reliance thereon, and is based on the facts provided by the petitioner.

**Facts**

The following facts, as set forth by the petitioner, are relevant to this opinion:

The Connecticut Green Bank ("CGB") is a quasi-public agency created by Section 16-245n of the General Statutes for the purpose of stimulating the demand for clean energy and the development of clean energy sources, and supporting clean energy investment, financing and expenditures.

The legislature has significantly curtailed the funding available to CGB, which as a consequence has determined that it is necessary to contract its activities and focus on a more limited number of the highest value projects and programs that are best suited for continued operation by a quasi-governmental entity.

Rather than discontinuing other important CGB clean energy programs for lack of funding within CGB, it is proposed that a tax-exempt 501(c)(3) organization be formed which can seek and accept grants and contributions from public and private sources so that such other programs can be continued outside of CGB. The programs CGB hopes to continue through such a

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<sup>1</sup>Chapter 10, part I, of the General Statutes.



501(c)(3) organization are referred to as the “continued CGB programs”.

Such a 501(c)(3) organization would be formed as a Connecticut non-stock corporation without members and be governed by a self-perpetuating board of directors, subject to certain board member qualification requirements to insure relevant experience and expertise, and the possibility that CGB may have certain limited minority board member designation or approval rights which do not result in the loss of the organization’s status as an independent non-governmental entity (“NGO”). As an NGO, the organization would be able to expand its exempt activities without geographic limits and thereby generate economies of scale and broaden the base for public and private support, increasing the likelihood for sustained operation of the continued CGB programs as well as creating the potential for expanded clean energy activities with public benefits both in and outside of Connecticut.

The formation of the NGO would represent the exercise of express powers of CGB set forth in subdivision (ix) of General Statutes § 16-245n(d)1(D), which reflects a legislative determination that the public purposes of the CGB can be furthered through its involvement in the formation, ownership, management or operation of other business entities that may present an opportunity to leverage CGB resources through participation in clean energy enterprises and activities with other public and private participants.

The principal initial funding for the NGO would be a grant from the Connecticut Department of Energy and Environmental Protection (“DEEP”) (expected to be a one-time grant of approximately \$5 million) which would be conditioned on, among other things

- the formation of the NGO and its agreement to seek to qualify as a 501(c)(3);

- the submission to DEEP and CGB of an acceptable business plan for the continued CGB programs, including fundraising plans;
- the transition from CGB to the NGO of seven (7) current CGB employees (out of total current CGB workforce of forty-seven (47) employees) with the necessary experience and expertise to manage the continued CGB programs; and
- satisfactory agreements between and among DEEP, CGB and the NGO relating to the use of proceeds of the DEEP grant, the administration by the NGO of the continued CGB programs, and the provision by CGB of space and “back-office” administrative support to the NGO until it is able to become operationally self-sufficient.

CGB is aware that the proposed formation of the NGO, the anticipated contracts between CGB and the NGO, and the transition of current CGB employees to the NGO may raise issues under the Ethics Code, including (i) the involvement of such employees while in state service in the creation of an outside employment opportunity (see Advisory Opinion No. 1997-1); (ii) the possible application of the one-year “jobs ban” (Section 1-84b(f)) if the transitioning employees were to be personally and substantially involved while still in state service in the award by CGB of contracts to the NGO; and (iii) the applicability to the administration of the continued CGB programs by former CGB employees of the one-year prohibition on contact with such employees’ former agency (Section 1-84b(b)).

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The formation of the NGO is a strategic initiative conceived, directed and controlled by members of senior management CGB (who will remain at CGB), and not any of the transitioning employees, and is subject to CGB board approval.

The proposed initiative will serve public purpose – the continuation of CGB programs that might otherwise be discontinued.

The involvement of seven employees in the initiative is necessary in order to satisfy the conditions of the DEEP grant and support the continued CGB programs at the NGO.

Because the transitioning employees have operational responsibility for the programs that will move to the NGO and are therefore familiar with how those programs work, they will provide staff level technical suggestions for terms and conditions to be incorporated in the contracts between CGB and the NGO. That technical input will be provided to members of CGB senior management, and it will be those members of the senior management, not any of the transitioning employees, who will conduct any contract negotiations with representatives of the NGO. Those same members of senior management, and not the transitioning employees, will be responsible for the contract award process at CGB, consisting of a presentation and recommendation to the CGB board that the proposed contracts be authorized and approved.

The jobs at the NGO will be an integral part of the overall strategic initiative, not the result of any self-serving official action by the transitioning employees relating to those contracts or otherwise.

In order to avoid even an appearance of misuse of official position, it is proposed that the total value of compensation (salary and benefits) for each of the transitioning employees be no greater during the first year than it was at CGB. Thereafter, compensation would be subject to an overall standard of reasonableness consistent with IRS rules for tax-exempt organizations and would be subject to public reporting on Form 990.

It is also proposed (and may be assumed) that the contracts between CGB and the NGO will not be executed until after the transitioning employees have

left state service. The CGB board may authorize and approve the contracts just prior to the departure of the transitioning employees, since it is unreasonable to expect the NGO to hire them until there is a decision by CGB to contract out the work they will perform.

It is of course anticipated that the transitioning employees will have ongoing contact with CGB since they will be managing the continued CGB programs under a contract between CGB and the NGO. In the early going, the transitioning employees may in fact be co-located with CGB employees in shared space made available to the NGO by CGB until such time as the NGO can become operationally self-sufficient.

Contact between the transitioning employees and those still at CGB would be limited to technical matters related to the implementation and administration of the continued CGB programs pursuant to the contracts entered into by CGB and the NGO. The transitioning employees would not seek amendments to those contracts, solicit further assistance or grants from CGB on behalf of the NGO, or seek other discretionary action by CGB for the benefit of the NGO, or be involved in any dispute between CGB and the NGO.

### Analysis

Under the facts presented, the first issue raised by the Petitioner is whether the involvement of seven CGB employees in the formation of an NGO and their subsequent transition to it would be a violation of General Statutes § 1-84 (c).

With regard to the first issue, the Petitioner references Advisory Opinion No. 1997-1, which involved the creation of a private employment opportunity by a state employee in the course of state service that was later filled by that state employee. In that opinion, the former State Ethics Commission (“former Commission”) was asked whether a University of Connecticut professor, who in his state position was “instrumental in creating, privatizing and funding” a non-profit corporation, could provide paid consultation services to

that entity.<sup>2</sup> The former Commission ruled that in a situation where a state employee wants to fill an outside position which he was substantially involved in creating, "[the] use of office for financial gain in violation of § 1-84 (c) is inherent and unavoidable."<sup>3</sup>

Here, the transfer of seven employees from the CGB to the NGO is distinguishable. As the Petitioner notes, the transitioning employees are not the decision-makers creating a post-state employment opportunity for themselves. Rather, they are CGB staff members who are willing to participate in the implementation of a strategic initiative that will be managed by the officers of CGB and approved by its board, and which has an identified public purpose, i.e., the continuation of CGB programs that might otherwise have to be discontinued. Further, the Petitioner proposes that in order to avoid even an appearance of misuse of official position, the total value of compensation (salary and benefits) for each of the transitioning employees will be no greater during the first year than it was at CGB.<sup>4</sup> Based on the foregoing, we conclude that the involvement of seven CGB employees in the formation of the NGO and their subsequent transition to it will not violate § 1-84 (c).

The second issue raised by the Petitioner is whether the transitioning employees may begin employment with the NGO immediately after leaving state service with CGB without violating General Statutes § 1-84b (f) even if they provided technical input for terms and conditions to be incorporated in the contracts between CGB and the NGO.

Under § 1-84b (f), a state employee who was substantially involved in the negotiation or award of a state contract valued at \$50,000 or more is prohibited from accepting employment with a party to the contract for one year after leaving state service, if the contract was signed within one year prior to the employee's departure from state service. For purposes of § 1-84b (f), the term "employment" has been

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<sup>2</sup>Advisory Opinion No. 1997-1, Connecticut Law Journal, Vol. 58, No. 35, p. 3E (February 25, 1997).

<sup>3</sup>Id.

<sup>4</sup>Cf. Advisory Opinion No. 2003-3, Connecticut Law Journal, Vol. 64, No. 36, p. 5D (March 4, 2003) ("Within that first year, a former state employee may negotiate an independent contract for personal services with his former agency only if his hourly rate is no greater than the rate he was receiving when he left state service, plus the pro-rated value of his state benefits.").

defined broadly and includes “any work or endeavor, whatever its form, undertaken in order to obtain financial gain (e.g., employee of a business, sole practitioner, independent contractor, investor, etc.).”<sup>5</sup> Further, “substantial participation” is participation that is “direct, extensive and substantive, not peripheral, clerical or ministerial.”<sup>6</sup>

As the former Commission noted, in Advisory Opinion No. 87-8, the prohibition in § 1-84b (f) applies to state employees and officials who “have discretionary power to affect the terms of a contract—the specifications, for example”; “who review proposals and make recommendations, other than clerical or perfunctory ones, as to bids to be considered or accepted”; “whose responsibilities require them to become involved to a significant, material degree in the evaluation or decisional processes leading to the award of a contract”; “who have such a major responsibility for awarding the contract—such as final approval—that it is unlikely that a person did not become involved personally and substantially in the contract award”; and “who in fact exercise supervisory authority in the negotiation or award of a contract, although not specifically required to do so.”<sup>7</sup>

In other words, the application of § 1-84b (f) is not limited to final approval; rather, it includes all substantive involvement that leads to the final approval. For example, making material suggestions that affect the subsequent decision-making process, making recommendations to one’s supervisors, or otherwise providing substantive input will trigger the § 1-84b (f) prohibition.

Here, if the CGB senior management and the board rely on the transitioning employees’ review and input to form their own judgment and opinion whether to approve the contracts between CGB and the NGO, then the transitioning employees’ involvement will be considered significant and the employees will be subject to the § 1-84b (f) restriction for one year following their departure from state service, if such contracts are signed within one year prior to the employees’ departure from state service.

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<sup>5</sup>Regs., Conn. State Agencies § 1-81-39.

<sup>6</sup>Regs., Conn. State Agencies § 1-81-38 (a).

<sup>7</sup>Advisory Opinion No. 87-8, Connecticut Law Journal, Vol. 49, No. 4, p. 1C (July 28, 1987).

Although the CGB board will authorize and approve the contracts prior to the departure of the transitioning employees, the contracts will not be signed by the state until after the transitioning employees commence their post-state employment with the NGO. The former Commission noted that, “by its terms, §1-84b (f)’s operation is explicitly premised on the date the contract . . . is signed,”<sup>8</sup> and that a contract is not considered “signed” until the necessary signature on behalf of the state has been obtained.<sup>9</sup> Thus, from a technical standpoint, the transitioning employees will not be in violation of § 1-84b (f).

Finally, the third issue raised by the Petitioner is whether the transitioning employees may have contact with CGB during the first year after leaving state service under the technical implementation of an existing contract exception to General Statutes § 1-84b (b).

Under § 1-84b (b), a former state employee may not represent anyone for compensation before his or her former state agency for a period of one year after leaving state service, concerning any matter in which the state has a substantial interest. The word “represent” has been defined broadly to include any activity regarding a matter at issue, or potentially at issue, that alerts “the state agency in question to the relationship between its former employee and the party ‘represented,’ including attending meetings at which a current agency employee is also in attendance, submitting documents that contain the former employee’s name or making phone calls to the agency to check on the status of a pending matter.”<sup>10</sup> The rationale underlying § 1-84b (b) is to prevent former executive branch officials and employees “from using contacts and influence gained during state service to obtain an improper advantage in their subsequent compensated dealings with their former agency.”<sup>11</sup>

There is a narrow exception to § 1-84b (b). Under this exception, a former state employee who is not prohibited by § 1-84b (f) from

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<sup>8</sup>Internal quotation marks omitted. Advisory Opinion No. 2003-11, Connecticut Law Journal, Vol. 65, No. 7, p. 5D (August 12, 2003).

<sup>9</sup>See Advisory Opinion No. 1993-16, Connecticut Law Journal, Vol. 55, No. 6, p. 6C (August 10, 1993).

<sup>10</sup>Advisory Opinion No. 2003-16, Connecticut Law Journal, Vol. 65, No. 24, p. 3C (December 9, 2003).

<sup>11</sup>Advisory Opinion No. 88-13, Connecticut Law Journal, Vol. 50, No. 8, p. 4C (August 23, 1988).

pursuing private employment within one year of leaving state service and who has been and will continue to perform only technical duties that involve no matters of actual or potential dispute between his new employer and the state agency, may accept employment with such employer to work on implementation of the existing contract, without violating § 1-84b (b).<sup>12</sup>

The foregoing technical implementation of an existing contract exception to § 1-84b (b) prohibition will be available to the transitioning employees provided that the employees were not involved in the negotiation or award of the contracts entered into by CGB and the NGO. As acknowledged by the Petitioner, contact between the transitioning employees and those still at CGB would be limited to technical matters related to the implementation and administration of the continued CGB programs pursuant to the contracts entered into by CGB and the NGO. For the proscribed one-year period under § 1-84b (b), the transitioning employees must not be involved in any amendments to those contracts, solicit further assistance or grants from CGB on behalf of the NGO, seek other discretionary action by CGB for the benefit of the NGO, or be involved in any dispute between CGB and the NGO.

### Conclusion

Based on the foregoing, we conclude that (1) the involvement of seven CGB employees in the formation of the NGO and their subsequent transition to it will not be in violation of § 1-84 (c); (2) the employees may begin employment with the NGO immediately after leaving state service without violating § 1-84b (f); and may have contact with CGB during the first year after leaving state service under the technical implementation of an existing contract exception to General Statutes § 1-84b (b).

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<sup>12</sup>See Advisory Opinion No. 2001-26, Connecticut Law Journal, Vol. 63, No. 19, p. 6D (November 6, 2001), (“it is not necessary or appropriate to apply [the § 1-84b (b)] restriction[] to a former state employee performing only technical duties, such as contract implementation, which involve no matter at issue between the State, or any other party, and [his] private employer”).



OFFICE OF STATE ETHICS

A.O. 2018-2

April 19, 2018

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By order of the Board,

Dated 4/19/18

A handwritten signature in black ink, appearing to be "D. M. [unclear]", written over a horizontal line.

Chairperson / Vice Chairperson

## PROMISSORY NOTE

\$150,000

July 2, 2018

FOR VALUE RECEIVED, Inclusive Prosperity Capital, Inc. (the "Maker") promises to pay to the order of Connecticut Green Bank (the "Holder"), having its principal office and place of business at 845 Brook Street, Rocky Hill, Connecticut 06067, or at such other address as the Holder may designate from time to time, the principal sum of up to ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000), or such lesser amount as then remains unpaid, and to pay interest from the date hereof on the whole amount of said principal sum remaining from time to time unpaid based on the prior month's average daily outstanding principal at the per annum rate equal to the short term investment fund (STIF) annualized daily rate, quoted on the website of the State of Connecticut Office of the Treasurer calculated as a simple average of such rates for the prior month or a comparable rate determined in the sole discretion of the Holder if such STIF rate is no longer quoted, payable as follows:

Interest only shall be payable in arrears on the first day of each month, beginning with the first month immediately following the first advance hereunder to the Maker. The entire outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on June 30, 2021 or earlier as provided in the Memorandum of Understanding of even date herewith between the Maker and the Holder (the "MOU").

Advances shall be made in accordance with the MOU. The aggregate amount from time to time outstanding hereunder, and each payment of principal with respect thereto, shall be recorded on the books and records of the Holder, and prior to transfer hereof, endorsed on the grid attached hereto which is part of this Note. The aggregate amount reflected on such books and records as outstanding at any time, including any entries by the Holder on the attached grid, shall be prima facie evidence of the aggregate amount owing and unpaid hereunder as of such time.

The Maker waives presentment, demand, notice, protest, and all other demands or notices in connection with the delivery, performance, default or enforcement of this Note. In the event of default hereunder, the Maker shall, in addition to other sums due hereunder, pay all costs and attorneys' fees incurred in any action to collect this Note.

The Maker may prepay all or any part of the amounts outstanding under this Note at any time and from time to time without premium or penalty and may reborrow the same (up to the maximum amount of this Note) until the maturity date hereof.

Payments hereunder shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

There shall be an event of default if the Maker fails to make any payment due hereunder within five (5) business days after the same is due, and such failure remains unremedied for thirty (30) days after the Maker's receipt of written notice of such failure to pay from the Holder. Upon the occurrence of an event of default, the entire outstanding principal amount of this Note, together

with any accrued and unpaid interest thereon, shall, at the option of the Holder, become immediately due and payable. Notwithstanding the foregoing, this Note shall become immediately due and payable if the Maker fails to pay its debts generally as they become due, makes an assignment for the benefit of creditors or seeks relief under any bankruptcy, insolvency or similar law or is involved in any involuntary proceeding under such laws.

**THE MAKER ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND TO THE EXTENT ALLOWED UNDER CONNECTICUT GENERAL STATUTES SECTION 52-278a TO 52-278g, INCLUSIVE, OR BY OTHER APPLICABLE LAW, HEREBY WAIVES ITS RIGHTS TO NOTICE AND HEARING WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE HOLDER MAY DESIRE TO USE.**

It is the intention of the parties to conform strictly to the usury laws, whether state or federal, that are applicable to this Note. All agreements between the Maker and the Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to the Holder, or collected by the Holder, for the use, forbearance or detention of the money to be loaned hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve exceeding the limit of such validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if under any circumstances the Holder shall ever receive an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Maker or to any other person making such payment on the Maker's behalf.

All references to the "Holder" or the "Maker" shall apply to their respective successors and assigns.

This Note shall be governed by and construed and enforced in accordance with laws of the State of Connecticut without regard to its conflicts of laws principles.

IN WITNESS WHEREOF, the Maker has caused this Note to be signed on the day and year first above written.

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ADVANCES AND PAYMENTS OF PRINCIPAL**

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Date	Amount of Advance	Amount of Principal Paid	Outstanding Principal Balance	Notation Made By
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Service	Year 1	Year 2	Year 3
Office Space	Green Bank Supplied Without Charge		
Office Supplies (General)	Green Bank Supplied Without Charge	\$50/ month for standard supplies	
Office Supplies (Special Requests)	Responsibility of Nonprofit		
Hardware	Green Bank Supplied Without Charge		
MS Office	Green Bank Supplied Without Charge		
Program Specific Tech	Green Bank Supplied Without Charge		
General IT Infrastructure	Green Bank Supplied Without Charge		
Telecommunications	Green Bank Supplied Without Charge	Fee To be Agreed upon	
Accounting Services	Green Bank Supplied Without Charge	Responsibility of Nonprofit	
Accounting Platform	Green Bank Supplied Without Charge	Responsibility of Nonprofit	
Taxes	Responsibility of Nonprofit		
Insurance	Responsibility of Nonprofit		
Loan Servicing	Fee for servicing Nonprofit Loans not covered by PSAs TBD		
Asset Management	Fee for servicing Nonprofit Loans not covered by PSAs TBD		
Other Back Office	Fee for servicing Nonprofit Loans not covered by PSAs TBD		
Bank Account Management	Fee for servicing Nonprofit Loans not covered by PSAs TBD		
Legal	Responsibility of Nonprofit		
Human Resources	Responsibility of Nonprofit		
Marketing (In Connecticut)	Green Bank Supplied Without Charge, except Nonprofit responsible for 3rd party expenses only	Fee For Service based on staff time at cost, plus 3rd pa	
Marketing (Outside Connecticut)	Cost plus Overhead		

## GRANT AGREEMENT

This Grant Agreement (this "Agreement") is made as of July 2, 2018 by and between Inclusive Prosperity Capital, Inc. (the "Grant Recipient") and Connecticut Green Bank (the "Green Bank").

### Background

A. The Green Bank has participated in the formation of the Grant Recipient, and is entering into this Agreement, in the exercise of powers granted in subdivisions (ii) and (ix) of subsection (D) of Section 16-245n(d)(1) of the Connecticut General Statutes.

B. In exercising such powers, the Board of Directors of the Green Bank has determined that the public purposes of the Green Bank will be furthered by the formation and activities of the Grant Recipient conducted in accordance with its organizational documents, including through its ability to seek and accept foundation grants, charitable contributions or other public support in order to continue the operation of certain Green Bank clean energy programs that might otherwise have to be discontinued as a result of reduced state funding available to the Green Bank.

C. Such programs include those to be administrated by the Grant Recipient on behalf of the Green Bank pursuant to, and with the funding provided under, various Professional Services Agreements ("PSAs") to be entered into between the Green Bank and the Grant Recipient.

D. In furtherance of the activities of the Grant Recipient, the Green Bank has been awarded a grant from the Connecticut Department of Energy and Environmental Protection ("DEEP") designated as DEEP Projects DEPA00003095038, DEPA00003094006, and DEPA00003097002 attached as Exhibit A in an amount not to exceed \$5,000,000 (the "DEEP Grant").

E. With the consent of DEEP, the Green Bank desires to assign the DEEP Grant to the Grant Recipient, including the terms and conditions thereof and the Scope of Work related thereto, all as set forth in Exhibit A (the "DEEP Agreement").

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Financial Assistance; Conditions.

(a) As and when received by the Green Bank, the Green Bank will provide the grant proceeds from the DEEP Grant to the Grant Recipient payable by check or wire transfer to an account designated by the Grant Recipient; provided that (i) both DEEP and the Board of Directors of the Green Bank have approved the Grant Recipient's business plan (the "Business Plan") that has been submitted to them before the date hereof, and (ii) the Grant Recipient has

provided the Green Bank with a certificate of legal existence from the Secretary of State of the State of Connecticut.

(b) The Grant Recipient shall use the DEEP Grant for the purposes set forth in the DEEP Agreement; provided that the Grant Recipient shall not use more than \$100,000 of the DEEP Grant for expenses related to its establishment, formation and initial start-up expenses; provided further that, in each case, such expenses shall have been approved by the Green Bank in writing, such approval not to be unreasonably withheld.

(c) The Grant Recipient shall comply with all provisions of the DEEP Agreement as if it were the “Contractor” thereunder, including all state contracting requirements and state standard terms and conditions set forth therein, and the Grant Recipient’s execution of this Agreement shall constitute its certification and agreement to all of such state contracting requirements and state standard terms and conditions. For avoidance of doubt, the Grant Recipient shall provide DEEP with all project summaries and reports required by the DEEP Agreement and provide copies thereof to the Green Bank at the time of submission thereof to DEEP.

(d) The total amount of the grant funding under this Agreement shall be dependent upon the total amount of the DEEP Grant provided by DEEP. The Grant Recipient shall be required to return to DEEP any grant proceeds required to be returned by the terms of the DEEP Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Green Bank shall not be obligated to provide financial assistance pursuant to this Agreement from its own funds, the only source of financing hereunder being the DEEP Grant.

(f) The Green Bank may terminate this Agreement upon written notice to the Grant Recipient of a breach of this Agreement if the Grant Recipient fails to cure such breach within 10 days of such notice. Upon termination for the Grant Recipient’s breach, the Green Bank may require the return of all or a portion of the grant proceeds.

(g) The Green Bank may terminate this Agreement upon written notice to the Grant Recipient if the Internal Revenue Service fails to determine that the Grant Recipient is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), within 18 months of this Agreement. Upon such termination, the Green Bank may require the return of all or a portion of the grant proceeds.

2. Representations and Warranties. The Grant Recipient represents, warrants and covenants as follows:

(a) The Grant Recipient is a Connecticut non-stock corporation duly organized and validly existing under the laws of the State of Connecticut and is organized and shall be operated exclusively for the charitable and educational purposes within the meaning of Section 501(c)(3) of the Code. Further, the Grant Recipient will preserve and maintain its existence as a duly organized entity, validly existing, and in good standing under the laws of Connecticut.

(b) The Grant Recipient has all franchises, permits, licenses, and other similar authorizations necessary for the conduct of its business as now being conducted by it, and it is not aware of any state of facts that would make it impossible or impractical to obtain any similar authorization necessary for the conduct of its business as planned to be conducted. The Grant Recipient is not in violation, nor will the transactions contemplated by the Agreement cause a violation, of the terms or provisions of any such franchise, permit, license, or similar authorization.

(c) The execution and delivery of this Agreement by the Grant Recipient, and the performance of its obligations hereunder, are within its power, have been duly authorized by all necessary action on its part, and are not in contravention of law nor in contravention of its organizational documents, including its certificate of incorporation or bylaws, or of the provisions of any indenture, agreement, or undertaking to which it is a party or by which it is bound.

(d) There is no pending or, to the Grant Recipient's knowledge, threatened litigation, bankruptcy or insolvency, injunction, order or claim with respect to the Grant Recipient or any of the transactions contemplated hereby.

(e) The Grant Recipient has filed or will file within the time prescribed by law (including extensions of time approved by any appropriate taxing authority) all tax returns and reports required to be filed with the United States Internal Revenue Service or with the State of Connecticut or any political subdivision thereof and (except to the extent that the failure to file would not have a material adverse effect on the condition or operations of the Company) with all other jurisdictions where such filing is required by law, and the Grant Recipient has paid all taxes, interest, penalties, assessments or deficiencies due in connection therewith.

(f) The Grant Recipient certifies that it has not (1) been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of this Agreement; provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of this Agreement.

### 3. Indemnification; Limitation of Liability.

(a) The Grant Recipient agrees to indemnify the Green Bank and its officers, directors, employees, agents and affiliates (the "Indemnified Parties") against, and defend and hold each of them harmless from, any liability, obligation, loss, cost, damage or expense (including attorneys' fees) suffered or incurred by any of them as a result of, arising out of, and/or relating to this Agreement, other than resulting from the negligence or willful misconduct of an Indemnified Party.



(b) Except in connection with the Grant Recipient's indemnification for third party claims set forth above, neither party shall be liable to the other party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either party.

(c) The provisions of this Section 3 shall survive indefinitely.

4. Inspection; Audit. The Grant Recipient shall permit the Green Bank and its representatives and agents and the Auditors of Public Accounts to visit and inspect the Grant Recipient's properties, to examine and audit, or have audited, its books of account and records related to elements and programs funded by Green Bank and to discuss its affairs, finances and accounts related to these activities with its officers, all upon reasonable advance notice and at such reasonable times during normal business hours as Green Bank or the auditors of public account may request.

5. Relationship of the Parties. Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either party responsible or liable for the obligations and undertakings of the other party. Nothing in this Agreement shall constitute a party as a legal representative or agent of the other party, nor shall a party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other party unless otherwise expressly permitted by such other party.

7. Notice. Whenever this Agreement requires or permits any notice, approval, request or demand from one party to another, the notice, approval, request or demand must be in writing and addressed to the party to be notified at the following address (or at such other address as may have been designated by written notice of such party to the other party) and delivered in person, by certified mail return receipt requested or by overnight courier service and shall be deemed given when actually received or delivery is refused:

If to the Green Bank:	Connecticut Green Bank 845 Brook Street Rocky Hill, CT 06067 Attn: General Counsel
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If to the Grant Recipient	Inclusive Prosperity Capital, Inc. 845 Brook Street
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Rocky Hill, CT 06067  
Attn: Chief Executive Officer

8. Entire Agreement. This Agreement, including all of the attachments hereto, and any PSAs related to programs, activities and operations described in the Business Plan constitute the entire agreement of the parties hereto related to the subject matter hereof, and supersede any previous agreement or understanding related to the subject matter hereof. This Agreement may not be modified or extended except in writing executed by the parties.

9. Severability. In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Connecticut, without regard to its principles relating to conflicts of laws.

11. Counterparts. This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), each of which shall be deemed to be an original and all of which taken together shall be deemed to be one and the same agreement.

12. No Recourse. It is expressly understood and agreed that no obligation of the Green Bank under this Agreement shall be an obligation of its directors, officers, employees or agents, and there shall be no recourse or claim under this Agreement against any such person individually in any circumstances.

IN WITNESS WHEREOF, the parties have executed this Grant Agreement as of the date first set forth above.

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
DEEP AGREEMENT

[Attached]

CHECK ONE:  
 GRANT  
 PERSONAL SERVICE AGREEMENT

- THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
- ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES.

(1) <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT	(2) IDENTIFICATION #s P.S.  P.O.
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CONTRACTOR	(3) CONTRACTOR NAME <b>The Connecticut Green Bank (Supplier ID 0000146727)</b>	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	CONTRACTOR ADDRESS <b>845 Brook St, Rocky Hill CT 06067</b>	CONTRACTOR FEIN/SSN <b>452746525</b>

STATE AGENCY	(5) AGENCY NAME AND ADDRESS <b>DEEP-BETP, 79 Elm Street, Hartford CT 06106</b>	(6) Dept No. <b>DEP43000</b>
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CONTRACT PERIOD	(7) DATE (FROM) Execution	THROUGH (TO) June 30, 2023	(8) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. _____ <input checked="" type="checkbox"/> NEITHER
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(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary)

1. Performance: Do, conduct, perform or cause to be performed in a satisfactory and proper manner as determined by the Commissioner of Energy and Environmental Protection, all work described in Appendix A, which is attached hereto and made a part hereof.

**Appendix A consists of 4 pages numbered A-1 through A-4 inclusive.**

Page 1 of 9

Standard Terms and Conditions are contained in Pages 2 through 9 and are attached hereto and made a part hereof.

(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

Cost and Schedule of Payments is attached hereto as Appendix B, and made a part hereof. (Appendix B consists of 1 page numbered B-1).

Total Payments Not to Exceed the Maximum Amount of \$5,000,000.00.

(11) OBLIGATED AMOUNT  
**\$5,000,000.00**

(12) Amount	(13) Dept	(14) Fund	(15) SID	(16) Program	(17) Project	(18) Activity	(19) Bud Ref	(20) Agency CF 1	(21) Agency CF 2	(22) Account
\$2,000,000.00	DEP44720	12060	35402	13008	DEPA00003095038	155006	2018			55050
\$1,000,000.00	DEP44720	12060	30592	13008	DEPA00003094006	155006	2018			55050
\$2,000,000.00	DEP44720	12060	35562	13008	DEPA00003097002	155006	2018			55050

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS	(23) STATUTORY AUTHORITY CGS Sec. 4-8 as amended; CGS Sec. 22a-6(a)(2) as amended
(24) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE) 	TITLE <b>MEMBER : CEO</b>
(25) AGENCY (AUTHORIZED OFFICIAL)	DATE <b>5/25/18</b>
(26) ATTORNEY GENERAL (APPROVED AS TO FORM)	TITLE
	DATE

DISTRIBUTION: CONTRACTOR AGENCY FUNDS AVAILABLE: \_\_\_\_\_ DATE: \_\_\_\_\_

1. Executive Orders. This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services and to Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office. If Executive Order 14 and/or Executive Order 49 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Client Agency or DAS shall provide a copy of these orders to the Contractor.
2. Non-Discrimination.
  - (a) For purposes of this Section, the following terms are defined as follows:
    - (1) "Commission" means the Commission on Human Rights and Opportunities;
    - (2) "Contract" and "contract" include any extension or modification of the Contract or contract;
    - (3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
    - (4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
    - (5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
    - (6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
    - (7) "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;
    - (8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
    - (9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and
    - (10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b)

- (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or

advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
  - (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
  - (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
  - (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
  - (g)
    - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
  - (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
3. Indemnification.
- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims arising, directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively, the "Acts") of the Contractor or Contractor Parties; and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Contractor's bid, proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance.

- (b) The Contractor shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any other person or entity acting under the direct control or supervision of the State.
  - (c) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.
  - (d) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
  - (e) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any provisions survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall cause the State to be named as an additional insured on the policy and shall provide (1) a certificate of insurance, (2) the declaration page and (3) the additional insured endorsement to the policy to DAS and the Client Agency all in an electronic format acceptable to DAS prior to the Effective Date of the Contract evidencing that the State is an additional insured. The Contractor shall not begin Performance until the delivery of these 3 documents to the Client Agency. Contractor shall provide an annual electronic update of the 3 documents to the Client Agency and DAS on or before each anniversary of the Effective Date during the Contract term. State shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that State is contributorily negligent.
  - (f) This section shall survive the Termination of the Contract and shall not be limited by reason of any insurance coverage.
4. **Anti-trust Provision.** Contractor hereby irrevocably assigns to the State of Connecticut all rights, title and interest in and to all Claims associated with this Contract that Contractor now has or may or will have and that arise under the antitrust laws of the United States, 15 USC Section 1, *et seq.* and the antitrust laws of the State of Connecticut, Connecticut General Statute § 35-24, *et seq.*, including but not limited to any and all Claims for overcharges. This assignment shall become valid and effective immediately upon the accrual of a Claim without any further action or acknowledgment by the parties.
5. **State Liability.** The State of Connecticut shall assume no liability for payment for services under the terms of this agreement until the contractor is notified that this agreement has been accepted by the contracting agency and, if applicable, approved by the Office of Policy and Management (OPM) or the Department of Administrative Services (DAS) and by the Attorney General of the State of Connecticut.
6. **Definitions:**
- (a) **State.** The State of Connecticut, including the Department of Energy and Environmental Protection and any office, department, board, council, commission, institution or other agency of the State.
  - (b) **Commissioner.** The Commissioner of Energy and Environmental Protection or the Commissioner's designated agent.
  - (c) **Parties.** The Department of Energy and Environmental Protection (DEEP or Agency) and the Contractor.
  - (d) **Contractor Parties.** Contractor Parties shall be defined as a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity. To the extent that any Contractor Party is to participate or Perform in any way, directly or indirectly in connection with the Contract, any reference in the Contract to the "Contractor" shall also be deemed to include "Contractor Parties", as if such reference had originally specifically included "Contractor Parties" since it is the Parties' intent for the terms "Contractor Parties" to be vested with the same respective rights and obligations as the terms "Contractor."
  - (e) **Contract.** This agreement, as of its Effective Date, between the Contractor and the State for any or all goods or services as more particularly described in Appendix A.
  - (f) **Execution.** This contract shall be fully executed when it has been signed by authorized representatives of the parties, and if it is for an amount Twenty-five thousand dollars (\$25,000.00) or more, by the authorized representative of the state Attorney General's office.
  - (g) **Exhibits.** All attachments, appendices or exhibits referred to in and attached to this Contract are incorporated in this Contract by such reference and shall be deemed to be a part of it as if they had been fully set forth in it.
  - (h) **Records.** For the purposes of this Contract, records are defined as all working papers and such other information and materials as may have been accumulated by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
  - (i) **Confidential Information.** shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the Department classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.



(j) Confidential Information Breach. shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (1) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the Contractor, the Department or State.

(k) Claim shall mean, all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmaturing, contingent, known or unknown, at law or in equity, in any forum.

7. Distribution of Materials. The Contractor shall obtain written approval from the Commissioner prior to the distribution or publication of any materials prepared under the terms of this Contract. Such approval shall not be unreasonably withheld.
8. Change in Principal Project Staff. Any changes in the principal project staff must be requested in writing and approved in writing by the Commissioner at the Commissioner's sole discretion. In the event of any unapproved change in principal project staff, the Commissioner may, in the Commissioner's sole discretion, terminate this Contract.
9. Further Assurances. The Parties shall provide such information, execute and deliver any instruments and documents and take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Contract and which do not involve the vesting of rights or assumption of obligations other than those provided for in the Contract, in order to give full effect to the Contract and to carry out the intent of the Contract.
10. Recording and Documentation of Receipts and Expenditures. Accounting procedures must provide for accurate and timely recording of receipt of funds by source, expenditures made from such funds, and of unexpended balances. Controls must be established which are adequate to ensure that expenditures under this Contract are for allowable purposes and that documentation is readily available to verify that such charges are accurate.
11. Assignability. The Contractor shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Commissioner thereto: provided, however, that claims for money due or to become due the Contractor from the Commissioner under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Commissioner.
12. Third Party Participation. The Contractor may make sub-awards, using either its own competitive selection process or the values established in the state's competitive selection process as outlined in DAS General Letter 71, whichever is more restrictive, to conduct any of the tasks in the Scope of Work contained in Appendix A. The Contractor shall advise the Commissioner of the proposed sub-awardee and the amount allocated, at least two (2) weeks prior to the making of such awards. The Commissioner reserves the right to disapprove such awards if they appear to be inconsistent with the program activities to be conducted under this grant. As required by Sec. 46a-68j-23 of the Connecticut Regulations of State Agencies the Contractor must make a good faith effort, based upon the availability of minority business enterprises in the labor market area, to award a reasonable proportion of all subcontracts to such enterprises. When minority business enterprises are selected, the Contractor shall provide DEEP with a copy of the Affidavit for Certification of Subcontractors as Minority Business Enterprises (MBE) along with a copy of the purchase order or contract engaging the Subcontractor. The Contractor shall be the sole point of contact concerning the management of the Contract, including performance and payment issues. The Contractor is solely and completely responsible for adherence by any subcontractor to all the applicable provisions of the Contract.
13. Set Aside. State funded projects are subject to the requirements of CGS Sec. 4a-60g "Set-Aside program for small contractors, minority business enterprises, individuals with disabilities and nonprofit corporations" unless exempted from these requirements by the Department of Administrative Services Supplier Diversity Program. For contracts using non-exempted funding sources and subcontracting any portion of work, contractors are required to subcontract 25% of the total contract value to small businesses certified by the Department of Administrative Services and are further required to subcontract 25% of that 25% to minority and women small contractors certified as minority business enterprises by the Department of Administrative Services.
14. Procurement of Materials and Supplies. The Contractor may use its own procurement procedures which reflect applicable State and local law, rules and regulations provided that procurement of tangible personal property having a useful life of more than one year and an acquisition cost of one thousand dollars (\$1,000.00) or more per unit be approved by the Commissioner before acquisition.
15. Audit Requirements for Recipients of State Financial Assistance For purposes of this paragraph, the word "contractor" shall be deemed to mean "nonstate entity," as that term is defined in Section 4-230 of the Connecticut General Statutes. The contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The contractor will comply with federal and state single audit standards as applicable.
16. Audit and Inspection of Plants, Places of Business and Records.
  - (a) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Contractor's and Contractor Parties' plants and places of business which, in any way, are related to, or involved in, the performance of this Contract.

- (b) The Contractor shall maintain, and shall require each of the Contractor Parties to maintain, accurate and complete Records. The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State and its agents.
  - (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
  - (d) The Contractor will pay for all costs and expenses of any audit or inspection which reveals information that, in the sole determination of the State, is sufficient to constitute a breach by the Contractor under this Contract. The Contractor will remit full payment to the State for such audit or inspection no later than 30 days after receiving an invoice from the State. If the State does not receive payment within such time, the State may setoff the amount from any moneys which the State would otherwise be obligated to pay the Contractor in accordance with this Contract's Setoff provision.
  - (e) The Contractor shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Contract, or (ii) the expiration or earlier termination of this Contract, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
  - (f) The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
  - (g) The Contractor shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Contractor Party.
17. Americans With Disabilities Act. The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 ("Act"), to the extent applicable, during the term of the Contract. The DEEP may cancel the Contract if the Contractor fails to comply with the Act.
  18. Affirmative Action and Sexual Harassment Policy. The Contractor agrees to comply with the Departments Affirmative Action and Sexual Harassment Policies available on DEEP's web site. Hard copies of the policy statements are available upon request at DEEP.
  19. Campaign Contribution Restriction. For all State contracts as defined in Conn. Gen. Stat. § 9-612(g)(1) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations," attached as Exhibit C.
  20. Sovereign Immunity. The parties acknowledge and agree that nothing in the Solicitation or the Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this section conflicts with any other section, this section shall govern.
  21. Termination.
    - (a) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may Terminate the Contract whenever the Agency makes a written determination that such Termination is in the best interests of the State. The Agency shall notify the Contractor in writing of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the Contractor must complete its Performance under the Contract prior to such date.
    - (b) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may, after making a written determination that the Contractor has breached the Contract, Terminate the Contract in accordance with the provisions in the Breach section of this Contract.
    - (c) The Agency shall send the notice of Termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to the Agency for purposes of correspondence, or by hand delivery. Upon receiving the notice from the Agency, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the Agency all Records. The Records are deemed to be the property of the Agency and the Contractor shall deliver them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the Records. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.
    - (d) Upon receipt of a written notice of Termination from the Agency, the Contractor shall cease operations as the Agency directs in the notice, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection, and preservation of the Goods and any other property. Except for any work which the Agency directs the Contractor to Perform in the notice prior to the effective date of Termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
    - (e) The Agency shall, within forty-five (45) days of the effective date of Termination, reimburse the Contractor for its Performance rendered and accepted by the Agency, in addition to all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Contractor to complete. However, the Contractor is not entitled

to receive and the Agency is not obligated to tender to the Contractor any payments for anticipated or lost profits. Upon request by the Agency, the Contractor shall assign to the Agency, or any replacement contractor which the Agency designates, all subcontracts, purchase orders and other commitments, deliver to the Agency all Records and other information pertaining to its Performance, and remove from State premises, whether leased or owned, all of Contractor's property, equipment, waste material and rubbish related to its Performance, all as the Agency may request.

- (f) For breach or violation of any of the provisions in the section concerning Representations and Warranties, the Agency may Terminate the Contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or consented to, without liability to the Contractor or Contractor Parties or any third party.
  - (g) Upon Termination of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination. All representations, warranties, agreements and rights of the parties under the Contract shall survive such Termination to the extent not otherwise limited in the Contract and without each one of them having to be specifically mentioned in the Contract.
  - (h) Termination of the Contract pursuant to this section shall not be deemed to be a breach of contract by the Agency.
22. **Breach.** If either Party breaches the Contract in any respect, the non-breaching Party shall provide written notice of the breach to the breaching Party and afford the breaching Party an opportunity to cure within ten (10) days from the date that the breaching Party receives the notice. In the case of a Contractor breach, any other time period which the Agency sets forth in the notice shall trump the ten (10) days. The right to cure period shall be extended if the non-breaching Party is satisfied that the breaching Party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract Termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching Party in writing prior to the Termination date; no further action shall be required of any Party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date; then the non-breaching Party may Terminate the Contract by giving the breaching Party no less than twenty four (24) hours' prior written notice. If the Agency believes that the Contractor has not performed according to the Contract, the Agency may withhold payment in whole or in part pending resolution of the Performance issue, provided that the Agency notifies the Contractor in writing prior to the date that the payment would have been due.
23. **Severability.** If any term or provision of the Contract or its application to any person, entity or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of the Contract or the application of such term or provision shall not be affected as to persons, entities or circumstances other than those as to whom or to which it is held to be invalid or unenforceable. Each remaining term and provision of the Contract shall be valid and enforced to the fullest extent possible by law.
24. **Contractor Guarantee.** The Contractor shall: perform the Contract in accordance with the specifications and terms and conditions of the Scope of Work, furnish adequate protection from damage for all work and to repair any damage of any kind, for which he or his workmen are responsible, to the premises or equipment, to his own work or to the work of other contractors; pay for all permits, licenses, and fees, and to give all notices and comply with all laws, ordinances, rules and regulations of the city and the State.
25. **Forum and Choice of Law.** The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.
26. **Force Majeure.** The Parties shall not be excused from their obligation to perform in accordance with the Contract except in the case of Force Majeure events and as otherwise provided for in the Contract. A Force Majeure event materially affects the cost of the Goods or Services or the time schedule for performance and is outside the control nor caused by the Parties. In the case of any such exception, the nonperforming Party shall give immediate written notice to the other, explaining the cause and probable duration of any such nonperformance.
27. **Summary of State Ethics Laws.** Pursuant to the requirements of section 1-101qq of the Connecticut General Statutes, the summary of State ethics laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes is incorporated by reference into and made a part of the Contract as if the summary had been fully set forth in the Contract.
28. **Disclosure of Records.** This Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to FOIA and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes.
29. **Confidential Information.** The Agency will afford due regard to the Contractor's request for the protection of proprietary or confidential information which the Agency receives. However, all materials associated with the Bid and the Contract are subject to the terms of the Connecticut Freedom of Information Act ("FOIA") and all corresponding rules, regulations and interpretations. In

making such a request, the Contractor may not merely state generally that the materials are proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that the Contractor believes are exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with the FOIA must accompany the request. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Contractor that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the FOIA. To the extent that any other provision or part of the Contract, especially including the Bid, the Records and the specifications, conflicts or is in any way inconsistent with this section, this section controls and shall apply and the conflicting provision or part shall not be given effect. If the Contractor indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as CONFIDENTIAL," the Agency will endeavor to keep said information confidential to the extent permitted by law. The Agency, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The Contractor shall have the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no event shall the Agency or the State have any liability for the disclosure of any documents or information in its possession which the Agency believes are required to be disclosed pursuant to the FOIA or other requirements of law.

30. Protection of Confidential Information.

- (a) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.
- (b) Each Contractor or Contractor Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Agency or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:
  - (1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
  - (2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
  - (3) A process for reviewing policies and security measures at least annually;
  - (4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
  - (5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.
- (c) The Contractor and Contractor Parties shall notify the Agency and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Contractor or Contractor Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Agency and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from the Agency, any State of Connecticut entity or any affected individuals.
- (d) The Contractor shall incorporate the requirements of this Section in all subcontracts requiring each Contractor Party to safeguard Confidential Information in the same manner as provided for in this Section.
- (e) Nothing in this Section shall supersede in any manner Contractor's or Contractor Party's obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the Contractor as a Business Associate of Covered Entity.

31. Whistleblowing. This Contract may be subject to the provisions of Section 4-61dd of the Connecticut General Statutes. In accordance with this statute, if an officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of such statute, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of this Contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) of such statute, each large state contractor, as defined in the statute, shall post a notice of the provisions of the statute relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the Contractor.

32. Entirety of Contract. The Contract is the entire agreement between the Parties with respect to its subject matter, and supersedes all prior agreements, proposals, offers, counteroffers and understandings of the Parties, whether written or oral. The Contract has been entered into after full investigation, neither Party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in the Contract.

33. Interpretation. The Contract contains numerous references to statutes and regulations. For purposes of interpretation, conflict resolution and otherwise, the content of those statutes and regulations shall govern over the content of the reference in the Contract to those statutes and regulations.
34. Tangible Personal Property.
- (a) The Contractor on its behalf and on behalf of its Affiliates, as defined below, shall comply with the provisions of Conn. Gen. Stat. §12-411b, as follows:
- (1) For the term of the Contract, the Contractor and its Affiliates shall collect and remit to the State of Connecticut, Department of Revenue Services, any Connecticut use tax due under the provisions of Chapter 219 of the Connecticut General Statutes for items of tangible personal property sold by the Contractor or by any of its Affiliates in the same manner as if the Contractor and such Affiliates were engaged in the business of selling tangible personal property for use in Connecticut and had sufficient nexus under the provisions of Chapter 219 to be required to collect Connecticut use tax;
  - (2) A customer's payment of a use tax to the Contractor or its Affiliates relieves the customer of liability for the use tax;
  - (3) The Contractor and its Affiliates shall remit all use taxes they collect from customers on or before the due date specified in the Contract, which may not be later than the last day of the month next succeeding the end of a calendar quarter or other tax collection period during which the tax was collected;
  - (4) The Contractor and its Affiliates are not liable for use tax billed by them but not paid to them by a customer; and
  - (5) Any Contractor or Affiliate who fails to remit use taxes collected on behalf of its customers by the due date specified in the Contract shall be subject to the interest and penalties provided for persons required to collect sales tax under chapter 219 of the general statutes.
- (b) For purposes of this section of the Contract, the word "Affiliate" means any person, as defined in section 12-1 of the general statutes, that controls, is controlled by, or is under common control with another person. A person controls another person if the person owns, directly or indirectly, more than ten per cent of the voting securities of the other person. The word "voting security" means a security that confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business, or that is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. "Voting security" includes a general partnership interest.
- (c) The Contractor represents and warrants that each of its Affiliates has vested in the Contractor plenary authority to so bind the Affiliates in any agreement with the State of Connecticut. The Contractor on its own behalf and on behalf of its Affiliates shall also provide, no later than 30 days after receiving a request by the State's contracting authority, such information as the State may require to ensure, in the State's sole determination, compliance with the provisions of Chapter 219 of the Connecticut General Statutes, including, but not limited to, §12-411b.

**APPENDIX A**  
**SCOPE OF WORK**

**Purpose:** To finance the creation of a non-profit entity enabled through resolutions of the Board of Directors of the Connecticut Green Bank to provide financing for renewable energy, energy efficiency, resiliency and health and safety projects in underserved markets such as low-to-moderate (LMI) communities and underinvested neighborhoods.

**Description:** The Contractor agrees to conduct a project entitled: **“Connecticut Green Bank Non-Profit Partnership for the Development of Renewable Energy and Energy Efficiency Projects in Low-Income Communities”**

**Scope:** The Connecticut Green Bank (“Green Bank”) shall enable a non-profit organization using \$5 million dollars to support programs that will deploy renewable energy, energy efficiency and resilient technologies (such as battery storage) across Connecticut, including in underserved markets such as low-to-moderate (LMI) communities and underinvested neighborhoods.

The scope of work for the CGB shall include:

1. The establishment of a 501(c)(3) Non-Profit entity (the “Non-Profit”) within ninety (90) days of the transfer of \$5,000,000.00 in funding under this agreement (notwithstanding the fact that approval by the Internal Revenue Service of the United States (the “IRS”) of the Non-Profit's application to the IRS for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code may take longer than such 90 day period).
2. The development of a detailed business plan for the Non-Profit approved by the Department of Energy and Environmental Protection (CTDEEP), and the Green Bank Board of Directors. The detailed business plan shall include:
  - a. Provisions to offer low cost pre-development loans;
  - b. Establishment of a low-income multi-family energy loan;
  - c. Other related loan products for low-moderate income customers utilizing partnership opportunities with other non-profit foundations and housing development funds.

Examples of potential programs to include in the CGB business plan include:

- a. **"Solar for All" partnership with PosiGen** – offering a low-cost solar lease combined with an energy efficiency package through an Energy Savings Agreement, targeted at LMI homeowners. To date PosiGen has reached 1,315 homes for 8.9MW of solar, supported by a tiered LMI solar incentive offered by the Green Bank and \$8.5 million of subordinated debt that leveraged the same amount of senior debt capital, plus multiple tax equity investors brought in for these projects for a total investment of \$36 million.
- b. **Affordable Multifamily Program** – a suite of products including:
  - low cost pre-development loans,
  - an unsecured Low Income Multifamily Energy Loan in partnership with Capital for Change,

- the flexible Catalyst Loan in partnership with Housing Development fund supported by a \$5 million program related investment (PRI) from the MacArthur Foundation,
- a \$1.5 million EnergizeCT Health and Safety Revolving Loan Fund made possible by RGGI funds from DEEP,
- the Green Bank’s solar power purchase agreement for nonprofits (including housing authorities), and
- low-cost financing for solar and storage on critical community assets (including senior housing) supported by a \$3 million PRI from the Kresge Foundation.

**The funds shall be used solely for the purposes described above and included in the business plan for the Non-Profit (the “Business Plan”) approved by CTDEEP, and the Green Bank Board of Directors.**

- 2. Budget:** The Contractor shall adhere to the budget which is identified in Appendix B of this Contract.
- 3. Publication of Materials:** The Contractor must obtain written approval from DEEP Bureau of Energy and Technology Policy, in consultation with DEEP’s Communications Director, prior to distribution or publication of any printed material prepared under the terms of this Contract.

Unless specifically authorized in writing by the State, on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies: (1) in any advertising, publicity, promotion; or (2) to express or to imply any endorsement of Contractor’s products or services; or (3) to use the name of the State of Connecticut, its officials agencies, or employees or the seal of the State of Connecticut or its agencies in any other manner (whether or not similar to uses prohibited by (1) and (2) above), except only to deliver in accordance with this Agreement such items as are hereby contracted for by the State. In no event may the Contractor use the State Seal in any way without the express written consent of the Secretary of State.

**4. ADA Publication Statement:**

For all public notices printed in newspapers, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov)

If there is not a meeting or event associated with the material(s) being published, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov) if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint.

If the material(s) being published have a meeting or event associated with them, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov) if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint. Any person needing a hearing accommodation may call the State of Connecticut relay number - 711. Requests for accommodations must be made at least two weeks prior to any agency hearing, program or event.

For videos that will be published on the DEEP website, the following ADA and Title VI statement and the following line should be included on the DVD cover and the title page of the video:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov).

This video with closed captioning is available at [www.ct.gov/deep](http://www.ct.gov/deep).

- 5. Submission of Materials:** For the purposes of this Contract, all correspondence, summaries, reports, products and extension requests shall be submitted to:

Department of Energy and Environmental Protection  
Bureau of Energy and Technology Policy  
Project Coordinator, CGB Low-Income Non-Profit Entity  
10 Franklin Square  
New Britain CT 06051

All **invoices** must include the PO #, PSA #, Project Title, DEEP Bureau/Division name, amount dates and description of services covered by the invoice, and shall be submitted to:

Financial Management Division  
Accounts Payable  
CT Department of Energy and Environmental Protection  
79 Elm Street  
Hartford, CT 06106-5127

- 6. Permits:** No work shall commence until all required local, state and federal permits and approvals have been obtained by the recipients of the financing or grant from the Contractor.
- 7. Project Summaries:** Following Execution of this Contract, the Contractor shall provide to the DEEP Project Coordinator once every six months during the time in which this Contract is in effect summaries of (i) project status and (ii) updates to targets as established between the Green Bank and the nonprofit pursuant to various professional service agreement. Such summaries shall include a brief description (1 or more pages) indicating the work completed



to date and the anticipated project completion date if different from the current Contract expiration date.

**8. Extensions/Amendments:** Formal written amendment of the Contract is required for extensions to the final date of the Contract period and changes to terms and conditions specifically stated in the original Contract and any prior amendments, including but not limited to:

- a. revisions to the maximum Contract payment,
- b. the total unit cost of service,
- c. the contract's objectives, services, or plan,
- d. due dates for reports,
- e. completion of objectives or services, and
- f. any other Contract revisions determined material by DEEP.

If it is anticipated that the project cannot be completed as scheduled, a no-cost extension must be requested in writing no later than 60 days prior to the expiration date of the contract. Said extension request shall include a description of what work has been completed to date, shall document the reason for the extension request, and shall include a revised work schedule and project completion date. If deemed acceptable to DEEP, approval will be provided in the form of a contract amendment.

**9. Final Report:** Within 30 days of the expiration date of this Contract, the Contractor shall submit to the DEEP Project Coordinator a Final Report including documentation, satisfactory to the Commissioner, demonstrating that all the elements of Appendix A have been met.

**10. Final Financial Report:** Within 30 days of the expiration date of this Contract, the Contractor shall submit a Final Financial Report to the DEEP Project Coordinator, with supporting documentation sufficient to demonstrate expenditures identified in the project proposal.

**APPENDIX B**  
**SCHEDULE OF PAYMENTS**

The maximum amount payable under this Contract is Five Million dollars (\$5,000,000.00).

The payments by the Commissioner shall allow for use of funds to meet allowable financial obligations incurred in conjunction with this Project, prior to expiration of this Contract, and shall be scheduled as follows provided that the total sum of all payments shall not exceed the maximum Contract amount noted above:

Following execution of the contract, \$5,000,000.00 will be distributed to Contractor. Within ninety (90) days of the transfer, \$5,000,000.00 will be transferred to the Non-Profit. Prior to distribution of any Contractor's funds by the Non-Profit, the Contractor shall seek and receive DEEP approval of the general underwriting guidelines, terms, and conditions for the Non-Profit's programs and shall provide documentation that a dedicated accounting process is in place to manage the funds intended to be distributed toward clean energy, energy efficiency, resiliency or health and safety projects or utilized for credit enhancement purposes for similar projects by the Non-Profit pursuant to the Contract and the Business Plan. The general underwriting guidelines and documentation for the accounting process shall be submitted by the Contractor to DEEP within 6 months of the establishment of the Non-Profit. Total sum of all payments by the Non-Profit for Projects shall not exceed total Project costs.

Should the contractor be unable to establish the Non-Profit within 90 days of execution of this agreement, all funds must be refunded to the Connecticut Department of Energy and Environmental Protection through a check made payable to "Treasurer, State of Connecticut" within 120 days of the execution date.



## Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

### DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

### PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

**Civil penalties**—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

**Criminal penalties**—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

### CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "Lobbyist/Contractor Limitations."



## DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.







## STATE OF CONNECTICUT GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

*Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.*

### INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

- CHECK ONE:**  Initial Certification  12 Month Anniversary Update (Multi-year contracts only.)
- Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

### GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding **Gifts** by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a **Gift** to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

**CAMPAIGN CONTRIBUTION CERTIFICATION:**

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any **campaign contributions** to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that **all lawful campaign contributions** that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

**Lawful Campaign Contributions to Candidates for Statewide Public Office:**

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

**Lawful Campaign Contributions to Candidates for the General Assembly:**

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Connecticut Green Bank

Bryan T. Garcia

Printed Contractor Name

Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this 25<sup>th</sup> day of May, 2018

Commissioner of the Superior Court (or Notary Public)

**LOYOLA B. FRENCH**

**NOTARY PUBLIC**

My Commission Expires

**MY COMMISSION EXPIRES FEB. 28, 2022**



# STATE OF CONNECTICUT CONSULTING AGREEMENT AFFIDAVIT

*Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.*

### INSTRUCTIONS:

**If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

**AFFIDAVIT:** [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, **except for the agreement listed below:**

<u>Bryan T. Garcia, President and CEO</u>		<u>Connecticut Green Bank</u>
Consultant's Name and Title		Name of Firm (if applicable)
<u>Execution</u>	<u>June 30, 2023</u>	<u>\$5,000,000</u>
Start Date	End Date	Cost

Description of Services Provided: Finance the creation of a non-profit entity to provide financing of renewable energy projects in underserved markets.

Is the consultant a former State employee or former public official?  YES  NO

If YES: \_\_\_\_\_  
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Connecticut Green Bank  
Printed Name of Bidder or Contractor **Signature of Principal or Key Personnel** [Signature] 5/20/18  
**Date**

Bryan T. Garcia DEEP-BETP  
Printed Name (of above) Awarding State Agency

Sworn and subscribed before me on this 25th day of May, 2018.

[Signature]  
Commissioner of the Superior Court  
or Notary Public **LOYOLA B. FRENCH**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES FEB. 28, 2022

My Commission Expires \_\_\_\_\_





STATE OF CONNECTICUT
AFFIRMATION OF RECEIPT OF STATE ETHICS LAWS SUMMARY

Written or electronic affirmation to accompany a large State construction or procurement contract, having a cost of more than \$500,000, pursuant to Connecticut General Statutes §§ 1-101mm and 1-101qq

INSTRUCTIONS:

Complete all sections of the form. Submit completed form to the awarding State agency or contractor, as directed below.

CHECK ONE:

- I am a person seeking a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency with my bid or proposal. [Check this box if the contract will be awarded through a competitive process.]
I am a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the awarding State agency at the time of contract execution. [Check this box if the contract was a sole source award.]
I am a subcontractor or consultant of a contractor who has been awarded a large State construction or procurement contract. I am submitting this affirmation to the contractor.
I am a contractor who has already filed an affirmation, but I am updating such affirmation either (i) no later than thirty (30) days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

IMPORTANT NOTE:

Within fifteen (15) days after the request of such agency, institution or quasi-public agency for such affirmation contractors shall submit the affirmations of their subcontractors and consultants to the awarding State agency. Failure to submit such affirmations in a timely manner shall be cause for termination of the large State construction or procurement contract.

AFFIRMATION:

I, the undersigned person, contractor, subcontractor, consultant, or the duly authorized representative thereof, affirm (1) receipt of the summary of State ethics laws\* developed by the Office of State Ethics pursuant to Connecticut General Statutes § 1-81b and (2) that key employees of such person, contractor, subcontractor, or consultant have read and understand the summary and agree to comply with its provisions.

\* The summary of State ethics laws is available on the State of Connecticut's Office of State Ethics website.

Signature

[Handwritten signature]

Date

5/25/10

Bryan T. Garcia
Printed Name

President and CEO
Title

Connecticut Green Bank
Firm or Corporation (if applicable)

845 Brook Street
Street Address

Rocky Hill
City

CT 06067
State Zip

DEEP-BETP
Awarding State Agency



STATE OF CONNECTICUT

Written or electronic PDF copy of the written certification to accompany a large state contract pursuant to P.A. No. 13-162 (Prohibiting State Contracts With Entities Making Certain Investments In Iran)

Respondent Name: Connecticut Green Bank

INSTRUCTIONS:

CHECK ONE: [X] Initial Certification. [ ] Amendment or renewal.

A. Who must complete and submit this form. Effective October 1, 2013, this form must be submitted for any large state contract, as defined in section 4-250 of the Connecticut General Statutes. This form must always be submitted with the bid or proposal, or if there was no bid process, with the resulting contract, regardless of where the principal place of business is located.

Pursuant to P.A. No. 13-162, upon submission of a bid or prior to executing a large state contract, the certification portion of this form must be completed by any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States. United States subsidiaries of foreign corporations are exempt. For purposes of this form, a "foreign corporation" is one that is organized and incorporated outside the United States of America.

Check applicable box:

- [X] Respondent's principal place of business is within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are not required to complete the certification portion of this form, but must submit this form with its Invitation to Bid ("ITB"), Request for Proposal ("RFP") or contract package if there was no bid process.
[ ] Respondent's principal place of business is outside the United States and it is not a United States subsidiary of a foreign corporation. CERTIFICATION required. Please complete the certification portion of this form and submit it with the ITB or RFP response or contract package if there was no bid process.

B. Additional definitions.

- 1) "Large state contract" has the same meaning as defined in section 4-250 of the Connecticut General Statutes;
2) "Respondent" means the person whose name is set forth at the beginning of this form; and
3) "State agency" and "quasi-public agency" have the same meanings as provided in section 1-79 of the Connecticut General Statutes.

C. Certification requirements.

No state agency or quasi-public agency shall enter into any large state contract, or amend or renew any such contract with any Respondent whose principal place of business is located outside the United States and is not a United States subsidiary of a foreign corporation unless the Respondent has submitted this certification.

Complete all sections of this certification and sign and date it, under oath, in the presence of a Commissioner of the Superior Court, a Notary Public or a person authorized to take an oath in another state.

CERTIFICATION:

I, the undersigned, am the official authorized to execute contracts on behalf of the Respondent. I certify that:
[ ] Respondent has made no direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.
[ ] Respondent has either made direct investments of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after said date, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Respondent Name Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this \_\_\_ day of \_\_\_, 20\_\_.

Commissioner of the Superior Court (or Notary Public)

My Commission Expires

## GRANT AGREEMENT

This Grant Agreement (this "Agreement") is made as of July 2, 2018 by and between Inclusive Prosperity Capital, Inc. (the "Grant Recipient") and Connecticut Green Bank (the "Green Bank").

### Background

A. The Green Bank has participated in the formation of the Grant Recipient, and is entering into this Agreement, in the exercise of powers granted in subdivisions (ii) and (ix) of subsection (D) of Section 16-245n(d)(1) of the Connecticut General Statutes.

B. In exercising such powers, the Board of Directors of the Green Bank has determined that the public purposes of the Green Bank will be furthered by the formation and activities of the Grant Recipient conducted in accordance with its organizational documents, including through its ability to seek and accept foundation grants, charitable contributions or other public support in order to continue the operation of certain Green Bank clean energy programs that might otherwise have to be discontinued as a result of reduced state funding available to the Green Bank.

C. Such programs include those to be administrated by the Grant Recipient on behalf of the Green Bank pursuant to, and with the funding provided under, various Professional Services Agreements ("PSAs") to be entered into between the Green Bank and the Grant Recipient.

D. In furtherance of the activities of the Grant Recipient, the Green Bank has been awarded a grant from the Connecticut Department of Energy and Environmental Protection ("DEEP") designated as DEEP Project DEPA00003095038 attached as Exhibit A in an amount not to exceed \$1,500,000 (the "DEEP Grant").

E. With the written consent of DEEP, the Green Bank desires to assign the DEEP Grant to the Grant Recipient, including the terms and conditions thereof and the Scope of Work related thereto, all as set forth in Exhibit A (the "DEEP Agreement").

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Financial Assistance; Conditions.

(a) The Green Bank will provide the grant proceeds from the DEEP Grant to the Grant Recipient payable by check or wire transfer to an account designated by the Grant Recipient; provided that (i) both DEEP and the Board of Directors of the Green Bank have approved the Grant Recipient's business plan (the "Business Plan") that has been submitted to them before the date hereof, and (ii) the Grant Recipient has provided the Green Bank with a certificate of legal existence from the Secretary of State of the State of Connecticut.

(b) The Grant Recipient shall use the DEEP Grant solely for the purposes set forth in the DEEP Agreement.

(c) The Grant Recipient shall comply with all provisions of the DEEP Agreement as if it were the “Contractor” thereunder, including all state contracting requirements and state standard terms and conditions set forth therein, and the Grant Recipient’s execution of this Agreement shall constitute its certification and agreement to all of such state contracting requirements and state standard terms and conditions. For avoidance of doubt, the Grant Recipient shall provide DEEP with all project summaries and reports required by the DEEP Agreement and provide copies thereof to the Green Bank at the time of submission thereof to DEEP.

(d) The total amount of the grant funding under this Agreement shall be dependent upon the total amount of the DEEP Grant provided by DEEP. The Grant Recipient shall be required to return to DEEP any grant proceeds required to be returned by the terms of the DEEP Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Green Bank shall not be obligated to provide financial assistance pursuant to this Agreement from its own funds, the only source of financing hereunder being the DEEP Grant.

(f) The Green Bank may terminate this Agreement upon written notice to the Grant Recipient of a breach of this Agreement if the Grant Recipient fails to cure such breach within 90 days of such notice. Upon termination for the Grant Recipient’s breach, the Green Bank may require the return of all or a portion of the grant proceeds.

(g) The Green Bank may terminate this Agreement upon written notice to the Grant Recipient if the Internal Revenue Service fails to determine that the Grant Recipient is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), within 18 months of this Agreement. Upon such termination, the Green Bank may require the return of all or a portion of the grant proceeds.

2. Representations and Warranties. The Grant Recipient represents, warrants and covenants as follows:

(a) The Grant Recipient is a Connecticut non-stock corporation duly organized and validly existing under the laws of the State of Connecticut and is organized and shall be operated exclusively for the charitable and educational purposes within the meaning of Section 501(c)(3) of the Code. Further, the Grant Recipient will preserve and maintain its existence as a duly organized entity, validly existing, and in good standing under the laws of Connecticut.

(b) The Grant Recipient has all franchises, permits, licenses, and other similar authorizations necessary for the conduct of its business as now being conducted by it, and it is not aware of any state of facts that would make it impossible or impractical to obtain any similar authorization necessary for the conduct of its business as planned to be conducted. The Grant Recipient is not in violation, nor will the transactions contemplated by the Agreement cause a

violation, of the terms or provisions of any such franchise, permit, license, or similar authorization.

(c) The execution and delivery of this Agreement by the Grant Recipient, and the performance of its obligations hereunder, are within its power, have been duly authorized by all necessary action on its part, and are not in contravention of law nor in contravention of its organizational documents, including its certificate of incorporation or bylaws, or of the provisions of any indenture, agreement, or undertaking to which it is a party or by which it is bound.

(d) There is no pending or, to the Grant Recipient's knowledge, threatened litigation, bankruptcy or insolvency, injunction, order or claim with respect to the Grant Recipient or any of the transactions contemplated hereby.

(e) The Grant Recipient has filed or will file within the time prescribed by law (including extensions of time approved by any appropriate taxing authority) all tax returns and reports required to be filed with the United States Internal Revenue Service or with the State of Connecticut or any political subdivision thereof and (except to the extent that the failure to file would not have a material adverse effect on the condition or operations of the Company) with all other jurisdictions where such filing is required by law, and the Grant Recipient has paid all taxes, interest, penalties, assessments or deficiencies due in connection therewith.

(f) The Grant Recipient certifies that it has not (1) been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of this Agreement; provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of this Agreement.

### 3. Indemnification; Limitation of Liability.

(a) The Grant Recipient agrees to indemnify the Green Bank and its officers, directors, employees, agents and affiliates (the "Indemnified Parties") against, and defend and hold each of them harmless from, any liability, obligation, loss, cost, damage or expense (including attorneys' fees) suffered or incurred by any of them as a result of, arising out of, and/or relating to this Agreement, other than resulting from the negligence or willful misconduct of an Indemnified Party.

(b) Except in connection with the Grant Recipient's indemnification for third party claims set forth above, neither party shall be liable to the other party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or

similar losses of any kind. However, this limitation shall not apply to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either party.

(c) The provisions of this Section 3 shall survive indefinitely.

4. Inspection; Audit. The Grant Recipient shall permit the Green Bank and its representatives and agents and the Auditors of Public Accounts to visit and inspect the Grant Recipient's properties, to examine and audit, or have audited, its books of account and records related to elements and programs funded by Green Bank and to discuss its affairs, finances and accounts related to these activities with its officers, all upon reasonable advance notice and at such reasonable times during normal business hours as Green Bank or the auditors of public account may request.

5. Relationship of the Parties. Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the parties as joint venturers, partners, employees or agents of one another, and neither party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either party responsible or liable for the obligations and undertakings of the other party. Nothing in this Agreement shall constitute a party as a legal representative or agent of the other party, nor shall a party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other party unless otherwise expressly permitted by such other party.

7. Notice. Whenever this Agreement requires or permits any notice, approval, request or demand from one party to another, the notice, approval, request or demand must be in writing and addressed to the party to be notified at the following address (or at such other address as may have been designated by written notice of such party to the other party) and delivered in person, by certified mail return receipt requested or by overnight courier service and shall be deemed given when actually received or delivery is refused:

If to the Green Bank: Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: General Counsel

If to the Grant Recipient Inclusive Prosperity Capital, Inc.  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: Chief Executive Officer

8. Entire Agreement. This Agreement, including all of the attachments hereto, and any PSAs related to programs, activities and operations described in the Business Plan constitute

the entire agreement of the parties hereto related to the subject matter hereof, and supersede any previous agreement or understanding related to the subject matter hereof. This Agreement may not be modified or extended except in writing executed by the parties.

9. Severability. In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Connecticut, without regard to its principles relating to conflicts of laws.

11. Counterparts. This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), each of which shall be deemed to be an original and all of which taken together shall be deemed to be one and the same agreement.

12. No Recourse. It is expressly understood and agreed that no obligation of the Green Bank under this Agreement shall be an obligation of its directors, officers, employees or agents, and there shall be no recourse or claim under this Agreement against any such person individually in any circumstances.

IN WITNESS WHEREOF, the parties have executed this Grant Agreement as of the date first set forth above.

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



EXHIBIT A  
DEEP AGREEMENT

[Attached]

DEPARTMENT Energy and Environmental Protection	DIVISION Bureau of Energy and Technology Policy	DATE 5/31/17
CONTACT PERSON Ondria Lucky (Unit Contact: Diane Duva 860-827-2756)	TITLE Grants and Contract Specialist	PHONE NO. 424-3699

DESCRIPTION OF SERVICES

CONTRACTOR OR LESSOR  
**The Connecticut Green Bank**

IS CONTRACTOR A CURRENT OR RETIRED STATE EMPLOYEE?  
 YES  NO (If current, attach statement from agency head attesting to his/her availability)

CONTRACTOR OR LEASE PERIOD: FROM: **Execution** TO: **06/30/2022**

TYPE OF CONTRACT OR LEASE  
 AMENDMENT OF EXISTING CONTRACT/LEASE  RENEWAL  NEW

										THIS CONTRACT OR LEASE	PRIOR CONTRACT OR LEASE	DIFFERENCE	
<i>Complete below where applicable</i>													
FREQUENCY: <input type="checkbox"/> HOURS <input type="checkbox"/> VISITS (length) <input type="checkbox"/> OTHER (specify)													
RATE:	IF CONTRACT PER <input type="checkbox"/> HOURS <input type="checkbox"/> PER VISIT <input type="checkbox"/> OTHER (specify)												
	IF LEASE <input type="checkbox"/> PER SQUARE FOOT <input type="checkbox"/> OTHER (specify)												
FUNDING	Acct.	Dept.	Fund	SID	Prog.	Project	Bud Ref	Agen CF1	Agen CF2				
	54850	DEP44720	12060	35402	13008	DEPA00003095038	2017	155006		\$1,500,000.00			

IS THIS CONTRACT/LEASE "RETROACTIVE"? (If Yes, attach explanation)  
 YES  NO

EXPLANATION OF COST INCREASE (If applicable)

REASON FOR CONTRACT OR LEASE  
 To fund a project entitled: **EnergizeCT Health & Safety Revolving Loan**  
 The purpose of this agreement is to finance the remediation of health and safety issues that impede implementation of energy improvements in residential properties serving low and moderate income residents in Connecticut.

PROPOSALS OR BIDS

ARE THESE SERVICES OBTAINABLE THROUGH OTHER STATE AGENCIES? (If YES, explain why not being utilized)  
 YES  NO

WERE COMPETITIVE BIDS OR ALTERNATIVE PROPOSALS SOUGHT? (If YES, briefly summarize on an attached sheet)  
 YES  NO (If NO, explain why not)

**FOR USE OF OFFICE OF POLICY AND MANAGEMENT ONLY**

ANALYST RECOMMENDATION	ARE FUNDS AVAILABLE? <input type="checkbox"/> YES <input type="checkbox"/> NO	IS THERE A NEED FOR SERVICE/LEASE? <input type="checkbox"/> YES <input type="checkbox"/> NO	MANAGEMENT DIVISION IF APPLICABLE <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DISAPPROVAL <input type="checkbox"/> See Attached
			BUDGET DIVISION <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DISAPPROVAL <input type="checkbox"/> See Attached

ANALYST	DATE	SECTION DIRECTOR	DATE	EXECUTIVE BUDGET OFFICER	DATE
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PERSONAL SERVICE AGREEMENT / GRANT / CONTRACT **EnergizeCT Health & Safety Revolving Loan**

STATE OF CONNECTICUT

Rev. 6/9/2016 (DEEP Electronic Format)

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

CHECK ONE:

- GRANT  
 PERSONAL SERVICE AGREEMENT

1. THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
2. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES.

(1) <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT	(2) IDENTIFICATION #s. P.S. <b>2017-292</b>
	P.O.

CONTRACTOR	(3) CONTRACTOR NAME <b>The Connecticut Green Bank (Supplier ID 0000146727)</b>	(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	CONTRACTOR ADDRESS <b>845 Brook St, Rocky Hill CT 06067</b>	CONTRACTOR FEIN/SSN <b>452746525</b>

STATE AGENCY	(5) AGENCY NAME AND ADDRESS <b>DEEP-BETP, 79 Elm Street, Hartford CT 06106</b>	(6) Dept No. <b>DEP43000</b>
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CONTRACT PERIOD	(7) DATE (FROM) <b>Execution</b>	THROUGH (TO) <b>June 30, 2022</b>	(8) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. _____ <input checked="" type="checkbox"/> NEITHER
-----------------	-------------------------------------	--------------------------------------	---

(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)

1. Performance: Do, conduct, perform or cause to be performed in a satisfactory and proper manner as determined by the Commissioner of Energy and Environmental Protection, all work described in Appendix A, which is attached hereto and made a part hereof.

**Appendix A consists of 4 pages numbered A-1 through A-4 inclusive.**

Page 1 of 9

Standard Terms and Conditions are contained in Pages 2 through 9 and are attached hereto and made a part hereof.

(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

Cost and Schedule of Payments is attached hereto as Appendix B, and made a part hereof. (Appendix B consists of 1 page numbered B-1).


Total Payments Not to Exceed the Maximum Amount of \$1,500,000.00.

(11) OBLIGATED AMOUNT  
**\$1,500,000.00**

(12) Amount	(13) Dept	(14) Fund	(15) SID	(16) Program	(17) Project	(18) Activity	(19) Bud Ref	(20) Agency CF 1	(21) Agency CF 2	(22) Account
\$1,500,000.00	DEP44720	12060	35402	13008	DEPA00003095038	155006				54850

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

<b>ACCEPTANCES AND APPROVALS</b>		(23) STATUTORY AUTHORITY CGS Sec. 4-8 as amended; CGS Sec. 22a-6(a)(2) as amended CGS Sec. 7-148(c) as amended (mun. auth.)
(24) CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)	TITLE <b>President &amp; CEO</b>	DATE <b>6/1/17</b>
(25) AGENCY (AUTHORIZED OFFICIAL)	TITLE <b>Commissioner</b>	DATE <b>6/7/2017</b>
(26) ATTORNEY GENERAL (APPROVED AS TO FORM)	TITLE <b>ASSOC. ATTY. GENERAL</b>	DATE <b>6/19/17</b>

DISTRIBUTION: CONTRACTOR AGENCY FUNDS AVAILABLE:  DATE: **6/6/17**



STANDARD TERMS AND CONDITIONS

(Rev. 6-9-2016)

1. Executive Orders. This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services and to Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office. If Executive Order 14 and/or Executive Order 49 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, the Client Agency or DAS shall provide a copy of these orders to the Contractor.

2. Non-Discrimination.

(a) For purposes of this Section, the following terms are defined as follows:

(1) "Commission" means the Commission on Human Rights and Opportunities;

(2) "Contract" and "contract" include any extension or modification of the Contract or contract;

(3) "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;

(4) "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.

(5) "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;

(6) "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;

(7) "marital status" means being single, married as recognized by the state of Connecticut, widowed, separated or divorced;

(8) "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;

(9) "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Connecticut General Statutes § 32-9n; and

(10) "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, (2) a quasi-public agency, as defined in Conn. Gen. Stat. Section 1-120, (3) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in Conn. Gen. Stat. Section 1-267, (4) the federal government, (5) a foreign government, or (6) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (1), (2), (3), (4) or (5).

(b)

(1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or

advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers' representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g)
  - (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Connecticut General Statutes § 46a-56; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

### 3. Indemnification.

- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) Claims arising, directly or indirectly, in connection with the Contract, including the acts of commission or omission (collectively, the "Acts") of the Contractor or Contractor Parties; and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or the Contract. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Contractor's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of the Contractor's bid, proposal or any Records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the Performance.



- (b) The Contractor shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any other person or entity acting under the direct control or supervision of the State.
  - (c) The Contractor shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Contractor or any Contractor Parties. The State shall give the Contractor reasonable notice of any such Claims.
  - (d) The Contractor's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of the Contract, without being lessened or compromised in any way, even where the Contractor is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.
  - (e) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any provisions survive the term of the Contract, sufficient general liability insurance to satisfy its obligations under this Contract. The Contractor shall cause the State to be named as an additional insured on the policy and shall provide (1) a certificate of insurance, (2) the declaration page and (3) the additional insured endorsement to the policy to DAS and the Client Agency all in an electronic format acceptable to DAS prior to the Effective Date of the Contract evidencing that the State is an additional insured. The Contractor shall not begin Performance until the delivery of these 3 documents to the Client Agency. Contractor shall provide an annual electronic update of the 3 documents to the Client Agency and DAS on or before each anniversary of the Effective Date during the Contract term. State shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that State is contributorily negligent.
  - (f) This section shall survive the Termination of the Contract and shall not be limited by reason of any insurance coverage.
4. Anti-trust Provision. Contractor hereby irrevocably assigns to the State of Connecticut all rights, title and interest in and to all Claims associated with this Contract that Contractor now has or may or will have and that arise under the antitrust laws of the United States, 15 USC Section 1, *et seq.* and the antitrust laws of the State of Connecticut, Connecticut General Statute § 35-24, *et seq.*, including but not limited to any and all Claims for overcharges. This assignment shall become valid and effective immediately upon the accrual of a Claim without any further action or acknowledgment by the parties.
  5. State Liability. The State of Connecticut shall assume no liability for payment for services under the terms of this agreement until the contractor is notified that this agreement has been accepted by the contracting agency and, if applicable, approved by the Office of Policy and Management (OPM) or the Department of Administrative Services (DAS) and by the Attorney General of the State of Connecticut.
  6. Definitions:
    - (a) State. The State of Connecticut, including the Department of Energy and Environmental Protection and any office, department, board, council, commission, institution or other agency of the State.
    - (b) Commissioner. The Commissioner of Energy and Environmental Protection or the Commissioner's designated agent.
    - (c) Parties. The Department of Energy and Environmental Protection (DEEP or Agency) and the Contractor.
    - (d) Contractor Parties. Contractor Parties shall be defined as a Contractor's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Contractor is in privity of oral or written contract and the Contractor intends for such other person or entity to Perform under the Contract in any capacity. To the extent that any Contractor Party is to participate or Perform in any way, directly or indirectly in connection with the Contract, any reference in the Contract to the "Contractor" shall also be deemed to include "Contractor Parties", as if such reference had originally specifically included "Contractor Parties" since it is the Parties' intent for the terms "Contractor Parties" to be vested with the same respective rights and obligations as the terms "Contractor."
    - (e) Contract. This agreement, as of its Effective Date, between the Contractor and the State for any or all goods or services as more particularly described in Appendix A.
    - (f) Execution. This contract shall be fully executed when it has been signed by authorized representatives of the parties, and if it is for an amount Twenty-five thousand dollars (\$25,000.00) or more, by the authorized representative of the state Attorney General's office.
    - (g) Exhibits. All attachments, appendices or exhibits referred to in and attached to this Contract are incorporated in this Contract by such reference and shall be deemed to be a part of it as if they had been fully set forth in it.
    - (h) Records. For the purposes of this Contract, records are defined as all working papers and such other information and materials as may have been accumulated by the Contractor in performing the Contract, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries and correspondence, kept or stored in any form.
    - (i) Confidential Information. shall mean any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the Department classifies as "confidential" or "restricted." Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records which are lawfully made available to the general public.

(j) Confidential Information Breach, shall mean, generally, an instance where an unauthorized person or entity accesses Confidential Information in any manner, including but not limited to the following occurrences: (1) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; or (4) if there is a substantial risk of identity theft or fraud to the client, the Contractor, the Department or State.

(k) Claim Shall mean, all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmaturing, contingent, known or unknown, at law or in equity, in any forum.

7. Distribution of Materials. The Contractor shall obtain written approval from the Commissioner prior to the distribution or publication of any materials prepared under the terms of this Contract. Such approval shall not be unreasonably withheld.
8. Change in Principal Project Staff. Any changes in the principal project staff must be requested in writing and approved in writing by the Commissioner at the Commissioner's sole discretion. In the event of any unapproved change in principal project staff, the Commissioner may, in the Commissioner's sole discretion, terminate this Contract.
9. Further Assurances. The Parties shall provide such information, execute and deliver any instruments and documents and take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Contract and which do not involve the vesting of rights or assumption of obligations other than those provided for in the Contract, in order to give full effect to the Contract and to carry out the intent of the Contract.
10. Recording and Documentation of Receipts and Expenditures. Accounting procedures must provide for accurate and timely recording of receipt of funds by source, expenditures made from such funds, and of unexpended balances. Controls must be established which are adequate to ensure that expenditures under this Contract are for allowable purposes and that documentation is readily available to verify that such charges are accurate.
11. Assignability. The Contractor shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Commissioner thereto: provided, however, that claims for money due or to become due the Contractor from the Commissioner under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Commissioner.
12. Third Party Participation. The Contractor may make sub-awards, using either its own competitive selection process or the values established in the state's competitive selection process as outlined in DAS General Letter 71, whichever is more restrictive, to conduct any of the tasks in the Scope of Work contained in Appendix A. The Contractor shall advise the Commissioner of the proposed sub-awardee and the amount allocated, at least two (2) weeks prior to the making of such awards. The Commissioner reserves the right to disapprove such awards if they appear to be inconsistent with the program activities to be conducted under this grant. As required by Sec. 46a-68j-23 of the Connecticut Regulations of State Agencies the Contractor must make a good faith effort, based upon the availability of minority business enterprises in the labor market area, to award a reasonable proportion of all subcontracts to such enterprises. When minority business enterprises are selected, the Contractor shall provide DEEP with a copy of the Affidavit for Certification of Subcontractors as Minority Business Enterprises (MBE) along with a copy of the purchase order or contract engaging the Subcontractor. The Contractor shall be the sole point of contact concerning the management of the Contract, including performance and payment issues. The Contractor is solely and completely responsible for adherence by any subcontractor to all the applicable provisions of the Contract.
13. Set Aside. State funded projects are subject to the requirements of CGS Sec. 4a-60g "Set-Aside program for small contractors, minority business enterprises, individuals with disabilities and nonprofit corporations" unless exempted from these requirements by the Department of Administrative Services Supplier Diversity Program. For contracts using non-exempted funding sources and subcontracting any portion of work, contractors are required to subcontract 25% of the total contract value to small businesses certified by the Department of Administrative Services and are further required to subcontract 25% of that 25% to minority and women small contractors certified as minority business enterprises by the Department of Administrative Services.
14. Audit Requirements for Recipients of State Financial Assistance. For purposes of this paragraph, the word "contractor" shall be deemed to mean "nonstate entity," as that term is defined in Section 4-230 of the Connecticut General Statutes. The contractor shall provide for an annual financial audit acceptable to the Agency for any expenditure of state-awarded funds made by the contractor. Such audit shall include management letters and audit recommendations. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The contractor will comply with federal and state single audit standards as applicable.
15. Audit and Inspection of Plants, Places of Business and Records.
  - (a) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the Contractor's and Contractor Parties' plants and places of business which, in any way, are related to, or involved in, the performance of this Contract.
  - (b) The Contractor shall maintain, and shall require each of the Contractor Parties to maintain, accurate and complete Records. The Contractor shall make all of its and the Contractor Parties' Records available at all reasonable hours for audit and inspection by the State and its agents.



- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
  - (d) The Contractor will pay for all costs and expenses of any audit or inspection which reveals information that, in the sole determination of the State, is sufficient to constitute a breach by the Contractor under this Contract. The Contractor will remit full payment to the State for such audit or inspection no later than 30 days after receiving an invoice from the State. If the State does not receive payment within such time, the State may setoff the amount from any moneys which the State would otherwise be obligated to pay the Contractor in accordance with this Contract's Setoff provision.
  - (e) The Contractor shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Contract, or (ii) the expiration or earlier termination of this Contract, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
  - (f) The Contractor shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Contractor shall cooperate with an exit conference.
  - (g) The Contractor shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Contractor Party.
16. Americans With Disabilities Act. The Contractor shall be and remain in compliance with the Americans with Disabilities Act of 1990 ("Act"), to the extent applicable, during the term of the Contract. The DEEP may cancel the Contract if the Contractor fails to comply with the Act.
17. Affirmative Action and Sexual Harassment Policy. The Contractor agrees to comply with the Departments Affirmative Action and Sexual Harassment Policies available on DEEP's web site. Hard copies of the policy statements are available upon request at DEEP.
18. Campaign Contribution Restriction. For all State contracts as defined in Conn. Gen. Stat. § 9-612(g)(1) having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations," attached as Exhibit C.
19. Sovereign Immunity. The parties acknowledge and agree that nothing in the Solicitation or the Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Contract. To the extent that this section conflicts with any other section, this section shall govern.
20. Termination.
- (a) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may Terminate the Contract whenever the Agency makes a written determination that such Termination is in the best interests of the State. The Agency shall notify the Contractor in writing of Termination pursuant to this section, which notice shall specify the effective date of Termination and the extent to which the Contractor must complete its Performance under the Contract prior to such date.
  - (b) Notwithstanding any provisions in this Contract, the Agency, through a duly authorized employee, may, after making a written determination that the Contractor has breached the Contract, Terminate the Contract in accordance with the provisions in the Breach section of this Contract.
  - (c) The Agency shall send the notice of Termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to the Agency for purposes of correspondence, or by hand delivery. Upon receiving the notice from the Agency, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and deliver to the Agency all Records. The Records are deemed to be the property of the Agency and the Contractor shall deliver them to the Agency no later than thirty (30) days after the Termination of the Contract or fifteen (15) days after the Contractor receives a written request from the Agency for the Records. The Contractor shall deliver those Records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.
  - (d) Upon receipt of a written notice of Termination from the Agency, the Contractor shall cease operations as the Agency directs in the notice, and take all actions that are necessary or appropriate, or that the Agency may reasonably direct, for the protection, and preservation of the Goods and any other property. Except for any work which the Agency directs the Contractor to Perform in the notice prior to the effective date of Termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
  - (e) The Agency shall, within forty-five (45) days of the effective date of Termination, reimburse the Contractor for its Performance rendered and accepted by the Agency, in addition to all actual and reasonable costs incurred after Termination in completing those portions of the Performance which the notice required the Contractor to complete. However, the Contractor is not entitled to receive and the Agency is not obligated to tender to the Contractor any payments for anticipated or lost profits. Upon request by the Agency, the Contractor shall assign to the Agency, or any replacement contractor which the Agency designates, all



- subcontracts, purchase orders and other commitments, deliver to the Agency all Records and other information pertaining to its Performance, and remove from State premises, whether leased or owned, all of Contractor's property, equipment, waste material and rubbish related to its Performance, all as the Agency may request.
- (f) For breach or violation of any of the provisions in the section concerning Representations and Warranties, the Agency may Terminate the Contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or consented to, without liability to the Contractor or Contractor Parties or any third party.
- (g) Upon Termination of the Contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive Termination. All representations, warranties, agreements and rights of the parties under the Contract shall survive such Termination to the extent not otherwise limited in the Contract and without each one of them having to be specifically mentioned in the Contract.
- (h) Termination of the Contract pursuant to this section shall not be deemed to be a breach of contract by the Agency.
21. Breach. If either Party breaches the Contract in any respect, the non-breaching Party shall provide written notice of the breach to the breaching Party and afford the breaching Party an opportunity to cure within ten (10) days from the date that the breaching Party receives the notice. In the case of a Contractor breach, any other time period which the Agency sets forth in the notice shall trump the ten (10) days. The right to cure period shall be extended if the non-breaching Party is satisfied that the breaching Party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective Contract Termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching Party in writing prior to the Termination date; no further action shall be required of any Party to effect the Termination as of the stated date. If the notice does not set forth an effective Contract Termination date; then the non-breaching Party may Terminate the Contract by giving the breaching Party no less than twenty four (24) hours' prior written notice. If the Agency believes that the Contractor has not performed according to the Contract, the Agency may withhold payment in whole or in part pending resolution of the Performance issue, provided that the Agency notifies the Contractor in writing prior to the date that the payment would have been due.
22. Severability. If any term or provision of the Contract or its application to any person, entity or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of the Contract or the application of such term or provision shall not be affected as to persons, entities or circumstances other than those as to whom or to which it is held to be invalid or unenforceable. Each remaining term and provision of the Contract shall be valid and enforced to the fullest extent possible by law.
23. Contractor Guarantee. The Contractor shall: perform the Contract in accordance with the specifications and terms and conditions of the Scope of Work.
24. Forum and Choice of Law. The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any Claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.
25. Force Majeure. The Parties shall not be excused from their obligation to perform in accordance with the Contract except in the case of Force Majeure events and as otherwise provided for in the Contract. A Force Majeure event materially affects the cost of the Goods or Services or the time schedule for performance and is outside the control nor caused by the Parties. In the case of any such exception, the nonperforming Party shall give immediate written notice to the other, explaining the cause and probable duration of any such nonperformance.
26. Summary of State Ethics Laws. Pursuant to the requirements of section 1-101qq of the Connecticut General Statutes, the summary of State ethics laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes is incorporated by reference into and made a part of the Contract as if the summary had been fully set forth in the Contract.
27. Confidential Information. The Agency will afford due regard to the Contractor's request for the protection of proprietary or confidential information which the Agency receives. However, all materials associated with the Bid and the Contract are subject to the terms of the Connecticut Freedom of Information Act ("FOIA") and all corresponding rules, regulations and interpretations. In making such a request, the Contractor may not merely state generally that the materials are proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that the Contractor believes are exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with the FOIA must accompany the request. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Contractor that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the FOIA. To the extent that any other provision or part of the Contract, especially including the Bid, the Records and the specifications, conflicts or is in any way inconsistent with this section, this section controls and shall apply and the conflicting provision or part shall not be given effect. If the Contractor indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as "CONFIDENTIAL," the Agency will endeavor to keep said information confidential to the extent permitted by law. The Agency, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The Contractor shall have the burden of establishing the availability of

any FOIA exemption in any proceeding where it is an issue. In no event shall the Agency or the State have any liability for the disclosure of any documents or information in its possession which the Agency believes are required to be disclosed pursuant to the FOIA or other requirements of law.

28. Protection of Confidential Information.

- (a) Contractor and Contractor Parties, at their own expense, have a duty to and shall protect from a Confidential Information Breach any and all Confidential Information which they come to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.
  - (b) Each Contractor or Contractor Party shall develop, implement and maintain a comprehensive data - security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and state law and written policy of the Agency or State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:
    - (1) A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
    - (2) Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
    - (3) A process for reviewing policies and security measures at least annually;
    - (4) Creating secure access controls to Confidential Information, including but not limited to passwords; and
    - (5) Encrypting of Confidential Information that is stored on laptops, portable devices or being transmitted electronically.
  - (c) The Contractor and Contractor Parties shall notify the Agency and the Connecticut Office of the Attorney General as soon as practical, but no later than twenty-four (24) hours, after they become aware of or suspect that any Confidential Information which Contractor or Contractor Parties have come to possess or control has been subject to a Confidential Information Breach. If a Confidential Information Breach has occurred, the Contractor shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of Administrative Services, the Agency and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring or protection plan shall be made available by the Contractor at its own cost and expense to all individuals affected by the Confidential Information Breach. Such credit monitoring or protection plan shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to Connecticut General Statutes § 36a-701a. Such credit monitoring or protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Confidential Information Breach. The Contractors' costs and expenses for the credit monitoring and protection plan shall not be recoverable from the Agency, any State of Connecticut entity or any affected individuals.
  - (d) The Contractor shall incorporate the requirements of this Section in all subcontracts requiring each Contractor Party to safeguard Confidential Information in the same manner as provided for in this Section.
  - (e) Nothing in this Section shall supersede in any manner Contractor's or Contractor Party's obligations pursuant to HIPAA or the provisions of this Contract concerning the obligations of the Contractor as a Business Associate of Covered Entity.
29. Entirety of Contract. The Contract is the entire agreement between the Parties with respect to its subject matter, and supersedes all prior agreements, proposals, offers, counteroffers and understandings of the Parties, whether written or oral. The Contract has been entered into after full investigation, neither Party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in the Contract.
30. Interpretation. The Contract contains numerous references to statutes and regulations. For purposes of interpretation, conflict resolution and otherwise, the content of those statutes and regulations shall govern over the content of the reference in the Contract to those statutes and regulations.
31. Tangible Personal Property.
- (a) The Contractor on its behalf and on behalf of its Affiliates, as defined below, shall comply with the provisions of Conn. Gen. Stat. §12-411b, as follows:
    - (1) For the term of the Contract, the Contractor and its Affiliates shall collect and remit to the State of Connecticut, Department of Revenue Services, any Connecticut use tax due under the provisions of Chapter 219 of the Connecticut General Statutes for items of tangible personal property sold by the Contractor or by any of its Affiliates in the same manner as if the Contractor and such Affiliates were engaged in the business of selling tangible personal property for use in Connecticut and had sufficient nexus under the provisions of Chapter 219 to be required to collect Connecticut use tax;
    - (2) A customer's payment of a use tax to the Contractor or its Affiliates relieves the customer of liability for the use tax;
    - (3) The Contractor and its Affiliates shall remit all use taxes they collect from customers on or before the due date specified in the Contract, which may not be later than the last day of the month next succeeding the end of a calendar quarter or other tax collection period during which the tax was collected;
    - (4) The Contractor and its Affiliates are not liable for use tax billed by them but not paid to them by a customer; and
    - (5) Any Contractor or Affiliate who fails to remit use taxes collected on behalf of its customers by the due date specified in the Contract shall be subject to the interest and penalties provided for persons required to collect sales tax under chapter 219 of the general statutes.
    - (6) For purposes of this section of the Contract, the word "Affiliate" means any person, as defined in section 12-1 of the general statutes, that controls, is controlled by, or is under common control with another person. A person controls another person if the person owns, directly or indirectly, more than ten per cent of the voting securities of the other person. The word "voting security" means a security that confers upon the holder the right to vote for the election of members of the board of directors or similar

governing body of the business, or that is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. "Voting security" includes a general partnership interest.

- (7) The Contractor represents and warrants that each of its Affiliates has vested in the Contractor plenary authority to so bind the Affiliates in any agreement with the State of Connecticut. The Contractor on its own behalf and on behalf of its Affiliates shall also provide, no later than 30 days after receiving a request by the State's contracting authority, such information as the State may require to ensure, in the State's sole determination, compliance with the provisions of Chapter 219 of the Connecticut General Statutes, including, but not limited to, §12-411b.



**APPENDIX A**  
**SCOPE OF WORK**

**Purpose:** To finance remediation of health and safety issues that impede implementation of energy improvements in residential properties serving low and moderate income residents in Connecticut.

**Description:** The Contractor agrees to conduct a project entitled: **“EnergizeCT Health and Safety Revolving Loan”**

- 1. Scope:** The Connecticut Green Bank (“Green Bank”) shall establish a revolving loan fund (“the EnergizeCT Health and Safety Revolving Loan Fund”) using \$1.5 million of Regional Greenhouse Gas Initiative (RGGI) dollars from the Department of Energy and Environmental Protection (DEEP) to support owners of residential properties that house low and moderate income residents to cover the costs of remediating health and safety issues that must be addressed in conjunction with implementation of energy efficiency and clean energy upgrades. The Green Bank shall establish and administer this fund to be used in conjunction with its other residential financing products administered by Green Bank staff and program service providers, as well as with other energy efficiency programs administered by Connecticut’s major energy utilities.

The EnergizeCT Health and Safety Revolving Loan Fund shall be established as a revolving loan fund for residential properties with households with incomes up to 80% of area median income.

On an exception basis, if a single family property houses a household at 60% of state median income or below, or a multi-family property houses at least 60% of its households at 80% of area median income or below, then up to 25% of the amount borrowed may be granted, conditional upon completion of the remedial work. Further, additional amounts (above 25%) may be granted on an exception basis for properties owned by non-profits, state and federally funded housing authorities, co-operatives and condominium complexes, based on the needs and financial strength of the property.

Prior to distribution of EnergizeCT Health and Safety Revolving Loan Funds the Green Bank shall seek and receive DEEP approval of the underwriting guidelines, terms, and conditions and shall provide documentation that a dedicated accounting process is in place to manage the revolving fund. These funds are restricted for the purpose of the containment and remediation of health and safety conditions that prevent completion of clean and efficient energy improvements at residential properties. The revolved funds remain with the Green Bank in perpetuity to be used for that purpose.

The full \$1.5 million will be drawn down by the Green Bank upon signing the Agreement. Any EnergizeCT Health and Safety Revolving Loan Fund capital not deployed at least once by June 30, 2022 by the Green Bank will be returned to DEEP.

- 2. Budget:** The Contractor shall adhere to the budget which is identified in Appendix B of this Contract.
- 3. Acknowledgement of Funding:** Any publication or sign produced or distributed or any publicity conducted in association with this Contract must provide credit as follows:

"Funding provided by the Regional Greenhouse Gas Initiative administered by the Connecticut Department of Energy and Environmental Protection (DEEP)."

- 4. Publication of Materials:** The Contractor must obtain written approval from DEEP Bureau of Energy and Technology Policy, in consultation with DEEP's Communications Director, prior to distribution or publication of any printed material prepared under the terms of this Contract.

Unless specifically authorized in writing by the State, on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials, agencies, or employees or the seal of the State of Connecticut or its agencies: (1) in any advertising, publicity, promotion; or (2) to express or to imply any endorsement of Contractor's products or services; or (3) to use the name of the State of Connecticut, its officials agencies, or employees or the seal of the State of Connecticut or its agencies in any other manner (whether or not similar to uses prohibited by (1) and (2) above), except only to deliver in accordance with this Agreement such items as are hereby contracted for by the State. In no event may the Contractor use the State Seal in any way without the express written consent of the Secretary of State.

**5. ADA Publication Statement:**

For all public notices printed in newspapers, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov)

If there is not a meeting or event associated with the material(s) being published, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov) if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint.

If the material(s) being published have a meeting or event associated with them, the following ADA and Title VI Publication Statement should be used:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov) if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint. Any person needing a hearing accommodation may call the State of Connecticut relay number - 711. Requests for accommodations must be made at least two weeks prior to any agency hearing, program or event.



For videos that will be published on the DEEP website, the following ADA and Title VI statement and the following line should be included on the DVD cover and the title page of the video:

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action and Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. To request an accommodation contact us at (860) 418-5910 or [deep.accommodations@ct.gov](mailto:deep.accommodations@ct.gov).

This video with closed captioning is available at [www.ct.gov/deep](http://www.ct.gov/deep).

- 6. Submission of Materials:** For the purposes of this Contract, all correspondence, summaries, reports, products and extension requests shall be submitted to:

Department of Energy and Environmental Protection  
Bureau of Energy and Technology Policy  
Project Coordinator, EnergizeCT Health and Safety Revolving Loan  
10 Franklin Square  
New Britain CT 06051

All **invoices** must include the PO #, PSA #, Project Title, DEEP Bureau/Division name, amount dates and description of services covered by the invoice, and shall be submitted to:

Financial Management Division  
Accounts Payable  
CT Department of Energy and Environmental Protection  
79 Elm Street  
Hartford, CT 06106-5127

- 7. Permits:** No work shall commence until all required local, state and federal permits and approvals have been obtained by the recipients of the financing or grant from the Contractor.
- 8. Project Summaries:** Following Execution of this Contract, the Contractor shall provide summaries of project status to the DEEP *program coordinator* once every *six months* during the time in which this Contract is in effect. Such summaries shall include a brief description (1 or more pages) indicating the work completed to date and the anticipated project completion date if different from the current Contract expiration date.
- 9. Extensions/Amendments:** Formal written amendment of the Contract is required for extensions to the final date of the Contract period and changes to terms and conditions specifically stated in the original Contract and any prior amendments, including but not limited to:
- a. revisions to the maximum Contract payment,
  - b. the total unit cost of service,
  - c. the contract's objectives, services, or plan,
  - d. due dates for reports,
  - e. completion of objectives or services, and
  - f. any other Contract revisions determined material by DEEP.

If it is anticipated that the project cannot be completed as scheduled, a no-cost extension must be requested in writing no later than 60 days prior to the expiration date of the contract. Said extension request shall include a description of what work has been completed to date, shall document the reason for the extension request, and shall include a revised work schedule and project completion date. If deemed acceptable to DEEP, approval will be provided in the form of a contract amendment.

- 10. Final Report:** Within 30 days of the expiration date of this Contract, the Contractor shall submit to the DEEP Project Coordinator a Final Report including documentation, satisfactory to the Commissioner, demonstrating that all the elements of Appendix A have been met.
- 11. Final Financial Report:** Within 30 days of the expiration date of this Contract, the Contractor shall submit a Final Financial Report to the DEEP Project Coordinator, with supporting documentation sufficient to demonstrate expenditures identified in the project proposal.

**APPENDIX B**  
**SCHEDULE OF PAYMENTS**

The maximum amount payable under this Contract is One Million Five Hundred Thousand dollars (\$1,500,000.00).

The payments by the Commissioner shall allow for use of funds to meet allowable financial obligations incurred in conjunction with this Project, prior to expiration of this Contract, and shall be scheduled as follows provided that the total sum of all payments shall not exceed the maximum Contract amount noted above:

Distribution to Contractor of \$1,500,000.00 following execution of the contract. Prior to distribution of any Contractor's funds the Contractor shall seek and receive DEEP approval of the underwriting guidelines, terms, and conditions and shall provide documentation that a dedicated accounting process is in place to manage the revolving fund. Total sum of all payments shall not exceed total Project costs.

Should the Project end prior to the contract termination date or if total Projects costs are less than the amount of payments made, any remaining funds must be refunded to the Connecticut Department of Energy and Environmental Protection through a check made payable to "Treasurer, State of Connecticut" within 90 days of the Contract expiration date.





## Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

This notice is provided under the authority of Connecticut General Statutes §9-612(g)(2), as amended by P.A. 10-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (*italicized words are defined on the reverse side of this page*).

### CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor*, *prospective state contractor*, *principal of a state contractor* or *principal of a prospective state contractor*, with regard to a *state contract* or *state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor* or *principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

### DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

### PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

**Civil penalties**—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

**Criminal penalties**—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

### CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, [www.ct.gov/seec](http://www.ct.gov/seec). Click on the link to "Lobbyist/Contractor Limitations."





## DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

**STANDARD PROFESSIONAL SERVICES AGREEMENT**

This Standard Professional Services Agreement (“Agreement”) is made on July 2, 2018 (“Effective Date”), by and between the CONNECTICUT GREEN BANK (“Green Bank”), a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, CT 06067, and Inclusive Prosperity Capital, Inc. (“Consultant”), having its business address at 845 Brook Street, Rocky Hill, CT 06067. Green Bank and Consultant together are the Parties and each individually is a Party to this Agreement.

**WHEREAS**, the Green Bank has an established program providing credit enhancements for loans made to single family building owners for energy upgrades by local lenders known as Smart-E; and

**WHEREAS**, for the Smart-E loan the Green Bank has an established pre-approved group of contractors with whom the Green Bank works; and

**WHEREAS**, the Connecticut General Assembly has redirected the funds from the system benefit charge limiting the reach of the Green Bank; and

**WHEREAS**, the Green Bank seeks to continue the success of the Smart-E loan program to reduce the energy burden of home owners; and

**WHEREAS**, the Green Bank has participated in the formation of the Consultant, as a 501(c)(3) nonprofit, and entered into a memorandum of understanding with the Consultant (the “MOU”) to provide a general framework of support on a transitional basis, as part of its participation in the formation and initial operations of the Consultant; and

**WHEREAS**, the staff of the Consultant are intimately familiar with the Smart-E Loan and can operate the program on Green Bank’s behalf;

**NOW, THEREFORE**, Green Bank and Consultant, intending to be legally bound, agree as follows:

1. **Scope of Services.** Consultant shall provide Green Bank with professional consulting services (“Work”) as detailed in Consultant’s proposal in Attachment A, which is incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in the MOU, this Agreement shall control.

2. **Period of Performance.** Green Bank agrees to retain Consultant, and Consultant agrees to perform the Work under this Agreement, from the Effective Date through June 30, 2024 (“Period of Performance”), unless earlier terminated in accordance with Section 8 of this Agreement. The Parties can extend the Period of Performance only by a written amendment to this Agreement signed and dated by Green Bank and Consultant.

3. **Payment.** Green Bank agrees to pay Consultant for the Work performed under the Proposal, as set forth in the Proposal, but in an amount not-to-exceed \$425,770 inclusive of fees and any other expenses for year one only and will be revised annually as part of the annual budget process referenced below.

This payment is comprised of two components: Program Administration and Human Capital. The Program Administration will be paid monthly and represents the costs charged back to the Green Bank for administering the Work that is more effectively and efficiently managed by the Consultant minus any savings achieved through efficiencies and scale. The Green Bank agrees to pay Program Administration expenses as set forth in the budget in Attachment A. This will be reviewed and adjusted on a regular basis between the parties to reflect the cost savings and updated targets as set forth in Attachment A and the MOU. The Human Capital component will be paid monthly, in advance, and is comprised of the agreed upon staffing levels needed to execute the Work. For the first three years of this PSA, the Green Bank agrees to pay 100% of the cost of the headcount as set forth in Attachment A. For the Second three years, the Green Bank agrees to pay 50% of the cost of the headcount. The staffing levels will be reviewed as part of the annual budgeting process.

**THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY GREEN BANK AND CONSULTANT PRIOR TO ANY WORK TO BE PERFORMED BY CONSULTANT WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.**

4. **Invoices.** Consultant shall submit invoices to Green Bank beginning on July 2, 2018 for amounts due to Consultant pursuant to the Proposal with sufficient detail to demonstrate Consultant's provision of the work under the Proposal. All invoices shall be subject to Green Bank's approval for conformity with the terms and conditions of this Agreement. For approved invoices, Green Bank will pay Consultant within thirty (30) days of receipt by Green Bank of an invoice. Consultant agrees to include the PSA #, which can be found at the top of this Agreement, on all invoices submitted to Green Bank in connection with Work performed under this Agreement. Invoices shall be submitted to:

Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: Accounts Payable Department

**UNDER NO CIRCUMSTANCES WILL GREEN BANK ACCEPT INVOICE(S) SUBMITTED BY CONSULTANT WHICH THE TOTAL AMOUNT OF THE INVOICE(S) EXCEEDS THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT. THE NOT-TO-EXCEED AMOUNT WILL BE REVISED ON AN ANNUAL BASIS.**



5. **Subcontracting or Assignment.** Consultant shall not subcontract, assign, or delegate any portions of the Work under this Agreement to any other person or entity not identified in Section 3, above, without prior written approval from Green Bank.

6. **Independent Contractor.** Consultant understands that it is acting as an independent contractor and shall not hold itself out as representing or acting in any manner on behalf of Green Bank except within the Proposal or any other active agreements between Green Bank and Consultant.

7. **Disclosure of Information.** Consultant agrees to disclose to Green Bank any information discovered or derived in the performance of the Work required under this Agreement. Consultant shall not disclose to others any such information, any information received or derived in performance of this Agreement, or any information relating to Green Bank without the prior written permission of Green Bank, unless such information is otherwise available in the public domain.

8. **Termination.** (a) This Agreement may be terminated by a non-breaching Party upon giving prior written notice to the breaching Party of a breach of this Agreement with an opportunity to cure (which shall be not less than ninety days after formal notice by the non-breaching Party).

(b) Green Bank may terminate this Agreement upon giving prior written notice to the Consultant of a breach of any grant agreement between Green Bank and Consultant with an opportunity to cure (which shall be not less than ninety days after formal notice by Green Bank).

(c) In the event of such termination, Green Bank shall be liable only for payment in accordance with the payment provisions of the Agreement for the Work actually performed prior to the date of termination.

(d) If this Agreement is not renewed at the end of the Period of Performance, or is terminated for any reason, Consultant must provide for a reasonable, mutually agreed period of time after the expiration or termination of this Agreement, all reasonable transition assistance requested by Green Bank, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to Green Bank or its designees. Such transition assistance will be deemed by the Parties to be governed by the terms and conditions of this Agreement, except for those terms or conditions that do not reasonably apply to such transition assistance. Green Bank will pay Consultant for any resources utilized in performing such transition assistance at the most current rates provided by this Agreement. If there are no established contract rates, then the rate shall be mutually agreed upon. If Green Bank terminates this Agreement for cause, then Green Bank will be entitled to offset the cost of paying Consultant for the additional resources Consultant utilized in providing transition assistance with any damages Green Bank may have otherwise accrued as a result of said termination.

**9. Indemnification and Limitation of Liability.** Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Green Bank, its officers, directors, and employees against all damages, liabilities, or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom the Consultant is legally liable.

Neither Party shall be liable to the other Party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the Party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to the indemnification obligations set forth above or to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either Party.

**10. Quality of Service.** Consultant shall perform the Work with care, skill, and diligence in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all work product and/or Work furnished under this Agreement. If Consultant fails to meet applicable professional standards, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in any work product and/or Work furnished under this Agreement.

**11. Severability.** In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any provision of this Agreement is held to be excessively broad, then that provision shall be reformed and construed by limiting and reducing it to be enforceable to the maximum extent permitted by law.

**12. Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto, and supersedes any previous agreement or understanding. This Agreement with respect to the subject matter hereof may not be modified or extended except in writing executed by the Parties.

**13. Governing Law.** The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Connecticut. All disputes which arise in connection with, or in relation to, this Agreement or any claimed breach thereof shall be resolved, if not sooner settled, by litigation only in Connecticut or the Federal Court otherwise having subject matter jurisdiction over the dispute and not elsewhere, subject only to the authority of the Court in question to order changes of venue. To this end, Consultant waives any rights it may have to insist that litigation related to this Agreement to which Consultant is a party be had in any venue other than the above court, and

covenants not to sue Green Bank in court other than the above courts with respect to any dispute related to this Agreement.

**14. State Contracting Obligations.** Consultant understands and agrees that Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Consultant agrees to comply for the Period of Performance with the state contracting obligations in this Section 14. For purposes of this Section 14, Contractor and Consultant shall have the same meaning and Contract and Agreement shall have the same meaning.

Conn. Gen. Stat. § 4a-60(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

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(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.”

Conn. Gen. Stat. § 4a-60a(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.”

Nondiscrimination Certification. Consultant represents and warrants that, prior to entering into this Agreement, Consultant has provided Green Bank with documentation evidencing Consultant's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Consultant is attached.

Campaign Contribution Restrictions. For all state contracts, as defined in Conn. Gen. Stat. § 9-612(g)(1)(C), having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of



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\$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission’s notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See <http://www.ct.gov/dpw/lib/dpw/Form11SEEC.pdf>.

Occupational Safety and Health Act Compliance. Consultant certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

Consulting Agreements. Consultant hereby swears and attests as true to the best knowledge and belief that no consulting agreement, as defined in Conn. Gen. Stat. § 4a-81, has been entered into in connection with this Agreement. Contractor agrees to amend this representation if and when any consulting agreement is entered into during the term of the Contract. See Affidavit Regarding Consulting Agreements, attached.

**15. Limitation on Recourse.** All liabilities and obligations of Green Bank under this Agreement are subject and limited to the funding available under Connecticut law.

**16. Non-impairment and Assessment.** As a further inducement for the Consultant to enter into this Agreement, subsection (h) of section 16-245n of the Conn. General Statutes is incorporated into this Agreement.

**17. Freedom of Information Act.** Green Bank is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by Green Bank pursuant to an FOIA request, Consultant should specifically and in writing identify to Green Bank the information that Consultant claims to be exempt. Consultant should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing

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explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

Consultant acknowledges that (1) Green Bank has no obligation to notify Consultant of any FOIA request it receives, (2) Green Bank may disclose materials claimed by Consultant to be exempt if in its judgment such materials do not appear to fall within a statutory exemption, (3) Green Bank may in its discretion notify Consultant of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but Green Bank has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Consultant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall Green Bank or any of its officers, directors, or employees have any liability for the disclosure of documents or information in Green Bank's possession where Green Bank, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

**18. Counterparts.** This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same agreement.

[Signature page follows]

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first above written.

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_  
Bryan T. Garcia, President and CEO

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_  
INSERT NAME  
INSERT TITLE



STATE OF CONNECTICUT  
NONDISCRIMINATION CERTIFICATION – Affidavit  
By Entity  
For Contracts Valued at \$50,000 or More

*Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended*

**INSTRUCTIONS:**

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am \_\_\_\_\_ of Inclusive Prosperity Capital, Inc., an entity  
Signatory's Title Name of Entity

duly formed and existing under the laws of The State of Connecticut.  
Name of State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of  
Inclusive Prosperity Capital, Inc. and that Inclusive Prosperity Capital, Inc.  
Name of Entity Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Printed Name

Sworn and subscribed to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/  
Notary Public

\_\_\_\_\_  
Commission Expiration Date



STATE OF CONNECTICUT
CERTIFICATION OF STATE AGENCY OFFICIAL OR EMPLOYEE
AUTHORIZED TO EXECUTE CONTRACT

Certification to accompany a State contract, having a value of \$50,000 or more, pursuant to Connecticut General Statutes §§ 4-250 and 4-252(b), and Governor Dannel P. Malloy's Executive Order 49.

INSTRUCTIONS:

Complete all sections of the form. Sign and date in the presence of a Commissioner of the Superior Court or Notary Public. Submit to the awarding State agency at the time of contract execution.

CERTIFICATION:

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.
Contractor Name

Connecticut Green Bank
Awarding State Agency

State Agency Official or Employee Signature

Date

Bryan T. Garcia
Printed Name

President and CEO
Title

Sworn and subscribed before me on this day of , 20

Commissioner of the Superior Court
or Notary Public

My Commission Expires



**STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

*Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

CHECK ONE:  Initial Certification  12 Month Anniversary Update (Multi-year contracts only.)  
 Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

**GIFT CERTIFICATION:**

As used in this certification, the following terms have the meaning set forth below:

- 1) **"Contract"** means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) **If this is an Initial Certification, "Execution Date"** means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, **"Execution Date"** means the date this certification is signed by the Contractor;
- 3) **"Contractor"** means the person, firm or corporation named as the contractor below;
- 4) **"Applicable Public Official or State Employee"** means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) **"Gift"** has the same meaning given that term in C.G.S. § 4-250(1);
- 6) **"Principals or Key Personnel"** means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding Gifts by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a Gift to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

**PSA # 5410; Inclusive Prosperity Capital, Inc. – Smart – E**

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any campaign contributions to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that all lawful campaign contributions that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Printed Contractor Name

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Subscribed and acknowledged before me this            day of            , 20

\_\_\_\_\_  
Commissioner of the Superior Court (or Notary Public)

\_\_\_\_\_  
My Commission Expires



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Table with 4 columns: Consultant's Name and Title, Start Date, End Date, Cost. Row 1: Inclusive Prosperity Capital, Inc., July 2, 2018, July 1, 2021, [blank]. Description: Service Green Bank's program providing credit enhancements for loans made to single family buildings owners for energy upgrades by local lenders known as SmartE.

Is the consultant a former State employee or former public official? [ ] YES [ ] NO

If YES: Name of Former State Agency, Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Name of Bidder or Contractor, Signature of Principal or Key Personnel, Date, Printed Name (of above), Connecticut Green Bank Awarding State Agency

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Commissioner of the Superior Court or Notary Public

My Commission Expires



**PSA # 5410; Inclusive Prosperity Capital, Inc. – Smart – E**

**CERTIFICATION REGARDING INVESTMENTS IN IRAN (Public Act No. 13-162)**

**For certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year**

**CHECK ONE:**     Initial Certification         Amendment or Renewal

As used in this affidavit and certification, the following terms have the meaning set forth below:

1.        “Entity” means any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States, but excludes any United States subsidiary of a foreign corporation.
2.        “Large State Contract” means an agreement or a combination or series of agreements between a state agency or a quasi-public agency and a person, firm or corporation, having a total value of more than five hundred thousand dollars in a calendar or fiscal year, for (A) a project for the construction, alteration or repair of any public building or public work, (B) services, including, but not limited to, consulting and professional services, (C) the procurement of supplies, materials or equipment, (D) a lease, or (E) a licensing arrangement. The term “large state contract” does not include a contract between a state agency or a quasi-public agency and a political subdivision of the state.
3.        “Quasi-public agency” has the same meanings as provided in Section 1-79 of the Connecticut General Statutes.
4.        “Respondent” means the name of the entity which is entering into a large state contract with the Quasi-public agency.

**CHECK APPLICABLE BOX:**

Respondent’s principal place of business is located within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are **not** required to complete the certification portion of this form below but must still submit this form prior to submitting a bid or proposal for a large state contract.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Respondent’s principal place of business is located outside of the United States and it is not a United States subsidiary of a foreign corporation. Respondents who check this box are required to complete the certification portion of this form below and must submit the form prior to submitting a bid or proposal for a large state contract.

**CERTIFICATION:**

Respondent has not made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.

Respondent has either made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent has made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after October 1, 2013, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Subscribed and sworn to before me, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court  
(or Notary Public)

# Attachment A: Smart-E Loan – Scope of Services

## Program Description

Smart-E Loans (“Program”) can be used to finance over forty qualifying energy improvements at owner-occupied, 1-4 unit residential properties in Connecticut. The Program is administered by the **Connecticut Green Bank** (“Green Bank”) in partnership with 10 local lenders (community banks and credit unions) and a network of over 350 eligible contractors. Beginning July 1, 2018, certain aspects of the Smart-E Loan program will be managed by Inclusive Prosperity Capital, Inc. (**Consultant**). This document will serve as a basis for a delineation of duties across both entities.

## Activities and Services to be Performed by Consultant

- **Lender Onboarding and Management**
  - The Consultant will be responsible for managing the current group of participating lenders and for identifying and onboarding new lenders. The new lenders receive an in-person overview of Smart-E that includes key benefits to the lender and their customers, program statistics, best practices and next steps as well as follow up information to bring them on board.
    - The Consultant will work with the new Lenders to coordinate execution of the standard Smart-E Financing Agreement. An execution copy of the Agreement will be prepared and presented to the Green Bank Legal team for review prior to sending to the lender. Any changes to this agreement will need approval from the Green Bank’s Chief Legal Officer.
    - In Connecticut, the Financing Agreements will be managed by Green Bank.
    - Upon execution of the Financing Agreement, the Consultant will provide follow up to train staff of the new lender on the operations of the Smart-E program either in-person or by webinar. This training will cover all aspects of the life of a Smart-E loan.
    - The Consultant will notify the Green Bank Accounting staff and the Green Bank Director of Operations of any new lender to include in monthly or quarterly processes such as data collection or Loan Loss Reserve calculations.
- **Contractor Onboarding and Management**
  - The Consultant will be responsible for all aspects of managing the group of participating contractors in the Program. The Consultant will liaise with contractors to ensure that they are eligible for participation by maintaining the current standards and requirements of the Program. Any changes to these will come at the direction of the Green Bank. In support of this, The Consultant shall:
    - Maintain the signed Smart-E Contractor Compliance form;
    - Track and Maintain records of copies of participating contractors’ current Certificate of General Liability Insurance and contractor license (with the

- Connecticut (or state) Department of Consumer Protection) in the Green Bank's instance of Salesforce; and
    - Conduct weekly online webinar trainings and maintain attendance of such according to existing practices or at the instruction of the Green Bank.
  - Additionally, the Consultant will provide Green Bank Marketing staff with a bi-weekly report of newly eligible Smart-E contractors to be added to the eligible contractor lists on the Green Bank and EnergizeCT Smart-E webpages.
- **Smart-E Loan Project Technical Approvals**
  - The Consultant will be responsible for all technical approvals. Within one business day of submittal of new project information to the Program's online platform, Consultant will review projects submitted by contractors to ensure that:
    - 1) The proposed equipment meets the Program's technical requirements
    - 2) The sales agreement/contract and the Smart-E Utility Data Release Form are signed by the homeowner and uploaded to the platform
  - Upon review, the Consultant will approve or deny the project in the online portal.
- **Loan Loss Reserve ("LLR")**
  - The Consultant will be responsible for supporting the Green Bank's management of the loan loss reserve.
  - The Consultant will create a quarterly report for lenders with information on their Loan Loss Reserve status and their overall performance as compared to all lenders.
    - The Consultant will notify lenders quarterly via the reports of loans in default that may qualify for payment from the LLR.
    - The Consultant will provide lenders with the documentation for requesting payment on loans in default.
    - The Consultant will work with Green Bank staff to process LLR payment through Green Bank within one week of receipt of request from the lender.
- **Other Administrative Tasks**
  - The Consultant will maintain the Program's eligible measures list, updating it as necessary, particularly when notified of changes in equipment requirements for rebates through EnergizeCT.
  - The Consultant will monitor and respond to inquiries from the Program's email account ([smarte@ctgreenbank.com](mailto:smarte@ctgreenbank.com)) and telephone number (860-357-5676).
  - The Consultant will manage customer service issue resolution with guidance from Green Bank
  - Consultant will create monthly reports and other analyses as requested
- **Utility, Energy Efficiency Board (EEB) & Department of Energy & Environmental Protection (DEEP) Coordination**
  - Consultant will coordinate with Green Bank, utilities, EEB and DEEP; will attend meetings as necessary; and will coordinate on offerings to the market.
- **Marketing**
  - In coordination with Green Bank marketing staff, the consultant will:
    - Coordinate with Green Bank marketing staff on all marketing activities;
    - Liaise with Green Bank staff on monthly Marketing budget expenditures; and
    - Liaise with contractor and lender and other outreach partner needs.

- **Inspections**
  - The Consultant will coordinate and facilitate the Green Bank's management of the inspections for the Program. This will include a regular weekly meeting between the two to discuss outstanding issues.
  - Upon receipt of all required completion documentation from the contractor(s) involved in the project, Consultant will update the Program's online platform within 2 business days, which will simultaneously 1) approve the lender to release final payment and 2) notify Green Bank's Statutory and Infrastructure Programs staff of a need for inspection.
- **Smart-EV Pilot**
  - The Consultant will manage all aspects of the Smart-EV pilot program including:
    - Lender outreach and onboarding and execution of the Program Agreement in consultation with Green Bank Legal staff;
    - Channel outreach including dealers, municipalities and other partners in coordination with Green Bank staff;
    - Administration of the interest rate buydown program, coordinating with lenders on available offers and required reporting for payment, in coordination with Green Bank accounting staff; and
    - Coordination with Green Bank Marketing staff on marketing activities.

## Activities and Services to be performed by Connecticut Green Bank

The Green Bank will perform services including but not limited to:

### Marketing

- The Green Bank and the Consultant will work collaboratively to support the market development and outreach for the Smart-E Program. This includes but is not limited to:
  - Marketing Plans – Development of marketing plans to help meet business goals and objectives
  - Collateral Development and Support – Creation and maintenance/updating of print materials
  - Digital Media Planning, Monitoring and Reporting – Design of digital media campaigns aligned with business goals; Coordination of the creation of digital content; Monitoring and reporting ROI and KPIs
  - Public Relations, Media Relations – Creation and distribution of residential communications to channel partners and end-users; Content creation for all press materials (e.g., press releases, media advisories, invitations); Relationship management of public relations firm
  - Event Planning – Event coordination and execution
  - Website Support – Creation and maintenance/updating of residential pages on The Green Bank and Energize CT webpages, including bi-weekly updates to the contractor lists, or as-requested.
  - Email Marketing – Design and implementation of direct email marketing campaigns; Report on measurement and ROI of campaign
  - Social Media Management - Development and administration of social media campaign content designed to engage users and create an interactive relationship between the product and the end-user

- Budget – Coordinate with The Green Bank on monthly Marketing budget expenditures
  - Outreach – coordinate with The Green Bank marketing staff on all marketing activities
- **Smart-E Loan Project Inspections (On projects needing an inspection)**
  - The Green Bank will maintain the operation of the Program’s inspections. Upon receipt of all required completion documentation from the contractor(s) involved in the project, Consultant will update the Program’s online platform within 2 business days, which will simultaneously 1) approve the lender to release final payment and 2) notify The Green Bank’s Statutory and Infrastructure Programs staff of a need for inspection.
    - The Green Bank & Consultant will work together to determine a need to inspect additional projects outside of the first three requirement at the request of the homeowner or lender, or if a pattern of failed inspections or service issues is detected.
  - The Green Bank will notify a Green Bank-approved inspector of their inspection assignment via email within 3 business days of receiving notification from the Program’s online platform.
  - The Green Bank inspector will contact the homeowner via email to coordinate an inspection within 5 business days of receiving notification from The Green Bank.
    - The Green Bank inspector will attempt to contact homeowner three times: twice via email and once via telephone.
      - If unsuccessful after three attempts, The Green Bank inspector will notify The Green Bank who will attempt to connect with the original contractor to request their assistance with contacting the customer.
    - If the Green Bank inspector and original contractor’s attempts to contact the homeowner are unanswered, The Green Bank will notify the Consultant and the inspection requirement will be waived. The Green Bank will move the project to “completed” status in the Program’s online platform and will update the “inspection notes” section to reflect that the inspection requirement was waived.
  - Upon receipt of inspection reports, The Green Bank will upload the document(s) to the project record in the Program’s online platform and either:
    - Advance the project to “completed” status if the inspection is passed, or
    - Mark the project as “failed inspection”
  - Consultant and The Green Bank will meet weekly to review failed inspections, and Consultant will contact the original installer to address the flagged issues.
  - The Green Bank will update Consultant of any inspection issues and request assistance as needed.
  - The Green Bank will prepare invoices for the Consultant’s review and approval.
- **Smart-EV Pilot:**
  - Green Bank will coordinate with Consultant on outreach and partner opportunities for the Smart-EV pilot, as well as general marketing and specific campaign opportunities.

## Staff Allocation – CT Green Bank

Andrea Janecko (Marketing)

Rudy Sturk (Marketing)

Barbara Waters (Marketing)

Catherine Duncan (Accounting - LLR)

George Bellas (Finance and Administration - LLR)

Emily Basham (Marketing and Outreach)

Lucy Charpentier (EM&V - Reporting)

Lynne Lewis (Statutory and Infrastructure Programs - Inspections)

Bill Colonis (Statutory and Infrastructure Programs - Inspections)

Matt Macunas (Legal and Marketing)

## Staff Allocation – Consultant

Kerry O’Neill

Chris Magalhaes

Madeline Priest

Joe Buonannata

Liz Johnson

## Budget

The Green Bank will pay the Consultant monthly, with an annual not to exceed amount of \$425,770 based on the program administration and human capital components as described in the PSA.

	<b>Residential Smart-E</b>
<b>Human Capital Fee Component</b>	\$ 335,652.03
<b>Administration Fee Component</b>	\$ 90,117.85
<b>NTE (1 Year)</b>	\$ 425,770.00
<b>6 Year projected assuming no increase in Program Admin costs</b>	\$ 2,051,141.25

The budget and fees (based on headcount and administration) will be revisited annually by the two organizations to determine the cost of operating the program to achieve targets as outlined in the PSA. As a part of this review, the Consultant will review their financials with the Green Bank quarterly to

determine if there are operating cost savings resulting from a growth in scale. In the event of any savings are found, these will be passed on to the Green Bank in the form of a fee reduction on a pro-rata basis based on the size of the overall contracts of all participating clients of the consultant.

The combined budget for this scope of work across both organizations for FY19 is as follows:

<b>Program Code - Program Name</b>		<b>52210 Smart-E Loans</b>		
	<b>Account Number</b>	<b>FY19 Budget (CGB)</b>	<b>FY19 Budget (NP)</b>	<b>FY19 Budget Consolidated</b>
<b><u>Administrative Expenses</u></b>				
<b><u>Compensation and benefits</u></b>				
- Salaries & Wages	Salaries	96,894	239,751	336,645
- Employee Benefits	Benefits	79,453	95,901	175,354
- Temporary employees	677300	-	-	-
<b><u>Program development and administration</u></b>				
- Program development costs	680030	-	-	-
- Program administration costs	680040	5,000	-	5,000
- Technology support costs	680080	-	75,000	75,000
- Project Inspection fees	680070	25,000	-	25,000
<b><u>EM&amp;V</u></b>	683100	100,000	-	100,000
<b><u>Marketing expenses</u></b>	MKTG	120,000	-	120,000
<b><u>Legal expenses (BF to budget)</u></b>	682200	2,000	-	2,000
<b><u>Other expenses</u></b>				
- Consulting/Advisory	681100	-	-	-
- Subscriptions	689070	-	-	-
- Training/education	689075	-	5,505	5,505
- Travel,meeting& related expenses	689300	-	9,613	9,613
<b><u>Overhead Costs Allocated to Program:</u></b>				
<b><u>Rent and location related expenses</u></b>				
- Rent/Utilities/Maintenance	687050	7,011	-	7,011
- Telephone/Communications	689020	2,331	-	2,331
- Depreciation FF&E	Depr	1,575	-	1,575
<b><u>Office, computer &amp; other expenses</u></b>				
- Office expense	Office	2,337	-	2,337
- IT operations	IT	7,861	-	7,861
<b>Total administrative expenses</b>		<b>449,462</b>	<b>425,770</b>	<b>875,232</b>

## Technology

For Fiscal year 2019, the Smart-E program will leverage the same technology it presently does including Metis, Salesforce, and Pardot. All will continue to be used in the same manner in which they are presently used. Any change must be cleared by the Green Bank Director of Operations prior to being implemented.

The Green Bank and the Consultant will continue to build and issue the existing reports and dashboards and the Consultant will facilitate the Green Bank's efforts to automate these.

In order to reduce costs for operating the Smart-E program, the Consultant will develop a system that will replace the existing Metis Platform that is central to the operation of Smart-E but has a lower cost to operate. The Green Bank will allocate \$75,000 towards this end. In exchange, the Green Bank will receive a pro-rata portion based on other investors contributions, of any licensing fees earned by the consultant for this system.

## Targets and Milestones

Each year the Green Bank and the Consultant will meet to discuss and set targets and milestones.

### Targets

In FY 2019, the Consultant shall deliver for the Green Bank 540 Smart-E loans for \$8,775,000 and an installed capacity of 1.3 MW. The Consultant will report specifically about efforts to build the Smart-E program with LMI and credit-challenged homeowners.

The Consultant will meet with the Green Bank at least Quarterly to review progress to these targets.

### Milestones

- Semi-Annually, the Consultant will review product offerings and operations with the Green Bank.
- The Consultant will support the Green Bank's development and implementation of a survey of Smart-E participants that will be the basis of efforts to investigate the Program's effectiveness among other EM&V efforts.
- The Consultant will meet with other potential partners and present the Green Bank a timeline and specifications for a Metis replacement by the end of September 2018.



## STANDARD PROFESSIONAL SERVICES AGREEMENT

This Standard Professional Services Agreement (“Agreement”) is made on July 2, 2018 (“Effective Date”), by and between the CONNECTICUT GREEN BANK (“Green Bank”), a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, CT 06067, and Inclusive Prosperity Capital, Inc. (“Consultant”), having its business address at 845 Brook Street, Rocky Hill, CT 06067. Green Bank and Consultant together are the Parties and each individually is a Party to this Agreement.

**WHEREAS**, the Green Bank has established programs for financing, providing credit enhancements, and technical assistance for loans and grants made to owners of multifamily buildings for energy upgrades; and

**WHEREAS**, the Connecticut General Assembly has redirected the funds from the system benefit charge limiting the reach of the Green Bank; and

**WHEREAS**, the Green Bank seeks to continue the success of the Multifamily programs to reduce the energy burden of tenants and multifamily building owners; and

**WHEREAS**, the Green Bank has participated in the formation of the Consultant, as a 501(c)(3) nonprofit, and entered into a memorandum of understanding with the Consultant (the “MOU”) to provide a general framework of support on a transitional basis, as part of its participation in the formation and initial operations of the Consultant.

**WHEREAS**, the staff of the Consultant are intimately familiar with the Multifamily programs and can operate the program on Green Bank’s behalf;

**NOW, THEREFORE**, Green Bank and Consultant, intending to be legally bound, agree as follows:

- 1. Scope of Services.** Consultant shall provide Green Bank with professional consulting services (“Work”) as detailed in Consultant’s proposal in Attachment A (the “Proposal”), which is incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in the Proposal, this Agreement shall control.
- 2. Period of Performance.** Green Bank agrees to retain Consultant, and Consultant agrees to perform the Work under this Agreement, from the Effective Date through June 30, 2024 (“Period of Performance”), unless earlier terminated in accordance with Section 8 of this Agreement. The Parties can extend the Period of Performance only by a written amendment to this Agreement signed and dated by Green Bank and Consultant.
- 3. Payment.** Green Bank agrees to pay Consultant for the Work performed under the Proposal, as set forth in the Proposal, but in an amount not-to-exceed \$744,657

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inclusive of fees and any other expenses for year one only and will be revised annually as part of the annual budget process referenced below.

This payment is comprised of two components: Program Administration and Human Capital. The Program Administration will be paid monthly and represents the costs charged back to the Green Bank for administering the Work that is more effectively and efficiently managed by the Consultant minus any savings achieved through efficiencies and scale. The Green Bank agrees to pay Program Administration expenses as set forth in the budget in Attachment A. This will be reviewed and adjusted on a regular basis between the parties to reflect the cost savings and updated targets as set forth in Attachment A and the MOU. The Human Capital component will be paid monthly, in advance, and is comprised of the agreed upon staffing levels needed to execute the Work. For the first three years of this PSA, the Green Bank agrees to pay 100% of the cost of the headcount as set forth in Attachment A. For the Second three years, the Green Bank agrees to pay 50% of the cost of the headcount. The staffing levels will be reviewed as part of the annual budgeting process.

**THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY GREEN BANK AND CONSULTANT PRIOR TO ANY WORK TO BE PERFORMED BY CONSULTANT WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.**

**4. Invoices.** Consultant shall submit invoices to Green Bank beginning on July 2, 2018 for amounts due to Consultant pursuant to the Proposal with sufficient detail to demonstrate Consultant's provision of the work under the Proposal. All invoices shall be subject to Green Bank's approval for conformity with the terms and conditions of this Agreement. For approved invoices, Green Bank will pay Consultant within thirty (30) days of receipt by Green Bank of an invoice. Consultant agrees to include the PSA #, which can be found at the top of this Agreement, on all invoices submitted to Green Bank in connection with Work performed under this Agreement. Invoices shall be submitted to:

Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: Accounts Payable Department

**UNDER NO CIRCUMSTANCES WILL GREEN BANK ACCEPT INVOICE(S) SUBMITTED BY CONSULTANT WHICH THE TOTAL AMOUNT OF THE INVOICE(S) EXCEEDS THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT. THE NOT-TO-EXCEED AMOUNT WILL BE REVISED ON AN ANNUAL BASIS.**

**5. Subcontracting or Assignment.** Consultant shall not subcontract, assign, or delegate any portions of the Work under this Agreement to any other person or entity not identified in Section 3, above, without prior written approval from Green Bank.

6. **Independent Contractor.** Consultant understands that it is acting as an independent contractor and shall not hold itself out as representing or acting in any manner on behalf of Green Bank except within the Proposal or any other active agreements between Green Bank and Consultant.

7. **Disclosure of Information.** Consultant agrees to disclose to Green Bank any information discovered or derived in the performance of the Work required under this Agreement. Consultant shall not disclose to others any such information, any information received or derived in performance of this Agreement, or any information relating to Green Bank without the prior written permission of Green Bank, unless such information is otherwise available in the public domain.

8. **Termination.** (a) This Agreement may be terminated by a non-breaching Party upon giving prior written notice to the breaching Party of a breach of this Agreement with an opportunity to cure (which shall be not less than ninety days after formal notice by the non-breaching Party).

(b) Green Bank may terminate this Agreement upon giving prior written notice to the Consultant of a breach of any grant agreement between Green Bank and Consultant with an opportunity to cure (which shall be not less than ninety days after formal notice by Green Bank).

(c) In the event of such termination, Green Bank shall be liable only for payment in accordance with the payment provisions of the Agreement for the Work actually performed prior to the date of termination.

(d) If this Agreement is not renewed at the end of the Period of Performance, or is terminated for any reason, Consultant must provide for a reasonable, mutually agreed period of time after the expiration or termination of this Agreement, all reasonable transition assistance requested by Green Bank, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to Green Bank or its designees. Such transition assistance will be deemed by the Parties to be governed by the terms and conditions of this Agreement, except for those terms or conditions that do not reasonably apply to such transition assistance. Green Bank will pay Consultant for any resources utilized in performing such transition assistance at the most current rates provided by this Agreement. If there are no established contract rates, then the rate shall be mutually agreed upon. If Green Bank terminates this Agreement for cause, then Green Bank will be entitled to offset the cost of paying Consultant for the additional resources Consultant utilized in providing transition assistance with any damages Green Bank may have otherwise accrued as a result of said termination.

9. **Indemnification and Limitation of Liability.** Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Green Bank, its officers, directors, and employees against all damages, liabilities, or costs, including reasonable

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attorneys' fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom the Consultant is legally liable.

Neither Party shall be liable to the other Party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the Party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to the indemnification obligations set forth above or to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either Party.

**10. Quality of Service.** Consultant shall perform the Work with care, skill, and diligence in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all work product and/or Work furnished under this Agreement. If Consultant fails to meet applicable professional standards, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in any work product and/or Work furnished under this Agreement.

**11. Severability.** In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any provision of this Agreement is held to be excessively broad, then that provision shall be reformed and construed by limiting and reducing it to be enforceable to the maximum extent permitted by law.

**12. Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto, and supersedes any previous agreement or understanding. This Agreement with respect to the subject matter hereof may not be modified or extended except in writing executed by the Parties.

**13. Governing Law.** The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Connecticut. All disputes which arise in connection with, or in relation to, this Agreement or any claimed breach thereof shall be resolved, if not sooner settled, by litigation only in Connecticut or the Federal Court otherwise having subject matter jurisdiction over the dispute and not elsewhere, subject only to the authority of the Court in question to order changes of venue. To this end, Consultant waives any rights it may have to insist that litigation related to this Agreement to which Consultant is a party be had in any venue other than the above court, and covenants not to sue Green Bank in court other than the above courts with respect to any dispute related to this Agreement.

**14. State Contracting Obligations.** Consultant understands and agrees that Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Consultant agrees to

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comply for the Period of Performance with the state contracting obligations in this Section 14. For purposes of this Section 14, Contractor and Consultant shall have the same meaning and Contract and Agreement shall have the same meaning.

Conn. Gen. Stat. § 4a-60(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.”

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Conn. Gen. Stat. § 4a-60a(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.”

Nondiscrimination Certification. Consultant represents and warrants that, prior to entering into this Agreement, Consultant has provided Green Bank with documentation evidencing Consultant's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Consultant is attached.

Campaign Contribution Restrictions. For all state contracts, as defined in Conn. Gen. Stat. § 9-612(g)(1)(C), having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See <http://www.ct.gov/dpw/lib/dpw/Form11SEEC.pdf>.

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Occupational Safety and Health Act Compliance. Consultant certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

Consulting Agreements. Consultant hereby swears and attests as true to the best knowledge and belief that no consulting agreement, as defined in Conn. Gen. Stat. § 4a-81, has been entered into in connection with this Agreement. Contractor agrees to amend this representation if and when any consulting agreement is entered into during the term of the Contract. See Affidavit Regarding Consulting Agreements, attached.

**15. Limitation on Recourse.** All liabilities and obligations of Green Bank under this Agreement are subject and limited to the funding available under Connecticut law.

**16. Non-impairment and Assessment.** As a further inducement for the Consultant to enter into this Agreement, subsection (h) of section 16-245n of the Conn. General Statutes is incorporated into this Agreement.

**17. Freedom of Information Act.** Green Bank is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by Green Bank pursuant to an FOIA request, Consultant should specifically and in writing identify to Green Bank the information that Consultant claims to be exempt. Consultant should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

Consultant acknowledges that (1) Green Bank has no obligation to notify Consultant of any FOIA request it receives, (2) Green Bank may disclose materials claimed by Consultant to be exempt if in its judgment such materials do not appear to fall within a

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statutory exemption, (3) Green Bank may in its discretion notify Consultant of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but Green Bank has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Consultant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall Green Bank or any of its officers, directors, or employees have any liability for the disclosure of documents or information in Green Bank's possession where Green Bank, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

**18. Counterparts.** This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same agreement.

[Signature page follows]



**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first above written.

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_  
Bryan T. Garcia, President and CEO

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_  
INSERT NAME  
INSERT TITLE



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**STATE OF CONNECTICUT  
CERTIFICATION OF STATE AGENCY OFFICIAL OR EMPLOYEE  
AUTHORIZED TO EXECUTE CONTRACT**

*Certification to accompany a State contract, having a value of \$50,000 or more, pursuant to Connecticut General Statutes §§ 4-250 and 4-252(b), and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Sign and date in the presence of a Commissioner of the Superior Court or Notary Public. Submit to the awarding State agency at the time of contract execution.

**CERTIFICATION:**

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Contractor Name

Connecticut Green Bank  
Awarding State Agency

\_\_\_\_\_  
State Agency Official or Employee Signature

\_\_\_\_\_  
Date

Bryan T. Garcia  
Printed Name

President and CEO  
Title

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Commissioner of the Superior Court  
or Notary Public

\_\_\_\_\_  
My Commission Expires

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**STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

*Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

CHECK ONE:  Initial Certification  12 Month Anniversary Update (Multi-year contracts only.)  
 Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

**GIFT CERTIFICATION:**

As used in this certification, the following terms have the meaning set forth below:

- 1) **"Contract"** means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, **"Execution Date"** means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, **"Execution Date"** means the date this certification is signed by the Contractor;
- 3) **"Contractor"** means the person, firm or corporation named as the contractor below;
- 4) **"Applicable Public Official or State Employee"** means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) **"Gift"** has the same meaning given that term in C.G.S. § 4-250(1);
- 6) **"Principals or Key Personnel"** means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding Gifts by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a Gift to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

**PSA # 5411; Inclusive Prosperity Capital, Inc. (Multifamily)**

CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any campaign contributions to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that all lawful campaign contributions that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Printed Contractor Name

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Subscribed and acknowledged before me this        day of        , 20

\_\_\_\_\_  
Commissioner of the Superior Court (or Notary Public)

\_\_\_\_\_  
My Commission Expires

PSA # 5411; Inclusive Prosperity Capital, Inc. (Multifamily)



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Consultant's Name and Title: \_\_\_\_\_ Name of Firm (if applicable): Inclusive Prosperity Capital, Inc.

Start Date: July 2, 2018 End Date: July 1, 2021 Cost: \_\_\_\_\_

Description of Services Provided: Service Green Bank's programs for financing, providing credit enhancements, and technical assistance for loans made owners of multifamily buildings for energy upgrades.

Is the consultant a former State employee or former public official? [ ] YES [ ] NO

If YES: Name of Former State Agency: \_\_\_\_\_ Termination Date of Employment: \_\_\_\_\_

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Name of Bidder or Contractor: Inclusive Prosperity Capital, Inc. Signature of Principal or Key Personnel: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name (of above): \_\_\_\_\_ The Connecticut Green Bank Awarding State Agency

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Commissioner of the Superior Court or Notary Public

My Commission Expires \_\_\_\_\_

**PSA # 5411; Inclusive Prosperity Capital, Inc. (Multifamily)**

**CERTIFICATION REGARDING INVESTMENTS IN IRAN (Public Act No. 13-162)**

**For certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year**

**CHECK ONE:**     Initial Certification         Amendment or Renewal

As used in this affidavit and certification, the following terms have the meaning set forth below:

1. "Entity" means any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States, but excludes any United States subsidiary of a foreign corporation.
2. "Large State Contract" means an agreement or a combination or series of agreements between a state agency or a quasi-public agency and a person, firm or corporation, having a total value of more than five hundred thousand dollars in a calendar or fiscal year, for (A) a project for the construction, alteration or repair of any public building or public work, (B) services, including, but not limited to, consulting and professional services, (C) the procurement of supplies, materials or equipment, (D) a lease, or (E) a licensing arrangement. The term "large state contract" does not include a contract between a state agency or a quasi-public agency and a political subdivision of the state.
3. "Quasi-public agency" has the same meanings as provided in Section 1-79 of the Connecticut General Statutes.
4. "Respondent" means the name of the entity which is entering into a large state contract with the Quasi-public agency.

**CHECK APPLICABLE BOX:**

Respondent's principal place of business is located within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are **not** required to complete the certification portion of this form below but must still submit this form prior to submitting a bid or proposal for a large state contract.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Respondent's principal place of business is located outside of the United States and it is not a United States subsidiary of a foreign corporation. Respondents who check this box are required to complete the certification portion of this form below and must submit the form prior to submitting a bid or proposal for a large state contract.

**CERTIFICATION:**

Respondent has not made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.

Respondent has either made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent has made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after October 1, 2013, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Subscribed and sworn to before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court  
(or Notary Public)

# Multifamily Lending Scope

## Multifamily Product Descriptions

**The Navigator Pre-Development Energy Loan** funds pre-development costs for building owners who prefer to select and manage energy contractors and other professionals needed to scope and design their project.

**The Sherpa Pre-Development Energy Loan** offers an affordable, low-risk, one-stop solution to analyze, design and arrange financing for green energy upgrades. Connecticut Green Bank has partnered with New Ecology Inc., an expert multifamily technical services provider and nationally-recognized non-profit, to act as an owner’s representative to help scope, design and arrange financing for energy improvement projects.

**The Low Income Multifamily Energy (LIME) Loan** funds energy improvement projects for low- and moderate-income properties. These loans are unsecured, require no money down, and are repaid from energy cost savings for terms up to 20 years. They serve mid-cycle, refinancing, and new construction properties.

**Catalyst Financing** is available at favorable terms for merited projects that are unable to secure adequate funding from other sources. These funds can be used for energy improvements and energy-related health and safety measures and are designed to fill funding gaps necessary to catalyze multifamily energy projects.

**The EnergizeCT Health & Safety Revolving Loan Fund** provides low interest loans and limited grants that allow owners of multifamily housing serving low income residents to make health and safety improvements in conjunction with energy upgrades.

These programs are administered by the **Connecticut Green Bank** (“GREEN BANK”). Beginning July 1, 2018, these multifamily programs will be managed by Inclusive Prosperity Capital, Inc. (**Consultant**). This document will serve as a basis for a delineation of duties across both entities.

## Product Process Function Tables

Process function tables are provided below for the following five products that are fully owned by the Multifamily sector. These include:

- The Navigator Pre-Development Energy Loan
- The Sherpa Pre-Development Energy Loan
- The Low Income Multifamily Energy (LIME) Loan
- Catalyst Financing
- The EnergizeCT Health & Safety Revolving Loan Fund

Coordinated product delivery with the Multifamily Team is required for the three products that are not owned by the Multifamily sector. These include:



- Commercial Solar PPA
- C-PACE & C-PACE New Construction Pilot
- Project Finance

## The Navigator Pre-Development Energy Loan

This program is currently funded by the MacArthur Program Related Investment (PRI) and administered by the Housing Development Fund (HDF). HDF will perform the functions designated below in its role as administrator of the MacArthur PRI Funds. Once these funds are fully deployed and repaid to the MacArthur Foundation, HDF will no longer perform these functions. Additional funds to continue funding the Navigator Pre-Development Loan will be raised by the Consultant from other sources.

<b>Navigator Pre-Development Loan Process Functions</b>	<b>FY'19 Service Provider</b>	<b>FY'20 &amp; Beyond Service Provider</b>
<b>Marketing &amp; Sales</b>		
General Marketing - to build awareness	<b>Green Bank</b>	<b>Green Bank&amp; Consultant</b>
Direct outreach & client sales	<b>Green Bank&amp; Consultant</b>	<b>Green Bank&amp; Consultant</b>
<b>Loan Origination</b>		
Receive & process loan applications, underwriting, loan approvals, closing & funding	<b>Consultant &amp; HDF</b>	<b>Consultant &amp; HDF</b>
TA to owner (if needed)	<b>Green Bank&amp; Consultant</b>	<b>Consultant</b>
<b>Loan Servicing &amp; Tracking</b>		
Requisition & track repayments	<b>Green Bank&amp; HDF</b>	<b>Green Bank&amp; HDF</b>
Process/ approve loan forgiveness requests	<b>Consultant</b>	<b>Consultant</b>
Manage compliance & collection of delinquent loans	<b>Green Bank&amp; HDF</b>	<b>Green Bank&amp; HDF</b>
<b>Pipeline Management &amp; Reporting System, Legal &amp; Administrative</b>		
Project tracking through all stages & reporting	<b>Green Bank, Consultant &amp; HDF</b>	<b>Green Bank, Consultant &amp; HDF</b>
Legal support	<b>Consultant &amp; HDF</b>	<b>Consultant &amp; HDF</b>
Guidelines development & updating	<b>Consultant</b>	<b>Consultant</b>
<b>Capital Raising</b>		
Capital Raising	<b>Consultant</b>	<b>Consultant</b>

## The Sherpa Pre-Development Energy Loan

The Sherpa Pre-Development Loan Program is administered by New Ecology, Inc. (NEI). It is a 3-phased program characterized by:

- Phase 1 – Opportunity Assessment
- Phase 2 – Audit, and
- Phase 3 -- Design & Funding

Upon completion of the Phase 1 / Opportunity Assessment, subsequent phases follow the same steps as the Navigator Pre-Development Loan Program described above. This program will continue until funds budgeted under PSA # 5157 have been expended or the Green Bank and the Consultant mutually decide to terminate the program.

Sherpa Pre-Development Loan Functions (Administered by NEI)	FY'19 Service Provider	FY'20 & Beyond Service Provider
<b>Marketing &amp; Sales</b>		
General Marketing - to build awareness	<b>Green Bank</b>	<b>Green Bank</b>
Direct outreach & client sales	<b>Green Bank, Consultant &amp; NEI</b>	<b>Consultant &amp; NEI</b>
<b>Origination (Phase 1: Opportunity Assessment)</b>		
Receive & process applications	<b>Consultant &amp; NEI</b>	<b>Consultant &amp; NEI</b>
Approval (or decline)	<b>Consultant &amp; NEI</b>	<b>Consultant &amp; NEI</b>
Agreement execution with customers	<b>NEI</b>	<b>NEI</b>
Funding NEI	<b>Consultant</b>	<b>Consultant</b>

## The Low Income Multifamily Energy (LIME) Loan

The LIME Loan Program is administered by Capital For Change (C4C).

LIME Loan Functions (Administered by Capital For Change)	FY'19 Service Provider	FY'20 & Beyond Service Provider
<b>Marketing &amp; Sales</b>		
General Marketing - to build awareness	Green Bank	Green Bank
Direct outreach & client sales	Green Bank, Consultant & C4C	Consultant & C4C
<b>Loan Origination</b>		
Receive & process loan applications, underwriting, approval, closing & funding	Consultant & C4C	Consultant & C4C
TA to owner (if needed)	Green Bank, Consultant & C4C	Consultant & C4C
Construction Monitoring (if applies)	C4C	C4C
Completion QA/ Commissioning/ Ensure M&V in place	Green Bank, Consultant & C4C	Consultant & C4C
<b>Loan Servicing &amp; Tracking</b>		
Requisitions & track repayments	C4C	C4C
Monitor energy & cost savings performance	Green Bank, Consultant & C4C	Consultant & C4C
Close out paid out loans	C4C	C4C
Manage compliance & collection of delinquent loans	C4C	C4C
<b>Pipeline Management &amp; Reporting, Legal &amp; Administrative</b>		
Project tracking through all stages & reporting	Green Bank, Consultant & C4C	Green Bank, Consultant & C4C
Legal support	C4C	C4C
Guidelines development & updating	C4C	C4C
<b>Capital Raising</b>		
Capital Raising	C4C	C4C

## Catalyst Financing

This program is currently funded by the MacArthur PRI and administered HDF. HDF will perform the functions designated below in its role as administrator of the MacArthur PRI Funds. Once these funds are fully deployed and repaid to the MacArthur Foundation, HDF will no longer perform these functions. Additional funds to continue funding the Navigator Pre-Development Loan will be raised by the Consultant from other sources.

Catalyst Loan Fund Functions	FY'19 Service Provider	FY'20 & Beyond Service Provider
<b>Marketing &amp; Sales</b>		
General Marketing - to build awareness	Green Bank	Green Bank & Consultant
<b>Loan Origination</b>		
Receive & process loan applications, underwriting, approval, closing & funding	Consultant	Consultant
TA to owner (if needed)	Green Bank & Consultant	Consultant
Construction Monitoring (if applies)	Consultant & HDF	Consultant & HDF
Completion QA/ Commissioning/ Ensure M&V in place	Consultant & HDF	Consultant & HDF
<b>Loan Servicing &amp; tracking</b>		
Requisitions & track repayments	Green Bank & HDF	Green Bank & HDF
Monitor energy & cost savings performance	Green Bank, Consultant & HDF	Consultant & HDF
Close out paid out loans	Green Bank & HDF	Green Bank & HDF
Manage compliance & collection of delinquent loans	Green Bank & HDF	Green Bank & HDF
<b>Pipeline Management &amp; Reporting System, Legal &amp; Administrative</b>		
Project tracking through all stages & reporting	Green Bank, Consultant & HDF	Green Bank, Consultant & HDF
Legal support	Consultant & HDF	Consultant & HDF
Guidelines development & updating	Consultant	Consultant
<b>Capital Raising</b>		
Capital Raising	Consultant	Consultant

## The EnergizeCT Health & Safety Revolving Loan Fund

EnergizeCT H&S Revolving Loan Functions	FY'19 Service Providers	FY'20 & Beyond Service Providers
<b>Marketing &amp; Sales</b>		
General Marketing - to build awareness	Green Bank	Green Bank& Consultant
Release & manage RFP process	Consultant	Consultant
<b>Loan Origination</b>		
Receive & process loan applications, underwriting, approval, closing, funding	Consultant	Consultant
TA to owner (if needed)	Green Bank& Consultant	Consultant
Construction Monitoring (if applies)	Consultant	Consultant
Completion QA/ Commissioning/ Ensure M&V in place	Green Bank& Consultant	Consultant
<b>Loan Servicing &amp; Tracking</b>		
Requisition & track repayments	Green Bank	Green Bank
Monitor energy & cost savings performance	Green Bank& Consultant	Green Bank& Consultant
Close out paid out loans	Green Bank	Green Bank
Manage compliance & collection of delinquent loans	Green Bank	Green Bank
<b>Pipeline Management &amp; Reporting System, Legal &amp; Administrative</b>		
Project tracking through all stages & reporting	Green Bank& Consultant	Green Bank& Consultant
Legal support	Consultant	Consultant
Guidelines development & updating	Consultant	Consultant
<b>Capital Raising</b>		
Capital Raising	Consultant	Consultant

## Activities and Services to be performed by Consultant

With regard to the aforementioned Multifamily programs and attracting multifamily projects to other Green Bank Programs, the Consultant shall provide the following services:

**Marketing Services** – Green Bank and Consultant will work collaboratively to support the market development and outreach for the Multifamily sector. This includes but is not limited to:

- Marketing: Collaborate with Green Bank on marketing and outreach activities.
- Sales Partners: Provide management and oversight of sales partners including Joe Podchaiski and Brian Sullivan.
- Lead Identification: Provide oversight of lead identification through analysis of municipal grand lists (Brian Sullivan).
- Case Studies: Support Green Bank's development of case studies, focusing on content upon written request.

### Market Development and Capacity Building Services

- Development and Capacity Building: In conjunction with Green Bank, support efforts to develop and build capacity in the Multifamily market, enabling increased scale deployment of multifamily products and services and their value to the properties and communities served.
- Sub-metering: In Conjunction with Green Bank, support the development of sub-metering market guidance.
- Energy Efficiency Board (EEB)-Green Bank Relationship: In Conjunction with Green Bank, support the management representation and establishment of appropriate relationships with the utility companies, Department of Energy and Environmental Protection (DEEP) and the EEB Board for the Multifamily sector.

### Product & Program Delivery Services

- Multifamily Loan Products: The Consultant will hold primary responsibility for delivery of the 5 loan products that are owned by the Multifamily sector, per the functions and roles described in the product flow charts above.
- Loan Products in Other Sectors that Serve Multifamily: The Consultant will hold primary responsibility for coordinating delivery of the three loan programs that are owned by other sectors that broadly serve the C&I, MUSH and Multifamily markets.
- Client Technical Assistance: Provide client technical assistance to clients in collaboration with Green Bank.
- Loan Servicing: Support program partners HDF and C4C and Green Bank in providing loan servicing functions for the Consultant, per the functions and roles described in the product flow charts above.

- Existing Program Administration: Oversee and manage vendors critical to the delivery of specific multifamily programs such as New Ecology Inc.
- Tracking and Reporting: Lead product and pipeline tracking and reporting.
- Salesforce: Support development of Salesforce platform, including integration into marketing platforms. Ensure that project data is maintained and updated in salesforce on a timely and regular basis.

### **Product Development Services**

- EnergizeCT Health and Safety (H&S) Revolving Loan Fund: Support Green Bank in full development of EnergizeCT H&S Revolving Loan Fund product/processes.
- Process Improvements: Lead streamlining and improvement of product delivery.
- Product Guidelines: Lead development and updates of product guidelines.

### **Capitalization of Loan Products**

- Capital Raising: In conjunction with the Green Bank, raise and manage capital to fund the suite of multifamily loan products.

## Activities and Services to be performed by Connecticut Green Bank

### **Marketing Services**

- Green Bank and Consultant will work collaboratively to support the market development and outreach for the Multifamily sector. This includes but is not limited to: Marketing Plans – Develop marketing plans to help meet business goals and objectives.
- Collateral Development and Support – Creation and maintenance/updating of collateral materials and case studies.
- Public Relations, Media Relations – Creation and distribution of communications to channel partners and end-users; content creation for all press materials (e.g. press releases, media advisories, invitations); relationship management of PR firm.
- Event Planning – Event coordination and execution, management of event sponsorships, memberships and conference proposals.
- Website Management/Support – Creation and maintenance/updating of multifamily pages on the CT Green Bank (ctgreenbank.com) and EnergizeCT ([www.energizect.com](http://www.energizect.com)) webpages.



- Email Marketing – Design and implement direct email marketing campaigns; report on measurement and ROI of campaign; creation and distribution of quarterly e-newsletters (and maintenance of associated email lists).
- Social Media Management - Develop and administer social media campaign content that is designed to engage users and create an interactive relationship between the product and the end-user.
- Sales Partners: Support of sales/outreach partners (including Joe Podchaiski, Brian Sullivan, Kathy Dorgan and the Connecticut Housing Coalition).
- BenchmarkCT Database: Mine the BenchmarkCT database. Develop and implement, in partnership with the Consultant, a strategy for outreach to properties with highest potential to benefit from energy and water improvements and use the Multifamily programs.
- Outreach: Continue to maintain and build channel relationships with program partners, organizations and thought leaders in the Multifamily sector.
- Customer Satisfaction: Survey customers, prospects and leads for input on program effectiveness, value, and ease of use to identify where and how programs can be improved and scaled to achieve broader and deeper impact.

### **Market Development and Capacity Building Services**

The activities described below are focused on enabling Green Bank to increase scaled deployment of our Multifamily suite of products and services and their value to the properties and communities we serve. Green Bank and Consultant will work collaboratively to support this goal, which includes, but is not limited to:

- Market Education and Training: Oversee education and training programs that promote a holistic approach to energy improvements and multifamily financing. Activities include, but are not limited to, in-person trainings, webinars, building a resource center, publication of the *Multifamily How-To Manual*.
- Multifamily Peer-to-Peer Network: Continue support and development of the Peer-to-Peer Network, administered through the CT Housing Coalition.
- Co-op Sector Development: Continue support and development of capacity building and energy lending to the co-op sector, with support from UHAB and other possible service providers.
- Split Incentive and Utility Allowance Challenges: Lead efforts to analyze and recommend solutions that incent owners to make energy improvement investments when confronted by split incentive challenges.
- Sub-metering: Develop sub-metering guidance for the market, including optimal opportunity timing and configuration for the multifamily market.
- Program Capacity Development: Oversee service providers working to support and improve development of Green Bank’s multifamily programs. This includes Kathy Dorgan, Stephen Turner Inc. and possibly others.

- EEB- Green Bank Relationship: Manage, represent, and build appropriate relationships with the utility companies, DEEP and the EEB Board for the Multifamily sector.

### **Product and Program Delivery Services**

- Multifamily Loan Products: Green Bank will support Consultant in delivery of the five loan products that are owned by the Multifamily sector, per the functions and roles described in the product flow charts above.
- Loan Products in Other Sectors that Serve Multifamily: Green Bank will support Consultant in coordinating delivery of the three loan programs that are owned by other sectors that broadly serve the C&I, MUSH and multifamily markets.
- Client Technical Assistance: Provide client technical assistance to support Consultant in delivery of its products.
- Salesforce: Support Consultant development of the Salesforce platform, including integration into marketing platforms.
- Tracking and Reporting: Support Consultant on product and pipeline tracking and reporting.

### **Product Development Services**

- EnergizeCT Health & Safety Revolving Loan Fund: Ensure full development of H&S Revolving Loan Fund product/processes.
- QA/QC of Implemented Measures: Lead development and implementation of QA/QC protocols across programs, leading to high quality installation of energy measures funded by our loan programs.
- Monitoring, Verification and Reporting of Implemented Measures: Lead development and implementation of M&V quarterly performance reports, targeted for property owners, managers and lenders. Start first with portfolio of LIME loans.
- Contractor Guidance for Owners: Establish program appropriate guidance on identifying and securing energy design and implementation professionals for owners.

### **Finance: Capitalization of Loan Products**

- Capital Raising: Support Consultant in raising capital to fund the suite of multifamily loan products. Consider and provide capital investments to Consultant that meet Green Bank's return requirements, as appropriate and based on capital availability.

### **Accounting: Loan Servicing**

- Loan Servicing: Provide loan servicing functions for Consultant, per the functions and roles described in the product flow charts above. As the programs evolve and as appropriate, Consultant has the option to secure another loan servicing vendor with appropriate notice to Green Bank.

## Staff Allocation – Green Bank & Consultant

Consultant Staff	Notes	Green Bank Staff	Notes
<b>MFH Program Team</b> John D'Agostino		<b>MFH Program Team</b> Kim Stevenson	
<b>Finance Team</b> Ben Healey Chris Magalhaes		<b>C&amp;I Team</b> Anthony Clark CPACE Team	Kresge Solar plus Storage, C-PACE MFH, & C-PACE New Construction
		<b>LMI Team</b> Emily Basham	SustainableCT
		<b>Finance Team</b> Bert Hunter Fiona Stewart	Solar PPA projects
		<b>Marketing Team</b> Rudy Sturk Barbara Waters Craig Connolly	
		<b>Accounting Team</b> George Bellas Accounting Team	Loan servicing
		<b>Operations Team</b> Eric Shrago Lucy Charpentier	Reporting

## Budget

The Green Bank will pay the Consultant monthly, with an annual not to exceed amount of \$744,657 based on the program administration and human capital components as described in the PSA.

	<b>Multifamily</b>
<b>Human Capital Fee Component</b>	\$ 339,630.83
<b>Administration Fee Component</b>	\$ 405,025.88
<b>NTE (1 Year)</b>	\$ 744,657.00
<b>6 Year projected assuming no increase in Program Admin costs</b>	\$ 3,958,494.02

The budget and fees (based on headcount and administration) will be revisited annually by the two organizations to determine the cost of operating the program to achieve targets as outlined in the PSA. As a part of this review, the Consultant will review their financials with the Green Bank quarterly to determine if there are operating cost savings resulting from a growth in scale. In the event of any savings are found, these will be passed on to the Green Bank in the form of a fee reduction on a pro-rata basis based on the size of the overall contracts of all participating clients of the consultant.

The combined budget for this scope of work across both organizations for FY19 is as follows:

Green Bank will pay Consultant a quarterly fee not to exceed **XXX**. This Budget will be revisited annually by the two organizations to determine the cost of operating the program to achieve targets.

Additionally, Consultant will review their financials with Green Bank quarterly to determine if there are operating cost savings resulting from a growth in scale. In the event any savings are found, these will be passed on to Green Bank in the form of a fee reduction on a pro-rata basis based on the size of the overall contracts of all participating clients of Consultant.

Program Code - Program Name	Account Number	All Multifamily Programs		
		FY19 Budget (CGB)	FY19 Budget (NP)	FY19 Budget Consolidated
<b><u>Administrative Expenses</u></b>				
<b><u>Compensation and benefits</u></b>				
- Salaries & Wages	Salaries	241,595	235,451	477,046
- Employee Benefits	Benefits	198,108	94,180	292,288
- Temporary employees	677300	-	10,000	10,000
<b><u>Program development and administration</u></b>				
- Program development costs	680030	-	185,000	185,000
- Program administration costs	680040	65,000	185,000	250,000
- Technology support costs	680080	8,000	-	8,000
- Project Inspection fees	680070	-	15,000	15,000
<b><u>EM&amp;V</u></b>	683100	20,000	-	20,000
<b><u>Marketing expenses</u></b>	MKTG	80,500	-	80,500
<b><u>Legal expenses (BF to budget)</u></b>	682200	9,000	-	9,000
<b><u>Other expenses</u></b>				
- Consulting/Advisory	681100	-	-	-
- Subscriptions	689070	-	-	-
- Training/education	689075	5,000	6,478	11,478
- Travel, meeting& related expenses	689300	10,000	13,548	23,548
<b><u>Overhead Costs Allocated to Program:</u></b>				
<b><u>Rent and location related expenses</u></b>				
- Rent/Utilities/Maintenance	687050	17,478	-	17,478
- Telephone/Communications	689020	5,812	-	5,812
- Depreciation FF&E	Depr	3,927	-	3,927
<b><u>Office, computer &amp; other expenses</u></b>				
- Office expense	Office	5,826	-	5,826
- IT operations	IT	19,596	-	19,596
<b>Total administrative expenses</b>		<b>689,843</b>	<b>744,657</b>	<b>1,434,500</b>

## Technology

For Fiscal year 2019, the Multifamily program will leverage the same technology it presently does including Salesforce and Pardot. All will continue to be used in the same manner in which they are presently used. Any change must be cleared by Green Bank Director of Operations prior to being implemented.

Green Bank and the Consultant will continue to build and issue the existing reports and dashboards and Consultant will facilitate Green Bank's efforts to automate these.

## Other Resources

Green Bank will make available access to BenchmarkCT Data to the Consultant.

## Targets and Milestones -

Each year Green Bank and Consultant will meet to discuss and set targets and milestones.

### Targets

In FY 2019, Consultant shall deliver for Green Bank 4 predevelopment loans for \$70,000. Consultant will deliver 15 term loans for \$2,500,000 and an installed capacity of .85 MW.

### Milestones

1. **Product Extensions:** Develop a product extension plan in Q1 to be executed in Q2 – Q4 of FY'19. Products should be designed to fill current unserved sector including properties with LMI tenants that pay all utilities as well as properties serving market rate tenants. (The current thinking is to use LIME as the base program and to modify income and underwriting requirements to service these gaps.) Provide quarterly progress reviews.
2. **Program Guidelines:** Deliver updated program guidelines, as needed, at the end of each quarter for each product administered by Consultant.
3. **Process Improvement and QA/QC Procedures:** Provide quarterly updates on implementation of QA/QC procedures. This includes loan program process streamlining/ improvements as well as QA/QC on funded energy projects.
4. **Monitoring & Verification of Energy & Cost Savings:** Provide quarterly updates on loan portfolio performance and expansion of M&V monitoring from the LIME portfolio to all other products.

## STANDARD PROFESSIONAL SERVICES AGREEMENT

This Standard Professional Services Agreement (“Agreement”) is made on July 2, 2018 (“Effective Date”), by and between the CONNECTICUT GREEN BANK (“Green Bank”), a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, CT 06067, and Inclusive Prosperity Capital, Inc. (“Consultant”), having its business address at 845 Brook Street, Rocky Hill, CT 06067. Green Bank and Consultant together are the Parties and each individually is a Party to this Agreement.

**WHEREAS**, the Green Bank has established itself as an innovator in offering solar financing including Power Purchase Agreements (PPAs) to underserved Commercial, Industrial, and Institutional building owners to maximize projected savings associated with solar installations; and

**WHEREAS**, the Connecticut General Assembly has redirected the funds from the system benefit charge limiting the reach of the Green Bank; and

**WHEREAS**, the Green Bank seeks to continue to offer solar financing and PPAs to the underserved Commercial, Industrial, and Institutional markets in Connecticut through existing open funds and partnerships as well as future funds; and

**WHEREAS**, the Green Bank has participated in the formation of the Consultant, as a 501(c)(3) nonprofit, and entered into a memorandum of understanding with the Consultant (the MOU) to provide a general framework of support on a transitional basis, as part of its participation in the formation and initial operations of the Consultant; and

**WHEREAS**, the staff of the Consultant are intimately familiar with building funds to support a solar financing or PPA offering in the state of Connecticut and can operate the fund to support this goal;

**NOW, THEREFORE**, Green Bank and Consultant, intending to be legally bound, agree as follows:

- 1. Scope of Services.** Consultant shall provide Green Bank with professional consulting services (“Work”) as detailed in Consultant’s proposal in Attachment A (“Proposal”), which is incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in the Proposal, this Agreement shall control.
- 2. Period of Performance.** Green Bank agrees to retain Consultant, and Consultant agrees to perform the Work under this Agreement, from the Effective Date through June 30, 2024 (“Period of Performance”), unless earlier terminated in accordance with Section 8 of this Agreement. The Parties can extend the Period of Performance only by a written amendment to this Agreement signed and dated by Green Bank and Consultant.

**PSA # 5412; Inclusive Prosperity Capital, Inc. (Commercial Solar)**

**3. Payment.** Green Bank agrees to pay Consultant for the Work performed under the Proposal, as set forth in the Proposal, but in an amount not-to-exceed \$173,125 inclusive of fees and any other expenses for year one only and will be revised annually as part of the annual budget process referenced below.

This payment is comprised of two components: Program Administration and Human Capital. The Program Administration will be paid monthly and represents the costs charged back to the Green Bank for administering the Work that is more effectively and efficiently managed by the Consultant minus any savings achieved through efficiencies and scale. The Green Bank agrees to pay Program Administration expenses as set forth in the budget in Attachment A. This will be reviewed and adjusted on a regular basis between the parties to reflect the cost savings and updated targets as set forth in Attachment A and the MOU. The Human Capital component will be paid monthly, in advance, and is comprised of the agreed upon staffing levels needed to execute the Work. For the first three years of this PSA, the Green Bank agrees to pay 100% of the cost of the headcount as set forth in Attachment A. For the Second three years, the Green Bank agrees to pay 50% of the cost of the headcount. The staffing levels will be reviewed as part of the annual budgeting process.

**THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY GREEN BANK AND CONSULTANT PRIOR TO ANY WORK TO BE PERFORMED BY CONSULTANT WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.**

**4. Invoices.** Consultant shall submit invoices to Green Bank beginning on July 2, 2018 for amounts due to Consultant pursuant to the Proposal with sufficient detail to demonstrate Consultant's provision of the work under the Proposal. All invoices shall be subject to Green Bank's approval for conformity with the terms and conditions of this Agreement. For approved invoices, Green Bank will pay Consultant within thirty (30) days of receipt by Green Bank of an invoice. Consultant agrees to include the PSA #, which can be found at the top of this Agreement, on all invoices submitted to Green Bank in connection with Work performed under this Agreement. Invoices shall be submitted to:

Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: Accounts Payable Department

**UNDER NO CIRCUMSTANCES WILL GREEN BANK ACCEPT INVOICE(S) SUBMITTED BY CONSULTANT WHICH THE TOTAL AMOUNT OF THE INVOICE(S) EXCEEDS THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT. THE NOT-TO-EXCEED AMOUNT WILL BE REVISED ON AN ANNUAL BASIS.**



5. **Subcontracting or Assignment.** Consultant shall not subcontract, assign, or delegate any portions of the Work under this Agreement to any other person or entity not identified in Section 3, above, without prior written approval from Green Bank.

6. **Independent Contractor.** Consultant understands that it is acting as an independent contractor and shall not hold itself out as representing or acting in any manner on behalf of Green Bank except within the Proposal or any other active agreements between Green Bank and Consultant.

7. **Disclosure of Information.** Consultant agrees to disclose to Green Bank any information discovered or derived in the performance of the Work required under this Agreement. Consultant shall not disclose to others any such information, any information received or derived in performance of this Agreement, or any information relating to Green Bank without the prior written permission of Green Bank, unless such information is otherwise available in the public domain.

8. **Termination.** (a) This Agreement may be terminated by a non-breaching Party upon giving prior written notice to the breaching Party of a breach of this Agreement with an opportunity to cure (which shall be not less than ninety days after formal notice by the non-breaching Party).

(b) Green Bank may terminate this Agreement upon giving prior written notice to the Consultant of a breach of any grant agreement between Green Bank and Consultant with an opportunity to cure (which shall be not less than ninety days after formal notice by Green Bank).

(c) In the event of such termination, Green Bank shall be liable only for payment in accordance with the payment provisions of the Agreement for the Work actually performed prior to the date of termination.

(d) If this Agreement is not renewed at the end of the Period of Performance, or is terminated for any reason, Consultant must provide for a reasonable, mutually agreed period of time after the expiration or termination of this Agreement, all reasonable transition assistance requested by Green Bank, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to Green Bank or its designees. Such transition assistance will be deemed by the Parties to be governed by the terms and conditions of this Agreement, except for those terms or conditions that do not reasonably apply to such transition assistance. Green Bank will pay Consultant for any resources utilized in performing such transition assistance at the most current rates provided by this Agreement. If there are no established contract rates, then the rate shall be mutually agreed upon. If Green Bank terminates this Agreement for cause, then Green Bank will be entitled to offset the cost of paying Consultant for the additional resources Consultant utilized in providing transition assistance with any damages Green Bank may have otherwise accrued as a result of said termination.

**9. Indemnification and Limitation of Liability.** Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Green Bank, its officers, directors, and employees against all damages, liabilities, or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom the Consultant is legally liable.

Neither Party shall be liable to the other Party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the Party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to the indemnification obligations set forth above or to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either Party.

**10. Quality of Service.** Consultant shall perform the Work with care, skill, and diligence in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all work product and/or Work furnished under this Agreement. If Consultant fails to meet applicable professional standards, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in any work product and/or Work furnished under this Agreement.

**11. Severability.** In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any provision of this Agreement is held to be excessively broad, then that provision shall be reformed and construed by limiting and reducing it to be enforceable to the maximum extent permitted by law.

**12. Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto, and supersedes any previous agreement or understanding. This Agreement with respect to the subject matter hereof may not be modified or extended except in writing executed by the Parties.

**13. Governing Law.** The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Connecticut. All disputes which arise in connection with, or in relation to, this Agreement or any claimed breach thereof shall be resolved, if not sooner settled, by litigation only in Connecticut or the Federal Court otherwise having subject matter jurisdiction over the dispute and not elsewhere, subject only to the authority of the Court in question to order changes of venue. To this end, Consultant waives any rights it may have to insist that litigation related to this Agreement to which Consultant is a party be had in any venue other than the above court, and covenants not to sue Green Bank in court other than the above courts with respect to any dispute related to this Agreement.

**14. State Contracting Obligations.** Consultant understands and agrees that Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Consultant agrees to comply for the Period of Performance with the state contracting obligations in this Section 14. For purposes of this Section 14, Contractor and Consultant shall have the same meaning and Contract and Agreement shall have the same meaning.

Conn. Gen. Stat. § 4a-60(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit

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access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.”

Conn. Gen. Stat. § 4a-60a(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.”

Nondiscrimination Certification. Consultant represents and warrants that, prior to entering into this Agreement, Consultant has provided Green Bank with documentation evidencing Consultant's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Consultant is attached.

Campaign Contribution Restrictions. For all state contracts, as defined in Conn. Gen. Stat. § 9-612(g)(1)(C), having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice

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advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See <http://www.ct.gov/dpw/lib/dpw/Form11SEEC.pdf>.

Occupational Safety and Health Act Compliance. Consultant certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

Consulting Agreements. Consultant hereby swears and attests as true to the best knowledge and belief that no consulting agreement, as defined in Conn. Gen. Stat. § 4a-81, has been entered into in connection with this Agreement. Contractor agrees to amend this representation if and when any consulting agreement is entered into during the term of the Contract. See Affidavit Regarding Consulting Agreements, attached.

**15. Limitation on Recourse.** All liabilities and obligations of Green Bank under this Agreement are subject and limited to the funding available under Connecticut law.

**16. Non-impairment and Assessment.** As a further inducement for the Consultant to enter into this Agreement, subsection (h) of section 16-245n of the Conn. General Statutes is incorporated into this Agreement.

**17. Freedom of Information Act.** Green Bank is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by Green Bank pursuant to an FOIA request, Consultant should specifically and in writing identify to Green Bank the information that Consultant claims to be exempt. Consultant should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

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Consultant acknowledges that (1) Green Bank has no obligation to notify Consultant of any FOIA request it receives, (2) Green Bank may disclose materials claimed by Consultant to be exempt if in its judgment such materials do not appear to fall within a statutory exemption, (3) Green Bank may in its discretion notify Consultant of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but Green Bank has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Consultant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall Green Bank or any of its officers, directors, or employees have any liability for the disclosure of documents or information in Green Bank's possession where Green Bank, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

**18. Counterparts.** This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same agreement.

Signature page follows

**PSA # 5412; Inclusive Prosperity Capital, Inc. (Commercial Solar)**

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first above written.

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_  
Bryan T. Garcia, President and CEO

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_  
INSERT NAME  
INSERT TITLE



STATE OF CONNECTICUT  
NONDISCRIMINATION CERTIFICATION – Affidavit  
By Entity  
For Contracts Valued at \$50,000 or More

*Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended*

**INSTRUCTIONS:**

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at \$50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

**AFFIDAVIT:**

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of

an oath. I am \_\_\_\_\_ of Inclusive Prosperity Capital, Inc., an entity  
Signatory's Title Name of Entity

duly formed and existing under the laws of the State of Connecticut.  
Name of State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of

Inclusive Prosperity Capital, Inc. and that Inclusive Prosperity Capital, Inc.  
Name of Entity Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties of Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Printed Name

Sworn and subscribed to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court/  
Notary Public

\_\_\_\_\_  
Commission Expiration Date



**PSA # 5412; Inclusive Prosperity Capital, Inc. (Commercial Solar)**



**STATE OF CONNECTICUT  
CERTIFICATION OF STATE AGENCY OFFICIAL OR EMPLOYEE  
AUTHORIZED TO EXECUTE CONTRACT**

*Certification to accompany a State contract, having a value of \$50,000 or more, pursuant to Connecticut General Statutes §§ 4-250 and 4-252(b), and Governor Dannel P. Malloy's Executive Order 49.*

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**INSTRUCTIONS:**

Complete all sections of the form. Sign and date in the presence of a Commissioner of the Superior Court or Notary Public. Submit to the awarding State agency at the time of contract execution.

**CERTIFICATION:**

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Contractor Name

Connecticut Green Bank  
Awarding State Agency

\_\_\_\_\_  
State Agency Official or Employee Signature

\_\_\_\_\_  
Date

Bryan T. Garcia  
Printed Name

President and CEO  
Title

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Commissioner of the Superior Court  
or Notary Public

\_\_\_\_\_  
My Commission Expires



STATE OF CONNECTICUT
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION

Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

CHECK ONE: [X] Initial Certification [ ] 12 Month Anniversary Update (Multi-year contracts only.)
[ ] Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

GIFT CERTIFICATION:

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of it agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, "Execution Date" means the date this certification is signed by the Contractor;
3) "Contractor" means the person, firm or corporation named as the contactor below;
4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
6) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding Gifts by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a Gift to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.

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CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any campaign contributions to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that all lawful campaign contributions that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Printed Contractor Name

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Subscribed and acknowledged before me this        day of        , 20

\_\_\_\_\_  
Commissioner of the Superior Court (or Notary Public)

\_\_\_\_\_  
My Commission Expires

PSA # 5412; Inclusive Prosperity Capital, Inc. (Commercial Solar)



STATE OF CONNECTICUT
CONSULTING AGREEMENT AFFIDAVIT

Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.

INSTRUCTIONS:

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

Consultant's Name and Title: Inclusive Prosperity Capital, Inc.
Name of Firm (if applicable)

Start Date: July 2, 2018; End Date: July 1, 2021; Cost: \_\_\_\_\_

Description of Services Provided: Service Green Bank's solar financing and PPAs to the underserved Commercial, Industrial, and Institutional markets in Connecticut through existing open funds and partnerships as well as future funds.

Is the consultant a former State employee or former public official? [ ] YES [ ] NO

If YES: Name of Former State Agency; Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Name of Bidder or Contractor: Inclusive Prosperity Capital, Inc.; Signature of Principal or Key Personnel; Date; Printed Name (of above): Connecticut Green Bank; Awarding State Agency

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Commissioner of the Superior Court or Notary Public

My Commission Expires

**PSA # 5412; Inclusive Prosperity Capital, Inc. (Commercial Solar)**

**CERTIFICATION REGARDING INVESTMENTS IN IRAN (Public Act No. 13-162)**

**For certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year**

**CHECK ONE:**     Initial Certification         Amendment or Renewal

As used in this affidavit and certification, the following terms have the meaning set forth below:

1. "Entity" means any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States, but excludes any United States subsidiary of a foreign corporation.
2. "Large State Contract" means an agreement or a combination or series of agreements between a state agency or a quasi-public agency and a person, firm or corporation, having a total value of more than five hundred thousand dollars in a calendar or fiscal year, for (A) a project for the construction, alteration or repair of any public building or public work, (B) services, including, but not limited to, consulting and professional services, (C) the procurement of supplies, materials or equipment, (D) a lease, or (E) a licensing arrangement. The term "large state contract" does not include a contract between a state agency or a quasi-public agency and a political subdivision of the state.
3. "Quasi-public agency" has the same meanings as provided in Section 1-79 of the Connecticut General Statutes.
4. "Respondent" means the name of the entity which is entering into a large state contract with the Quasi-public agency.

**CHECK APPLICABLE BOX:**

Respondent's principal place of business is located within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are **not** required to complete the certification portion of this form below but must still submit this form prior to submitting a bid or proposal for a large state contract.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Respondent's principal place of business is located outside of the United States and it is not a United States subsidiary of a foreign corporation. Respondents who check this box are required to complete the certification portion of this form below and must submit the form prior to submitting a bid or proposal for a large state contract.

**CERTIFICATION:**

Respondent has not made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.

Respondent has either made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent has made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after October 1, 2013, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Subscribed and sworn to before me, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court  
(or Notary Public)

# Solar Fund Scope

## Product Descriptions

The Green Bank has used third-party ownership structures to deploy distributed solar generation in Connecticut both in the Commercial sectors. These funds are a unique combination of a tax equity investor and a syndicate of debt providers and the Green Bank to support solar PV installations (i.e., rooftop residential lease financing for solar PV and commercial leases and PPAs for rooftop, carport, and ground mount solar PV).

### CT Solar Lease 2

The CT Solar Lease 2 fund was the second “solar PV fund” established using a combination of ratepayer funds and private capital. In developing this fund, which was fully utilized in 2017, the Green Bank sought to innovate both in the types of credits that would be underwritten and broaden the sources of capital in the fund. Before these innovations by the Green Bank, low cost financing was scarce to underwrite certain residential solar PV installations as well as installations on a “commercial scale” such as for municipal and school buildings, community oriented not-for-profit structures (all of which can’t take advantage of Federal tax incentives due to their tax-exempt status) as well as a vast array of for profit enterprises. These commercial-scale projects were historically the most difficult to finance: too small to attract investment funds, and similarly if aggregated to a size worthy of investment, comprised of off-takers that for the most part are non-investment grade or “unrated” credits that are difficult to underwrite in a manner that would permit deploying solar PV at scale. By prudently assessing these risks and operational issues, the Green Bank could obtain the support of the tax equity investor and Connecticut lenders – in the fund. CT Solar Lease 2 was the first fund to secure solar leases and power purchase agreements using a PACE lien – an innovation that has prompted California to introduce legislation to enable the same security arrangement for its businesses and not for profit organizations. The Green Bank’s leadership and innovation was recognized by the Clean Energy States Alliance “State Leadership in Clean Energy” award in 2016, and the Green Bank has continued its work on this front – solely with respect to commercial-scale projects – via a CT Solar Lease 3 fund.

The fund Solar Lease 2 (SL2), closed in FY17. Current activity is limited just to asset management.

### Solar Lease 3 and Onyx Partnership

At present the Green Bank operates a fund, Solar Lease 3 (SL3), that targets underserved commercial, industrial, municipal, and institutional customers that do not have the need for the tax credits associated with solar ownership. SL3 is due to close to new projects in the second half of 2018. It also operates a partnership with Onyx Development Group LLC to further the deployment of power purchase agreements in the commercial sector in Connecticut. This partnership is expected to continue through 30 September 2018.

The Green Bank expects to continue to support the growth of solar through similar vehicles and is engaging with Inclusive Prosperity Capital, Inc (Consultant) to manage the remainder of project acquisition for SL3 and Onyx and the same function and launch of a new vehicle to support these ends.

### REC Management

The Green Bank earns Renewable Energy Certificates (RECs) from a subset of its projects. Based on certain Green Bank transitioning employees experience and familiarity with the market for these RECs, the Consultant will provide guidance to the Green Bank on REC monetization.

## Chart of Product Responsibilities

General Tasks	Connecticut Green Bank Responsibility	Consultant Responsibility
<b>SL2/SL3 Capital Fund Management (US Bank)</b>		
Pipeline & Forecast Reports (Prepare & send)	X	
Traunching (Prepare documents, collect project & fund documents, & send)	X	
Fair Market Valuation/Cohn Reznick (Send documentation to Cohn Reznick for valuation, manage pricing on the valuations)	X	
<b>Project Origination &amp; Development</b>		
Pricing Requests (Review pricing requests from contractors and provide indicative PPA prices to contractors)	X	X
Underwriting (Financial underwriting for CPACE secured projects and non-IG projects)	X	X
Documentation Drafting (Prepare PPA, EPC, and ZREC for projects)	X	X
Legal Review	X	
<b>Project Closing &amp; Construction</b>		
Documentation Closing	X	X
Milestone Payments (Collecting documentation and paying EPC payments according to project schedule)	X	
Benefit Assessment Lien Filing (CPACE)	X	
<b>Asset Management</b>		
Billing (Creating schedule, invoicing customers, annual true-ups)	X	
Monitoring (Creating Locus portal, providing customer & O&M access, monitoring)	X	
Operations & Maintenance (Managing O&M provider & issues arising from projects)	X	
ZREC/LREC Process (PURA Filings, NEPOOL Registrations, RDAD Filings, PURA Compliance Filings)	X	
Reporting (Metrics, Financial, etc.)	X	X
Insurance Reporting	X	
Customer Relations (Problem Solving)	X	X

## Activities and Services to be performed by Consultant

The Consultant will perform services including but not limited to:

### **CT Solar Lease 2/3 Fund**

The Consultant will provide advice on existing SL3 pipeline projects with a focus on problem solving and relationship management for non-standard projects, legacy issues and will assist in underwriting new projects. The Consultant will provide advice and context with regard to existing projects in both funds in terms of operating problems that arise and asset management.

### **Onyx**

The Consultant will provide input and advice to facilitate the wind-down of the Onyx relationship specifically with regard to handing over existing pipeline projects to Onyx, determining/approving the final sourcing fee, and any additional ad hoc advice problem solving.

### **New Solar Fund**

The Consultant will lead in the fundraising efforts and transaction negotiation, with support from Green Bank staff for structuring and implementing a new commercial fund to achieve similar goals as the previous fund that can operate in markets including but not limited to Connecticut. The Green Bank is contracting and supporting only the Connecticut portion of this vehicle. The Green Bank, may assist and support the establishment the new Special Purpose Vehicle (SPV) as well as legal review of documentation.

As a part of the new Fund, the Consultant will be responsible for sourcing all investment into this Fund recognizing the Green Bank's right of first refusal for investing in the fund. The Consultant will be responsible for the operation and asset management functions of the new Fund however the Green Bank may play a role in supporting this depending on the structure, requirements, and resources. The Consultant will, as needed or requested by the Green Bank, provide advice with regard to, but not limited to, the underwriting of specific projects and the engagement and management of new and existing contractors.

The Parties recognize that this Fund is expected to operate not just in Connecticut. The Consultant is permitted to work on any aspects related to the expansion the fund outside of Connecticut including but not limited to:

- Sourcing and structuring additional sources of financing, if necessary (i.e. geography-specific)
- Establishing and managing relationships with new (non-Connecticut) contractors
- Modifying documentation / process to take into account any non-Connecticut state requirements

### **Renewable Energy Credit Market Guidance**

The Consultant shall provide advice as requested by the Green Bank in terms of current market activity and pricing for Renewable Energy Credits (RECs). The Consultant, in conjunction with the Green Bank, may identify potential counterparties and negotiate transactions where the Green Bank sells its RECs to a third party.



## Activities and Services to be performed by Connecticut Green Bank

### **New Commercial Solar Fund (Consultant as managing member):**

The Green Bank will continue its project origination and development tasks (per the Project Flow Chart referenced above) for the benefit of the new solar Fund falling under the purview of the Consultant.

- The Green Bank may provide initial accounting support to set up the SPV, SPV reporting, management of funds related to each tranche, fund accounting as per the MOU.
- The Green Bank may provide the legal support to set up the SPV, review fund documents, review Connecticut PPA project-level documents, and CPACE, ZREC filings. This arrangement will be finalized based on the scope of the Solar Fund.
- The Green Bank's Finance team will provide project management for Connecticut PPA projects (per Product Flow Chart above) including: pricing, underwriting, documentation drafting, doc negotiation, project due diligence (EPC requirements etc.), O&M management, asset management, and true-ups.
- The Green Bank may manage milestone payments, and billing using financial resources provided by Consultant and the Fund.
- In collaboration with the Consultant, the Green Bank's Marketing Team will support the marketing of the new Fund including but not limited to:
  - Collateral development and support – Creation and maintenance/updating of print materials describing and selling the Green Bank Solar PPA
  - Website support – Creation and maintenance/updating of Green Bank Solar PPA pages on the CT Green Bank (ctgreenbank.com) and C-PACE (cpace.com) webpages
- The Green Bank Finance team will maintain project records in accordance with existing processes in Salesforce.

### **Renewable Energy Credit Market Guidance**

- The Green Bank will determine the quantity of RECs produced and work in conjunction with the Consultant to determine the best counterparty to whom to sell the RECs. The transaction will be executed by the Green Bank.

## Staff Allocation – Green Bank

- Laura (Origination/Project Development/Diligence/Asset Management)
- Louise (Origination/Project Development/Diligence/Asset Management)
- Fiona (Origination/Project Development/Diligence/Asset Management/REC Monetization)
- Mike (legacy investment support – SL2/SL3 focus)
- Catherine (Construction Milestones/ ZREC Process)
- Natalia (Billing)
- George (Accounting/Tranching/Audit)
- Alex/BF (Legal)
- Rob (Marketing?)

## Staff Allocation – Consultant

- Ben

## Budget

The Green Bank will pay the Consultant monthly, with an annual not to exceed amount of \$173,125 based on the program administration and human capital components as described in the PSA.

	<b>Commercial Solar</b>
<b>Human Capital Fee Component</b>	\$ 170,523.08
<b>Administration Fee Component</b>	\$ 2,599.98
<b>NTE (1 Year)</b>	\$ 173,125.00
<b>6 Year projected assuming no increase in Program Admin costs</b>	\$ 782,953.74

The budget and fees (based on headcount and administration) will be revisited annually by the two organizations to determine the cost of operating the program to achieve targets as outlined in the PSA. As a part of this review, the Consultant will review their financials with the Green Bank quarterly to determine if there are operating cost savings resulting from a growth in scale. In the event of any savings are found, these will be passed on to the Green Bank in the form of a fee reduction on a pro-rata basis based on the size of the overall contracts of all participating clients of the consultant.

The combined budget for the Solar Fund Management across both organizations for FY19 is as follows:

Program Code - Program Name	Account Number	All Solar Fund		
		FY19 Budget	FY19 Budget (NP)	FY19 Budget Consolidated
<b><u>Administrative Expenses</u></b>				
<b><u>Compensation and benefits</u></b>				
- Salaries & Wages	Salaries	460,041	121,802	581,843
- Employee Benefits	Benefits	377,234	48,721	425,954
- Temporary employees	677300	-	-	-
<b><u>Program development and administration</u></b>				
- Program development costs	680030	-	-	-
- Program administration costs	680040	-	-	-
- Technical Administrator	680020	-	-	-
- Technology support costs	680080	-	-	-
- Municipal fees	680010	-	-	-
- Project Inspection fees	680070	-	-	-
- Third party loan servicing fees	680100	-	-	-
<b><u>EM&amp;V</u></b>	683100	-	-	-
<b><u>Marketing expenses</u></b>	MKTG	4,000	-	4,000
<b><u>Legal expenses (BF to budget)</u></b>	682200	8,000	-	8,000
<b><u>Other expenses</u></b>				
- Consulting/Advisory	681100	-	-	-
- Subscriptions	689070	-	-	-
- Training/education	689075	-	765	765
- Travel, meeting& related expenses	689300	-	1,835	1,835
<b><u>Overhead Costs Allocated to Program:</u></b>				
<b><u>Rent and location related expenses</u></b>				
- Rent/Utilities/Maintenance	687050	33,282	-	33,282
- Telephone/Communications	689020	11,067	-	11,067
- Depreciation FF&E	Depr	7,478	-	7,478
<b><u>Office, computer &amp; other expenses</u></b>				
- Office expense	Office	11,094	-	11,094
- IT operations	IT	37,315	-	37,315
<b>Total administrative expenses</b>		<b>949,511</b>	<b>173,123</b>	<b>1,122,634</b>

## Technology

For Fiscal year 2019, the Solar Fund will leverage the same technology it presently does including Salesforce, Locus, Green Bank Data Warehouses and Pardot. All will continue to be used in a similar manner in which they are presently used. Any change must be approved by the Green Bank Director of Operations before being implemented.

The Green Bank and the Consultant will continue to build and issue the existing reports, dashboards, and asset management functionality and the Consultant will facilitate the Green Bank's efforts to automate these.

## Other Resources

The Green Bank will provide upon request, consistent with any applicable licensing requirements, access to the Sustainable Energy Advantage's REMO market analyses.

## Targets and Milestones

Each year the Green Bank and the Consultant will meet to discuss and set targets and milestones.

### Targets

In FY 2019, the Consultant shall work with the Green Bank to deliver 25 PPA/Leases in SL3, Onyx, and the new Solar Fund for \$14,062,500 and an installed capacity of 6.3 MW.

The Consultant will meet with the Green Bank staff at least quarterly to review progress to these targets.

### Milestones

- The aforementioned new Solar Fund will be launched by the Consultant by December 31, 2018.
- The Consultant will provide the Green Bank an opportunity to invest in the new Solar Fund by August 1, 2018.
- The Consultant and the Green Bank will meet quarterly to discuss any inventory of Green Bank RECs and their sale.

## STANDARD PROFESSIONAL SERVICES AGREEMENT

This Standard Professional Services Agreement (“Agreement”) is made on July 2, 2018 (“Effective Date”), by and between the CONNECTICUT GREEN BANK (“Green Bank”), a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, CT 06067, and Inclusive Prosperity Capital, Inc. (“Consultant”), having its business address at 845 Brook Street, Rocky Hill, CT 06067. Green Bank and Consultant together are the Parties and each individually is a Party to this Agreement.

**WHEREAS**, the Green Bank makes both programmatic and extra-programmatic loans to specific projects and companies to further its mission including those specifically that allow the Green Bank to reduce the energy burden of Low-to-Moderate Income (“LMI”) Communities in the state of Connecticut; and

**WHEREAS**, the Connecticut General Assembly has redirected the funds from the system benefit charge limiting the reach of the Green Bank; and

**WHEREAS**, the Green Bank seeks to continue to reduce the energy burden of the most vulnerable in the state; and

**WHEREAS**, the Green Bank has participated in the formation of the Consultant, as a 501(c)(3) nonprofit, and entered into a memorandum of understanding with the Consultant (the MOU) to provide a general framework of support on a transitional basis, as part of its participation in the formation and initial operations of the Consultant; and

**WHEREAS**, the staff of the Consultant are intimately familiar with the many of the existing investments of the Green Bank especially the Green Bank’s initiatives in the LMI market segment;

**NOW, THEREFORE**, Green Bank and Consultant, intending to be legally bound, agree as follows:

- 1. Scope of Services.** Consultant shall provide Green Bank with professional consulting services (“Work”) as detailed in Consultant’s proposal in Attachment A, which is incorporated into this Agreement. In the event of a conflict between the terms and conditions in this Agreement and the terms and conditions in the Proposal, this Agreement shall control.
- 2. Period of Performance.** Green Bank agrees to retain Consultant, and Consultant agrees to perform the Work under this Agreement, from the Effective Date through June 30, 2024 (“Period of Performance”), unless earlier terminated in accordance with Section 8 of this Agreement. The Parties can extend the Period of Performance only by a written amendment to this Agreement signed and dated by Green Bank and Consultant.

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**3. Payment.** Green Bank agrees to pay Consultant for the Work performed under the Proposal, as set forth in the Proposal, but in an amount not-to-exceed \$292,161 inclusive of fees and any other expenses for year one only and will be revised annually as part of the annual budget process referenced below.

This payment is comprised of two components: Program Administration and Human Capital. The Program Administration will be paid monthly and represents the costs charged back to the Green Bank for administering the Work that is more effectively and efficiently managed by the Consultant minus any savings achieved through efficiencies and scale. The Green Bank agrees to pay Program Administration expenses as set forth in the budget in Attachment A. This will be reviewed and adjusted on a regular basis between the parties to reflect the cost savings and updated targets as set forth in Attachment A and the MOU. The Human Capital component will be paid monthly, in advance, and is comprised of the agreed upon staffing levels needed to execute the Work. For the first three years of this PSA, the Green Bank agrees to pay 100% of the cost of the headcount as set forth in Attachment A. For the Second three years, the Green Bank agrees to pay 50% of the cost of the headcount. The staffing levels will be reviewed as part of the annual budgeting process.

**THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY GREEN BANK AND CONSULTANT PRIOR TO ANY WORK TO BE PERFORMED BY CONSULTANT WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.**

**4. Invoices.** Consultant shall submit invoices to Green Bank beginning on July 2, 2018 for amounts due to Consultant pursuant to the Proposal with sufficient detail to demonstrate Consultant's provision of the work under the Proposal. All invoices shall be subject to Green Bank's approval for conformity with the terms and conditions of this Agreement. For approved invoices, Green Bank will pay Consultant within thirty (30) days of receipt by Green Bank of an invoice. Consultant agrees to include the PSA #, which can be found at the top of this Agreement, on all invoices submitted to Green Bank in connection with Work performed under this Agreement. Invoices shall be submitted to:

Connecticut Green Bank  
845 Brook Street  
Rocky Hill, CT 06067  
Attn: Accounts Payable Department

**UNDER NO CIRCUMSTANCES WILL GREEN BANK ACCEPT INVOICE(S) SUBMITTED BY CONSULTANT WHICH THE TOTAL AMOUNT OF THE INVOICE(S) EXCEEDS THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT. THE NOT-TO-EXCEED AMOUNT WILL BE REVISED ON AN ANNUAL BASIS.**

5. **Subcontracting or Assignment.** Consultant shall not subcontract, assign, or delegate any portions of the Work under this Agreement to any other person or entity not identified in Section 3, above, without prior written approval from Green Bank.

6. **Independent Contractor.** Consultant understands that it is acting as an independent contractor and shall not hold itself out as representing or acting in any manner on behalf of Green Bank except within the Proposal or any other active agreements between Green Bank and Consultant.

7. **Disclosure of Information.** Consultant agrees to disclose to Green Bank any information discovered or derived in the performance of the Work required under this Agreement. Consultant shall not disclose to others any such information, any information received or derived in performance of this Agreement, or any information relating to Green Bank without the prior written permission of Green Bank, unless such information is otherwise available in the public domain.

8. **Termination.** (a) This Agreement may be terminated by a non-breaching Party upon giving prior written notice to the breaching Party of a breach of this Agreement with an opportunity to cure (which shall be not less than ninety days after formal notice by the non-breaching Party).

(b) Green Bank may terminate this Agreement upon giving prior written notice to the Consultant of a breach of any grant agreement between Green Bank and Consultant with an opportunity to cure (which shall be not less than ninety days after formal notice by Green Bank).

(c) In the event of such termination, Green Bank shall be liable only for payment in accordance with the payment provisions of the Agreement for the Work actually performed prior to the date of termination.

(d) If this Agreement is not renewed at the end of the Period of Performance, or is terminated for any reason, Consultant must provide for a reasonable, mutually agreed period of time after the expiration or termination of this Agreement, all reasonable transition assistance requested by Green Bank, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to Green Bank or its designees. Such transition assistance will be deemed by the Parties to be governed by the terms and conditions of this Agreement, except for those terms or conditions that do not reasonably apply to such transition assistance. Green Bank will pay Consultant for any resources utilized in performing such transition assistance at the most current rates provided by this Agreement. If there are no established contract rates, then the rate shall be mutually agreed upon. If Green Bank terminates this Agreement for cause, then Green Bank will be entitled to offset the cost of paying Consultant for the additional resources Consultant utilized in providing transition assistance with any damages Green Bank may have otherwise accrued as a result of said termination..

9. **Indemnification and Limitation of Liability.** Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Green Bank, its officers, directors, and employees against all damages, liabilities, or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom the Consultant is legally liable.

Neither Party shall be liable to the other Party for indirect, incidental, punitive, special, or consequential damages arising out of this Agreement, even if the Party has been informed of the possibility of such damages, including but not limited to, loss of profits, loss of revenues, failure to realize expected savings, loss of data, loss of business opportunity, or similar losses of any kind. However, this limitation shall not apply to the indemnification obligations set forth above or to damages of any kind related to criminal, intentional, reckless, or grossly negligent conduct or omissions on the part of either Party.

10. **Quality of Service.** Consultant shall perform the Work with care, skill, and diligence in accordance with the applicable professional standards currently recognized by its profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all work product and/or Work furnished under this Agreement. If Consultant fails to meet applicable professional standards, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in any work product and/or Work furnished under this Agreement.

11. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and all other provisions shall remain in full force and effect. If any provision of this Agreement is held to be excessively broad, then that provision shall be reformed and construed by limiting and reducing it to be enforceable to the maximum extent permitted by law.

12. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties hereto, and supersedes any previous agreement or understanding. This Agreement with respect to the subject matter hereof may not be modified or extended except in writing executed by the Parties.

13. **Governing Law.** The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Connecticut. All disputes which arise in connection with, or in relation to, this Agreement or any claimed breach thereof shall be resolved, if not sooner settled, by litigation only in Connecticut or the Federal Court otherwise having subject matter jurisdiction over the dispute and not elsewhere, subject only to the authority of the Court in question to order changes of venue. To this end, Consultant waives any rights it may have to insist that litigation related to this Agreement to which Consultant is a party be had in any venue other than the above court, and covenants not to sue Green Bank in court other than the above courts with respect to any dispute related to this Agreement.



**14. State Contracting Obligations.** Consultant understands and agrees that Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Consultant agrees to comply for the Period of Performance with the state contracting obligations in this Section 14. For purposes of this Section 14, Contractor and Consultant shall have the same meaning and Contract and Agreement shall have the same meaning.

Conn. Gen. Stat. § 4a-60(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit

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access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.”

Conn. Gen. Stat. § 4a-60a(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.”

Nondiscrimination Certification. Consultant represents and warrants that, prior to entering into this Agreement, Consultant has provided Green Bank with documentation evidencing Consultant's support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Consultant is attached.

Campaign Contribution Restrictions. For all state contracts, as defined in Conn. Gen. Stat. § 9-612(g)(1)(C), having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice

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advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See <http://www.ct.gov/dpw/lib/dpw/Form11SEEC.pdf>.

Occupational Safety and Health Act Compliance. Consultant certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

Consulting Agreements. Consultant hereby swears and attests as true to the best knowledge and belief that no consulting agreement, as defined in Conn. Gen. Stat. § 4a-81, has been entered into in connection with this Agreement. Contractor agrees to amend this representation if and when any consulting agreement is entered into during the term of the Contract. See Affidavit Regarding Consulting Agreements, attached.

**15. Limitation on Recourse.** All liabilities and obligations of Green Bank under this Agreement are subject and limited to the funding available under Connecticut law.

**16. Non-impairment and Assessment.** As a further inducement for the Consultant to enter into this Agreement, subsection (h) of section 16-245n of the Conn. General Statutes is incorporated into this Agreement.

**17. Freedom of Information Act.** Green Bank is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by Green Bank pursuant to an FOIA request, Consultant should specifically and in writing identify to Green Bank the information that Consultant claims to be exempt. Consultant should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

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Consultant acknowledges that (1) Green Bank has no obligation to notify Consultant of any FOIA request it receives, (2) Green Bank may disclose materials claimed by Consultant to be exempt if in its judgment such materials do not appear to fall within a statutory exemption, (3) Green Bank may in its discretion notify Consultant of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but Green Bank has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Consultant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall Green Bank or any of its officers, directors, or employees have any liability for the disclosure of documents or information in Green Bank's possession where Green Bank, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

**18. Counterparts.** This Agreement may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same agreement.

[Signature page follows]

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**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first above written.

**CONNECTICUT GREEN BANK**

By: \_\_\_\_\_  
Bryan T. Garcia, President and CEO

**INCLUSIVE PROSPERITY CAPITAL, INC.**

By: \_\_\_\_\_  
INSERT NAME  
INSERT TITLE



**PSA # 5413; Inclusive Prosperity Capital, Inc. (Investment Management)**



**STATE OF CONNECTICUT  
CERTIFICATION OF STATE AGENCY OFFICIAL OR EMPLOYEE  
AUTHORIZED TO EXECUTE CONTRACT**

*Certification to accompany a State contract, having a value of \$50,000 or more, pursuant to Connecticut General Statutes §§ 4-250 and 4-252(b), and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Sign and date in the presence of a Commissioner of the Superior Court or Notary Public. Submit to the awarding State agency at the time of contract execution.

**CERTIFICATION:**

I, the undersigned State agency official or State employee, certify that (1) I am authorized to execute the attached contract on behalf of the State agency named below, and (2) the selection of the contractor named below was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Contractor Name

Connecticut Green Bank  
Awarding State Agency

\_\_\_\_\_  
State Agency Official or Employee Signature

\_\_\_\_\_  
Date

Bryan T. Garcia  
Printed Name

President and CEO  
Title

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Commissioner of the Superior Court  
or Notary Public

\_\_\_\_\_  
My Commission Expires



**STATE OF CONNECTICUT  
GIFT AND CAMPAIGN CONTRIBUTION CERTIFICATION**

*Written or electronic certification to accompany a State contract with a value of \$50,000 or more, pursuant to C.G.S. §§ 4-250, 4-252(c) and 9-612(f)(2) and Governor Dannel P. Malloy's Executive Order 49.*

**INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any lawful campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of initial contract execution and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier. Such person shall also submit an accurate, updated certification not later than fourteen days after the twelve-month anniversary of the most recently filed certification or updated certification.

CHECK ONE:  Initial Certification  12 Month Anniversary Update (Multi-year contracts only.)  
 Updated Certification because of change of information contained in the most recently filed certification or twelve-month anniversary update.

**GIFT CERTIFICATION:**

As used in this certification, the following terms have the meaning set forth below:

- 1) "Contract" means that contract between the State of Connecticut (and/or one or more of its agencies or instrumentalities) and the Contractor, attached hereto, or as otherwise described by the awarding State agency below;
- 2) If this is an Initial Certification, "Execution Date" means the date the Contract is fully executed by, and becomes effective between, the parties; if this is a twelve-month anniversary update, "Execution Date" means the date this certification is signed by the Contractor;
- 3) "Contractor" means the person, firm or corporation named as the contractor below;
- 4) "Applicable Public Official or State Employee" means any public official or state employee described in C.G.S. §4-252(c)(1)(i) or (ii);
- 5) "Gift" has the same meaning given that term in C.G.S. § 4-250(1);
- 6) "Principals or Key Personnel" means and refers to those principals and key personnel of the Contractor, and its or their agents, as described in C.G.S. §§ 4-250(5) and 4-252(c)(1)(B) and (C).

I, the undersigned, am a Principal or Key Personnel of the person, firm or corporation authorized to execute this certification on behalf of the Contractor. I hereby certify that, no gifts were made by (A) such person, firm, corporation, (B) any principals and key personnel of the person firm or corporation who participate substantially in preparing bids, proposals or negotiating state contracts or (C) any agent of such, firm, corporation, or principals or key personnel who participates substantially in preparing bids, proposals or negotiating state contracts, to (i) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts who participates substantially in the preparation of bid solicitations or request for proposals for state contracts or the negotiation or award of state contracts or (ii) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency.

I further certify that no Principals or Key Personnel know of any action by the Contractor to circumvent (or which would result in the circumvention of) the above certification regarding Gifts by providing for any other Principals, Key Personnel, officials, or employees of the Contractor, or its or their agents, to make a Gift to any Applicable Public Official or State Employee. I further certify that the Contractor made the bid or proposal for the Contract without fraud or collusion with any person.



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CAMPAIGN CONTRIBUTION CERTIFICATION:

I further certify that, on or after January 1, 2011, neither the Contractor nor any of its principals, as defined in C.G.S. § 9-612(f)(1), has made any campaign contributions to, or solicited any contributions on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support, any candidate for statewide public office, in violation of C.G.S. § 9-612(f)(2)(A). I further certify that all lawful campaign contributions that have been made on or after January 1, 2011 by the Contractor or any of its principals, as defined in C.G.S. § 9-612(f)(1), to, or solicited on behalf of, any exploratory committee, candidate committee, political committee, or party committee established by, or supporting or authorized to support any candidates for statewide public office or the General Assembly, are listed below:

Lawful Campaign Contributions to Candidates for Statewide Public Office:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Lawful Campaign Contributions to Candidates for the General Assembly:

<u>Contribution Date</u>	<u>Name of Contributor</u>	<u>Recipient</u>	<u>Value</u>	<u>Description</u>

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Inclusive Prosperity Capital, Inc.  
Printed Contractor Name

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

Subscribed and acknowledged before me this        day of        , 20

\_\_\_\_\_  
Commissioner of the Superior Court (or Notary Public)

\_\_\_\_\_  
My Commission Expires

**PSA # 5413; Inclusive Prosperity Capital, Inc. (Investment Management)**



**STATE OF CONNECTICUT  
CONSULTING AGREEMENT AFFIDAVIT**

*Affidavit to accompany a bid or proposal for the purchase of goods and services with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b). For sole source or no bid contracts the form is submitted at time of contract execution.*

**INSTRUCTIONS:**

If the bidder or vendor has entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1): Complete only the shaded section of the form. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency with bid or proposal. For a sole source award, submit completed form to the awarding State agency at the time of contract execution.

This affidavit must be amended if there is any change in the information contained in the most recently filed affidavit not later than (i) thirty days after the effective date of any such change or (ii) upon the submittal of any new bid or proposal, whichever is earlier.

AFFIDAVIT: [Number of Affidavits Sworn and Subscribed On This Day: \_\_\_\_\_]

I, the undersigned, hereby swear that I am a principal or key personnel of the bidder or contractor awarded a contract, as described in Connecticut General Statutes § 4a-81(b), or that I am the individual awarded such a contract who is authorized to execute such contract. I further swear that I have not entered into any consulting agreement in connection with such contract, except for the agreement listed below:

_____		<u>Inclusive Prosperity Capital, Inc.</u>
<b>Consultant's Name and Title</b>		Name of Firm (if applicable)
<u>July 2, 2018</u>	<u>July 1, 2021</u>	_____
Start Date	End Date	Cost

Description of Services Provided: Service Green Bank's programmatic and extra-programmatic loans to specific projects and companies to further its mission including those specifically that allow the Green Bank to reduce the energy burden of Low-to-Moderate Income ("LMI") Communities in the state of Connecticut.

Is the consultant a former State employee or former public official?  YES  NO

If YES: \_\_\_\_\_  
Name of Former State Agency Termination Date of Employment

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

<u>Inclusive Prosperity Capital, Inc.</u>	_____	_____
Printed Name of Bidder or Contractor	Signature of Principal or Key Personnel	Date
	_____	Connecticut Green Bank Awarding State Agency
	Printed Name (of above)	

Sworn and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court  
or Notary Public

\_\_\_\_\_  
My Commission Expires

**PSA # 5413; Inclusive Prosperity Capital, Inc. (Investment Management)**

**CERTIFICATION REGARDING INVESTMENTS IN IRAN (Public Act No. 13-162)**

**For certain contracts or series or combination of contracts with a total value of more than \$500,000 in a calendar or fiscal year**

**CHECK ONE:**     Initial Certification         Amendment or Renewal

As used in this affidavit and certification, the following terms have the meaning set forth below:

1. "Entity" means any corporation, general partnership, limited partnership, limited liability partnership, joint venture, nonprofit organization or other business organization whose principal place of business is located outside of the United States, but excludes any United States subsidiary of a foreign corporation.
2. "Large State Contract" means an agreement or a combination or series of agreements between a state agency or a quasi-public agency and a person, firm or corporation, having a total value of more than five hundred thousand dollars in a calendar or fiscal year, for (A) a project for the construction, alteration or repair of any public building or public work, (B) services, including, but not limited to, consulting and professional services, (C) the procurement of supplies, materials or equipment, (D) a lease, or (E) a licensing arrangement. The term "large state contract" does not include a contract between a state agency or a quasi-public agency and a political subdivision of the state.
3. "Quasi-public agency" has the same meanings as provided in Section 1-79 of the Connecticut General Statutes.
4. "Respondent" means the name of the entity which is entering into a large state contract with the Quasi-public agency.

**CHECK APPLICABLE BOX:**

Respondent's principal place of business is located within the United States or Respondent is a United States subsidiary of a foreign corporation. Respondents who check this box are **not** required to complete the certification portion of this form below but must still submit this form prior to submitting a bid or proposal for a large state contract.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Respondent's principal place of business is located outside of the United States and it is not a United States subsidiary of a foreign corporation. Respondents who check this box are required to complete the certification portion of this form below and must submit the form prior to submitting a bid or proposal for a large state contract.

**CERTIFICATION:**

Respondent has not made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010.

Respondent has either made a direct investment of twenty million dollars or more in the energy sector of Iran on or after October 1, 2013, as described in Section 202 of the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or Respondent has made such an investment prior to October 1, 2013 and has now increased or renewed such an investment on or after October 1, 2013, or both.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Subscribed and sworn to before me, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court  
(or Notary Public)

# Investment Management Scope

## Product Description

In support of its mission, both as a part of, and separate from, its programs, the Connecticut Green Bank (“Green Bank”) finances individual organizations and projects. It also supports market convening initiatives that further support these investments. Inclusive Prosperity Capital, Inc. (“the Consultant”) will provide ongoing management services with regard to specific investments made by the Green Bank and support future investments made by the Green Bank. The management of the PosiGen Solar for All Partnership in Connecticut will be a primary investment for which the Green Bank is engaging the consultant at this point.

### **PosiGen Solar for All Partnership**

The Connecticut “Solar for All” program is a public-private partnership that facilitates the installation of solar PV and energy efficiency measures on low-to-moderate income (LMI) residences through a solar lease and energy savings agreement (ESA) financing model. PosiGen, the project developer and owner, offers a low-cost 20-year solar PV lease with an optional energy savings agreement that provides up to \$2,400 of energy efficiency improvements. The solar lease offered by PosiGen is a non-escalating product that requires no upfront payment by the customer, and the ESA (if applicable) is repaid by the customer via a \$10/month payment over a 10-year term. PosiGen uses an alternative underwriting approach to qualify customers for the solar PV lease and ESA rather than a traditional credit score measure approach. This alternative underwriting technique examines factors such as bill payment history, as well as bad debt and bank databases, and opens the market to customers who may not have otherwise qualified for a solar PV product, or were too intimidated to apply for a solar PV product that relies on traditional credit scores.

PosiGen’s solar PV lease is supported in Connecticut by an elevated LMI performance-based incentive (PBI) via the Green Bank’s Residential Solar Investment Program. This elevated incentive is applied to projects on residences where the homeowner earns less than 100% of the Area Median Income for the geography in which they live. The elevated incentive allows PosiGen to offer a lower lease price to customers than would be possible otherwise at current market conditions.

In addition to administering the LMI PBI the Green Bank supplied an initial debt facility of \$5 million to PosiGen’s Connecticut lease funds, which finances the underlying solar PV and energy efficiency measures. By means of subordination and financial structuring, the Green Bank debt facility has since attracted an additional \$8.5 million in senior private debt in the Connecticut lease funds provided by Enhanced Capital and Stonehenge Capital, totaling upwards of \$40-50 million in lease financing for solar and energy efficiency measures targeting LMI homeowners.

Lastly, the Green Bank provides marketing and outreach support to PosiGen’s community campaigns and accelerate the adoption of clean energy solutions that help low-to-moderate income households reduce their energy burdens.

### **Green and Healthy Homes Initiative**

In general support of the Low-to-Moderate Income market, the Green Bank has acted as the convener of the Green and Health Homes Initiative in Connecticut. The Consultant will represent the Green Bank

with regards to this initiative and will manage the initiative on the Green Bank’s behalf. In June 2017, the Green Bank and its project partners launched Phase I of Connecticut’s Green and Healthy Homes project. During this phase, GHHI evaluated the efficacy of comprehensive weatherization, energy efficiency and health-based housing interventions in the state that could produce long-term energy, health and safety benefits for Connecticut residents. Various stakeholder convenings were held including a convening with over 20 organizations from the health, housing and energy sector as well as representatives from the health systems industry.

The Phase I pre-feasibility research included the identification and assessment of the key opportunities and barriers to the implementation of an integrated health and energy services delivery model in Connecticut and the likelihood of the project’s eventual success as well as:

- Research supporting the effects of comprehensive, integrated health, energy and housing interventions compliant with applicable state and local laws including but not limited to: asthma trigger reduction, household injury prevention, lead poisoning prevention, energy efficiency measures and other home-based environmental health hazard remediation interventions.
- A preliminary analysis of the potential for return on investment, in the form of health care costs savings and energy cost burden reductions because of an integrated service delivery model in Connecticut. This is contained in the Needs Justification Statement that was published.
- Opportunities for scaling an integrated health and energy services delivery program model beyond the initial pilot project phase.
- Opportunities for aligning this approach with existing state or local policy priorities, and identifying policies that could be initial barriers to the advancement or coordination of this approach.
- Preliminary research into Connecticut’s capacity to implement a statewide program where public and private insurers or other capital investment models could provide funds for activities associated with preventive health education, environmental hazard reduction and energy retrofits in homes. Selected activities would deliver measurable cost-savings to the health care system and/or the investors, using synchronized intervention implementation and data collection mechanisms.

The Phase I Project Pre-Feasibility Research is complete. Phase II will launch in 2018 and focus on a Pilot Project Design and Implementation Strategy, which will establish a Connecticut Green & Healthy Homes statewide, integrated health, energy and housing services delivery model.

## Functional Responsibility

### PosiGen Solar for All Partnership

	Consultant Responsibility	Connecticut Green Bank Responsibility
<b>Investment Management</b>		
Monitoring fund collateral	✓	✓
Monitoring capital repayment	✓	

Monitoring compliance with credit agreement and all related project documents (e.g. inter-creditor agreements with 3 <sup>rd</sup> party capital counterparties)	✓	✓
Ad-hoc financial advisory services to the Green Bank, PosiGen, and other capital providers	✓	
<b>Production-Based Incentive Management</b>		
PBI application review and processing <ul style="list-style-type: none"> <li>- Verifying proper documentation is submitted to receive an RSIP incentive</li> <li>- Verifying proper documentation is submitted for projects that receive the LMI PBI</li> </ul>		✓
Review of project completion paperwork		✓
Oversight of contractors – adherence to compliance standards (inspections), and RSIP terms and conditions		✓
Monitoring System Production for the purposes of: <ul style="list-style-type: none"> <li>- Processing PBI payments to PosiGen</li> <li>- Creating SHRECs</li> </ul>	✓	✓
	<b>Consultant Responsibility</b>	<b>Connecticut Green Bank Responsibility</b>
<b>Partnership Management</b>		
PosiGen deployment strategy	✓	✓
PosiGen product pricing and offering review and approval	✓	✓
Review of Incentive Levels for RSIP LMI	✓	
Setting of Incentive Levels for RSIP LMI		✓
<b>Marketing</b>		
Provide consultation and support on marketing campaigns, community outreach strategies and customer acquisition techniques	✓	✓
Ongoing contractor engagement, including regular communications and trouble-shooting	✓	✓
Approve marketing collateral and co-branded marketing pieces	✓	✓
Staffing events, workshops, meetings, etc.		✓
<b>Administrative</b>		
Managing online administrative platform for performance-based incentives		✓
Managing pipeline reports, metrics received and other data requests/requirements	✓	✓
Performing bi-annual document audits for projects receiving the LMI PBI	✓	✓
Management Reporting	✓	✓

## Green and Healthy Homes Initiative

	Consultant Responsibility	Connecticut Green Bank Responsibility
<b>Project Management</b>		
Managing GHHI staff and ensuring all deliverables outlined in the Phase II Scope of Work are met	✓	
Engaging and communicating with project partners	✓	
Securing foundation funding for project continuation	✓	
Providing input and review on the pilot strategy developed by GHHI	✓	✓
Establishing goals and Scope of Work for Phase III of the GHHI program	✓	✓
<b>Administration</b>		
Coordinating and participating in regular project check in calls	✓	✓
Executing and managing project contract with GHHI	✓	✓
Managing project reporting, including to CGB management and federal Department of Energy	✓	✓

## Activities and Services to be performed by Consultant

Outlined above and summarized below:

### Solar for All Partnership

Consultant will be responsible for managing the Green Bank’s investments in PosiGen lease funds, including investments in PosiGen’s Connecticut solar PV and energy efficiency lease funds as well as any working capital loans provided to the company. These asset management services shall include monitoring fund collateral, capital repayment, and PosiGen and other capital providers’ (to the extent applicable/relevant) compliance with the terms of the credit agreement.

In coordination with Green Bank, and as outlined in the Functional Responsibility table above, Consultant will be responsible for providing marketing and outreach support and consultation to PosiGen to assist in meeting the Green Bank’s goals for solar PV deployment under the “Solar for All” program. Responsibilities include providing input and guidance to PosiGen on the company’s overall marketing strategy and community-based campaigns.

Consultant will work with Green Bank to track PosiGen’s progress towards the goals established by Green Bank for LMI solar PV deployment. This includes monitoring PosiGen’s pipeline reports, tracking closed projects and lost projects, and consulting with the company to address any failures to achieve the program goals.

In conjunction with the Green Bank, the Consultant will administer the survey of PosiGen customers and facilitate any other Evaluation, Measurement & Verification initiatives.

Lastly, Consultant will provide ad hoc support to Green Bank on relevant federal, state, or local grants and initiatives as they relate to the Green Bank's low-income solar activities.

### **Green and Healthy Homes Initiative:**

Consultant will be responsible for administering and managing the Green and Healthy Homes project on behalf of, and in coordination with, the Green Bank. Consultant responsibilities will include managing GHHI staff to ensure all project deliverables are completed according to the Phase II Scope of Work, reviewing GHHI work products and providing feedback/revisions as appropriate, managing project partner and foundation relationships, representing the Green Bank at meetings and events, and developing the Scope of Work for Phase III of the program.

### **Other Investment Management**

The Consultant may provide advice and management services including but not limited to Asset Management, project modeling, underwriting, loan modification, and due diligence for existing or future investments made by the Green Bank to third parties.

## **Activities and Services to be performed by Connecticut Green Bank**

### **PosiGen Solar for All Partnership**

The Green Bank will be responsible for managing PosiGen's participation in the Residential Solar Investment Program, and in particular the company's compliance with all requirements for accessing the tiered LMI incentive within the RSIP. These responsibilities include reviewing and approving any changes to PosiGen's solar PV lease offering in the Connecticut market, reviewing and approving PosiGen applications for the PBI and LMI PBI, monitoring PosiGen system production and providing PBI payments.

The Green Bank will also continue to provide marketing and outreach support for PosiGen's marketing strategy and community-based campaigns to further adoption of solar PV amongst LMI households and achieve energy burden reductions. Such support may include providing feedback on PosiGen's overall strategy, providing data to PosiGen to support their marketing strategy, attending outreach events with the company and reviewing and approving marketing collateral co-branded with Green Bank logos or other brand identities.

The Green Bank will also be responsible for managing any relevant federal, state, or local grants related to Green Bank's low income solar activities (including the partnership with PosiGen). Management responsibilities will include complying with any and all federal reporting requirements, management of grant funds as they relate to supporting the deployment of solar energy in LMI communities and/or PosiGen specifically.



## Green and Health Homes Initiative

The Green Bank will be responsible for executing and managing the Phase II contract with the Green and Healthy Homes Initiative (GHHI), and monitoring GHHI and the Consultant’s progress towards the milestones and deliverables outlined in the Phase II Project Scope of Work. To this end, Green Bank will participate in regular project check-ins, attend program-related events and maintain responsibility for reporting progress on the initiative as it may relate to any ongoing federal Department of Energy grants obtained by Green Bank.

## Staff Allocation – Green Bank

Emily Basham

Isabelle Hazlewood

Andrea Janecko

Kim Stevenson

## Staff Allocation – Consultant

Kerry O’Neill

Madeline Priest

Chris Magalhaes

Ben Healey

## Budget

The Green Bank will pay the Consultant monthly, with an annual not to exceed amount of \$292,161 based on the program administration and human capital components as described in the PSA.

	<b>Residential LMI</b>
<b>Human Capital Fee Component</b>	\$ 279,153.81
<b>Administration Fee Component</b>	\$ 13,006.29
<b>NTE (1 Year)</b>	\$ 292,161.00
<b>6 Year projected assuming no increase in Program Admin costs</b>	\$ 1,334,229.88

The budget and fees (based on headcount and administration) will be revisited annually by the two organizations to determine the cost of operating the program to achieve targets as outlined in the PSA. As a part of this review, the Consultant will review their financials with the Green Bank quarterly to determine if there are operating cost savings resulting from a growth in scale. In the event of any

savings are found, these will be passed on to the Green Bank in the form of a fee reduction on a pro-rata basis based on the size of the overall contracts of all participating clients of the consultant.

The combined budget for this scope of work across both organizations for FY19 is as follows:

<b>Program Code - Program Name</b>	<b>Account Number</b>	<b>All Residential Programs</b>		
		<b>FY19 Budget (CGB)</b>	<b>FY19 Budget (NP)</b>	<b>FY19 Budget Consolidated</b>
<b><u>Administrative Expenses</u></b>				
<b><u>Compensation and benefits</u></b>				
- Salaries & Wages	Salaries	114,097	199,396	313,492
- Employee Benefits	Benefits	93,559	79,758	173,318
- Temporary employees	677300	-	-	
<b><u>Program development and administration</u></b>				
- Program development costs	680030	200,000	-	200,000
- Program administration costs	680040	-	-	-
- Technology support costs	680080	-	-	-
- Project Inspection fees	680070	-	-	-
<b><u>EM&amp;V</u></b>	683100	30,000	-	30,000
<b><u>Marketing expenses</u></b>	MKTG	10,000	-	10,000
<b><u>Legal expenses (BF to budget)</u></b>	682200	10,000	-	10,000
<b><u>Other expenses</u></b>				
- Consulting/Advisory	681100	-	-	-
- Admin Services Fee (MerHydro)	680435	4,500	-	4,500
- Training/education	689075	-	5,252	5,252
- Travel,meeting& related expenses	689300	-	7,754	7,754
<b><u>Overhead Costs Allocated to Program:</u></b>				
<b><u>Rent and location related expenses</u></b>				
- Rent/Utilities/Maintenance	687050	8,256	-	8,256
- Telephone/Communications	689020	2,745	-	2,745
- Depreciation FF&E	Depr	1,855	-	1,855
<b><u>Office, computer &amp; other expenses</u></b>				
- Office expense	Office	2,752	-	2,752
- IT operations	IT	9,256	-	9,256
<b>Total administrative expenses</b>		<b>487,021</b>	<b>292,160</b>	<b>779,181</b>

## Technology

For Fiscal year 2019, the Consultant will leverage the same technology it presently does including Powerclerk, Locus, Survey Monkey, Salesforce and Pardot. All will continue to be used in a similar manner in which they are presently used. Any change must be cleared by the Green Bank Director of Operations before being implemented.

The Green Bank and the Consultant will continue to build and issue the existing reports and dashboards and the Consultant will facilitate the Green Bank's efforts to automate these.

## Other Resources

The Green Bank will provide the Consultant access to datasets, including but not limited to:

- Customer segmentation analyses (2014, 2017- PosiGen and RSIP)
- Experian data (2013, 2017)
- Census and demographic data, as consolidated and assembled by Green Bank
- Models developed and used to evaluate product impact on household energy burdens
- Any additional research that is commissioned through a relevant federal, state, or local grant related to LMI solar and/or energy efficiency

## Targets and Milestones

Each year the Green Bank and the Consultant will meet to discuss and set targets and milestones.

### Targets

In FY 2019, the Consultant shall work with the Green Bank and PosiGen to deliver 450 PPA/Leases for \$11,953,302 in Fair Market Value (FMV) and an installed capacity of 2.8 MW.

The Consultant will meet with the Green Bank staff at least Quarterly to review progress to these targets.

### Milestones

- Semi-Annually, the Consultant will review product offerings and operations with the Green Bank.
- The Consultant will, as needed, raise additional capital by June 30, 2019 for PosiGen's continued and expanded operations.
- The Consultant will work with the Green Bank and PosiGen to smooth the transition to a new tariff structure, including exploration of viable financing structures.
- Green Bank has established a goal of completing Phase II of the Green and Healthy Homes project by June 30, 2019.<sup>1</sup>

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<sup>1</sup> For a full list of activities to be performed see the "Connecticut Green Bank State of Connecticut Green & Healthy Homes Project GHHI Technical Assistance Contract Scope of Services – Phase II - Project Design and Implementation Strategy"

## License Agreement

**THIS LICENSE AGREEMENT** (“Agreement”) was made effective as of \_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”) by and between Connecticut Green Bank ("Licensor") and Inclusive Prosperity Capital, Inc. ("Licensee").

**WHEREAS**, Licensor is owner of certain content and materials and related intellectual property as further described in Exhibit A attached hereto and incorporated herein (“Licensor IP”);

**WHEREAS**, Licensor and the Licensee have entered into that certain Memorandum of Understanding dated July 2<sup>nd</sup>, 2018 that sets forth the agreement between the parties (the “MOU”);

**WHEREAS**, in accordance with the MOU, Licensor desires Licensee to manage the development and implementation of certain programs that will utilize the Licensor IP under professional services agreements (“PSA(s)”) executed between the parties or through various agreements with third parties outside the scope of the PSAs; and

**WHEREAS**, the parties desire that Licensee have a license to use the Licensor IP for the PSA(s) on the terms and conditions hereinafter set forth;

**NOW, THEREFORE**, in consideration of the promises and covenants contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **LICENSE**: Licensor agrees to and does hereby grant to Licensee an exclusive license to use the Licensor IP for the development and implementation of the programs under the PSA(s) and for other business with third parties for Licensee’s business (the “Purpose”) for the Term.
2. **WORK PRODUCT**. During the development and implementation of the services for the program under the PSA(s) (the “Services”), Licensee may create work product relating to the Licensor’s programs (the “Work Product”). The Work Product shall be deemed a ‘work made for hire’ under U.S. Copyright laws. If for any reason the Work Product is not deemed a ‘work made for hire’, Licensee agrees to and does hereby assign to Licensor all right, title and interest to such Work Product. The Work Product shall become a part of the Licensor IP that is licensed to Licensee for the Purpose hereunder.
3. **USE OF LICENSE**:
  - a. Licensor IP Oversight: The Licensee agrees to provide materials bearing any Licensor trademarks or any other materials containing Licensor IP licensed under this Agreement and any other related documents which may permit the Licensor to determine whether the

Licensee's use of such Licensor IP for the Purpose meets the standards, specifications and directions as may be provided to Licensee by the Licensor from time to time.

- b. **Rejection of Use:** The Licensor may prohibit the Licensee from using the Licensor IP, at its reasonable discretion, in any instances that are inconsistent with the Licensor's standards and guidelines, the PSAs or the MOU. The Licensee will bring such inconsistent use into compliance with Licensor's standards and guidelines, the PSAs or the MOU within ten (10) business days of Licensee's receipt of notice from Licensor or earlier if reasonably feasible.
4. **OWNERSHIP:** Licensee agrees that ownership of the Licensor IP and the goodwill relating thereto shall at all times vest in Licensor. Licensee agrees not to challenge, contest or question the validity of Licensor's ownership of the Licensor IP and related goodwill or any registration therein by Licensor and that any use of the Licensor IP by Licensee or third parties shall inure to the benefit of Licensor.
5. **RIGHTS TO NEW MATERIAL:** The Licensor shall retain all rights to the Licensor IP, including without limitation, the Work Product created by the Licensee directly in support of the management of the PSAs on behalf of the Licensor.
6. **INDEMNIFICATION:** In the event Licensee is named as a defendant in any action based on Licensee's use of the Licensor IP, Licensee agrees to promptly notify Licensor. Licensee hereby assumes all responsibility for and agrees to indemnify Licensor against any and all damages, losses, claims, suits or other expenses whatsoever arising out of Licensee's use of the Licensor IP, including Licensor's reasonable attorneys' fees.
7. **TERM:** This Agreement shall continue in operation until and unless terminated by Licensor upon giving thirty days prior written notice to Licensee for cause for breach of this Agreement with an opportunity to cure (which shall be no less than ninety days). The trademark license shall be reviewed and renewed on a triannual basis (the "Term"); provided, however, that the Term shall automatically be extended for an additional three year term upon the first triannual anniversary in the event the MOU has not been terminated on or prior to that date.
8. **CONSIDERATION:** Annually, the Licensor and the Licensee will review the financials of the Licensee during which it will be determined if there have been any cost savings or profit due to the growing scale of the Licensee's programs. If such a savings and profit can be identified, a prorated portion will be passed on to the Licensor in the form of a fee reduction.

9. ASSIGNMENT: This Agreement is not assignable without the prior written consent of Licensor and any assignment without such consent shall be null and void. This Agreement and the use of the Licensor IP by Licensee hereunder will inure to the benefit of each party, its successors, heirs and assigns.
10. CHOICE OF LAW/SURVIVAL: This Agreement shall be interpreted under the laws of the State of Connecticut without regard to conflict of law principles. Provisions 3, 4, 5, 7 and 9 and any other provisions that by their nature should survive expiration or termination will survive expiration or termination of this Agreement.
11. WAIVER: The waiver by either party of a breach of a provision of this Agreement shall not operate or be construed to invalidate the balance of the provisions contained in this Agreement, which shall continue to remain in effect.
12. SEVERABILITY: The finding by any court that a provision of this Agreement is invalid shall not operate or be construed to invalidate the balance of the provisions contained in this Agreement, which provisions shall continue to remain in full force and effect.
13. ENTIRE AGREEMENT; COUNTERPARTS: This Agreement contains the entire agreement between the parties relating to the subject matter hereof, and all prior proposals, discussions or writings are superseded hereby. The terms of this Agreement shall be binding upon and shall inure to the benefit of the parties and their successors, heirs and assigns. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one and the same agreement.

**IN WITNESS WHEREOF**, the parties hereto execute this Agreement by their duly authorized representatives on the date set forth above.

**Connecticut Green Bank**

**Inclusive Prosperity Capital, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A: LICENSOR IP**

Licensor IP:

- (1) Licensor's program names; Licensor's systems; Licensor's processes; Licensor's financial models; Licensor's documentation; and other Licensor program documents (SOPs, reporting files, loan documents and financing agreements)
- (2) Program marketing assets (e.g. collateral, digital/web assets, etc.)
- (3) Solar customer segmentation data and other market data
- (4) Branding guidelines for Licensor relationship (e.g. "Sparked by CGB" similar to previous Solarize and GoSolarCT initiative uses).

# Memo

To: [Board of Directors](#)

From: ~~Deployment Committee, Audit, Compliance and Governance Committee,~~ George Bellas (Vice President of Finance and Administration), Brian Farnen (General Counsel and CLO), Bryan Garcia (President and CEO), and Eric Shrago (Director of Operations)

CC: Mackey Dykes (Vice President of CI&I Programs and Officer), Ben Healey (Director of Clean Energy Finance), Dale Hedman (MD of Infrastructure Programs), Bert Hunter (Executive Vice President and CIO), and Kerry O'Neill (VP of Residential Programs)

Date: May 29, 2018 (Deployment Committee), ~~and revised for~~ June 8, 2018 (ACG Committee), and revised June 13, 2018 (Board of Directors)

Re: Proposed Loan Loss Decision Framework and Process – Assets on the Green Bank Balance Sheet

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## Summary

Since its inception on July 1, 2011, the Connecticut Green Bank (Green Bank) has invested its resources in 4,288 loans, leases and benefit assessments totaling \$72,387,643 of assets (in addition to \$355,149,764 of private capital) in the residential, commercial, industrial, institutional, and infrastructure sectors. These assets reside on the balance sheet of the Green Bank.

The following is a breakdown of the assets on the Green Bank balance sheet:

- **Anaerobic Digester and Combined Heat and Power** – invested in 1 AD Loan totaling \$1,997,403 of investment (in addition to \$8,502,597 of private capital) – this investment is neither delinquent nor in default. Invested in 6 CHP Loans totaling \$502,860 of investment (in addition to \$12,034,860 of private capital) – these investments are neither delinquent nor in default;
- **C-PACE** – invested in 115 Benefit Assessments, totaling \$36,347,568 of investment (in addition to \$91,555,091 of private capital)<sup>1</sup> – of this investment 4<sup>2</sup> are delinquent totaling \$14,797 (or less than 0.05% of the value of the portfolio) and 0 are in default;

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<sup>1</sup> Note, in addition to the Green Bank investment, there are 65 benefit assessments, totaling \$59,363,333] of investment from third party financiers.

<sup>2</sup> One C-PACE Benefit Assessment is for a commercial lease and is counted in both. Duplicates are removed from the total.



- **LMI Solar PV Lease and Energy Efficiency ESA** – invested in 1,417 leases totaling \$12,753,000 of investment (in addition to \$25,998,288 of private capital and 945 ESA’s totaling \$2,268,000 of investment – of this investment 10 are delinquent totaling \$1,535 (or 0.01% of the value of the portfolio) and 1 is in default totaling \$15,340 (or 0.1% of the value of the portfolio).
- **Multifamily Loans** – invested in 65 Pre-Development and Term Loans totaling \$5,458,952 of investment (in addition to \$47,594,378 of private capital) – of this investment none are delinquent and none are in default<sup>3</sup>;
- **Smart-E Loan** – supported 2,680 loans by third party lenders totaling \$48,285,338 of investment credit enhanced through a Green Bank Second Loan Loss Reserve of \$2,400,860 – of this investment 12 are delinquent totaling \$204,595 (or 0.4% of the value of the portfolio) and 5<sup>4</sup> are in default totaling \$83,698 (or 0.2% of the value of the portfolio); and
- **Special Projects** – invested in 4 special project Loans (e.g., Bridgeport Fuel Cell Park, Bridgeport District Heating, Colebrook Wind, and Meriden Hydropower) that are outside of existing programs totaling \$12,927,000 of investment (in addition to \$118,911,212 of private capital) – of this investment 2 are delinquent totaling \$220,893 (or 1.7% of the value of the portfolio) and 0 are in default.

To date, there have been 6 defaults of the 4,288 transactions (0.001%) totaling \$99,038 of \$72,387,643 of Green Bank capital invested (0.001%) in assets on the Green Bank’s balance sheet.

For a breakdown of assets under management on the balance sheet of the Green Bank, see Table 1 below

**Table 1. Breakdown of Assets Under Management on the Connecticut Green Bank Balance Sheet**

<b>Assets</b>	<b># of Transactions</b>	<b>Value of Assets Under Management</b>	<b>Total Value of the Assets</b>	<b>Average Value of Each Transaction</b>	<b>Median Value of Each Transaction</b>
AD and CHP	7	\$2,500,263	\$23,037,720	\$3,291,103	-
C-PACE	115	\$36,347,568	\$127,902,659	\$1,112,197	\$365,298
LMI PV and EE	1,417	\$12,753,000	\$38,751,288	\$27,347	\$27,400
Multifamily	65	\$5,458,952	\$53,053,330	\$816,205	\$248,376
Smart-E	2,680	2,400,952 <sup>5</sup>	\$48,285,338	\$18,017	\$16,307
Special Projects	4	\$12,927,000	\$131,838,212	\$32,959,553	-
<b>Total</b>	<b>4,288</b>	<b>\$72,387,643</b>	<b>\$422,868,547</b>	<b>\$98,616</b>	

<sup>3</sup> Note that this does not include predevelopment loans that are partially forgiven when term loans are closed.

<sup>4</sup> One of these losses was charged against the Green Bank’s Loan Loss Reserve for \$20,277 or 0.1% of the portfolio.

<sup>5</sup> Note – this is a Connecticut Green Bank credit enhancement of a second loan loss reserve and not an asset on the balance sheet.

As the Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur.

**This memo focuses on the assets on the Green Bank's balance sheet and not that of its SPV's. A follow-up memo outlining the proposed loan loss decision framework and process for assets on the balance sheets of SPV's will be drafted for later consideration.**

## Governance

The bylaws of the Green Bank provide guidance in terms of managing transactions, and their potential restructuring or write-off. Specifically, the Deployment Committee of the Board of Directors, as outlined in Section 5.3.3 is responsible for:

- “(ii) with respect to loans, loan guarantees, loan loss reserves, credit enhancements... between three hundred thousand dollars (\$300,000) and two million five hundred thousand dollars (\$2,500,000), evaluation and approval of such requests on behalf of the Board so long as such approval is within the Green Bank's approved Operations and Program Budget,”
- “(iv) oversight of policies and practices relating to the evaluation and recommendation of initial investments, follow-on investments, *investment modifications and restructurings*, and the sale or other disposition of investments by the Authority's professional investment staff,”
- “(v) oversight of policies and practices relating to investment management by the Authority's professional investment staff, including implementation of investment exit strategies,”
- (vi) except to the extent of any investment powers expressly reserved to the Board itself in any resolution of the Board, to approve on behalf of the Board investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments,” and
- (viii) the exercise of such authority as may from time to time be delegated by the Board to the Deployment Committee within its areas of cognizance.<sup>6</sup>

The bylaws of the Green Bank serve as the foundation to establishing a loan loss decision framework and subsequent process. Such a framework and process should be reviewed,

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<sup>6</sup> The Board of Directors may also delegate certain responsibilities to the President and the other officers of the Green Bank as they believe are desirable to permit the timely performance of the functions of the Green Bank and to carry out the policies of the Board – See Green Bank Bylaws Sections 2.5 (Delegation of Powers) and 3.2 (President). For example, on October 20, 2017, per the memo dated October 13, 2017, the Board of Directors delegated the power for officers to approve transactions up to \$500,000 in value as long as they are consistent with the Comprehensive Plan and Budget.

revised (as appropriate) by the Deployment Committee, reviewed and recommended for approval by the ACG Committee, and approved by the Board of Directors of the Green Bank.

### Accounting

On an annual basis the accounting team prepares a detailed analysis of portfolio loans by program. This analysis includes a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.<sup>7</sup> Based upon these inquiries the accounting team assigns a loan loss reserve percentage to the balance of loans for each program to arrive at a total loan loss reserve for the loan portfolio. Currently these percentages range from 5-20% based on the project, product, or program.

The annual loan loss reserve calculation is reviewed for reasonableness by the Green Bank's audit firm as part of the annual audit process.

Here are a few examples for how loan losses are reserved for specific products and programs on the balance sheet of the Green Bank:

- **C-PACE** – through a benefit assessment on a property in a C-PACE participating community, capital providers finance clean energy projects on commercial, industrial, multifamily, and nonprofit buildings for measures consistent with the Comprehensive Energy Strategy. These assessments average \$300,000, with interest rates up to 6.5 percent, and terms up to 25 years.

Loan losses are reserved for C-PACE transactions by currently allocating 10% of the principal value outstanding of the C-PACE portfolio at the end of the fiscal year.

- **Project Finance** – there are transaction opportunities for clean energy investment in specific projects that the Green Bank provides a loan for, including fuel cells, wind, hydro, and anaerobic digesters to name a few.

Loan losses are reserved for special projects by allocating a range of 5%-20% of the principal value outstanding of the various project loans at the end of the fiscal year.

- **Smart-E Loan** – through the Energize CT initiative with Eversource Energy and Avangrid, in collaboration with Connecticut's community banks, credit unions, and community development financial institutions, the Green Bank provides a second loan loss reserve of up to 7.5 percent of principal for residential loans in projects that support the Comprehensive Energy Strategy. These loans are up to \$40,000 in principal, with interest rates not to exceed 6.99 percent, and terms of up to 20 years.

Loan losses are reserved for the Smart-E Loan by setting aside 7.5% of the original principal value of the Smart-E Loan portfolio as restricted cash. Also, when 1.5% of

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<sup>7</sup> It should also be noted that the Comprehensive Annual Financial Review (CAFR) also includes a "high level" breakdown of delinquencies and defaults by financing product or program.

losses are exceeded with the program partner lenders, then the Green Bank accesses the restricted cash to pay up to 7.5% of additional losses within their portfolio.

Over the last couple of years, the following is a breakdown of the loan losses reserved on the financial statements of the Green Bank – see Table 2.

Table 2. Overview of Loan Loss Reserves (FY 2015-FY 2017)

<b>Fiscal Year</b>	<b>Loan Loss Reserves</b>	<b>Portfolio Value</b>	<b>%</b>
2015	\$3,645,000	\$39,685,000	9.2
2016	\$4,675,000	\$32,321,000	14.5
2017	\$5,612,000	\$42,705,000	13.1

Other than the legacy Alpha/Op Demo loans, the Green Bank has not written off any portfolio loans to date on its balance sheet.

### Loan Loss Decision Framework

In order to develop processes for determining how losses will be determined with regards to transactions on the Green Bank balance sheet, there are two (2) key components – value of the modification and the type of loss anticipated that help formulate the process.

In assessing the threshold of the value of the modification, the Green Bank staff identified the following options:

- **Principal Outstanding** – the type of loss anticipated should apply to only the amount of the principal outstanding of the transaction;
- **Original Principal Value** – the type of loss anticipated should apply to the original principal value of the transaction; or
- **Value of the Modification** – the type of loss anticipated should apply only to the proposed value of the modification of the transaction.

The Green Bank staff recommends that the value of the modification should apply to the principal outstanding of the transaction as opposed to the (i) value of the original principal, or (ii) value of the modification.

The Green Bank staff has identified three different types of losses anticipated, including:

- **Provisional Loss Reserve** – as determined by the Budget and Operations Committee and the Audit Compliance and Governance Committee through the annual budget and targets process and reported in the annual audited financial statements;
- **Restructuring** – a unique action or decision to modify the principal, interest, term, and/or other relevant component of a transaction; and/or
- **Write-Off** – a policy or procedural determination that an asset is impaired as a result of it being delinquent and subsequently in default where it is deemed that it is unlikely for a material recovery of the principal.

Each of these types of losses should be handled in a specific manner depending upon the value of the principal outstanding amount of the transaction – see Table 3.

**Table 3. Loan Loss Decision Framework based on Principal Amount Outstanding vs. Type of Loss Anticipated**

Type of Loss Anticipated	Amount of Principal Outstanding		
	<\$100,000	\$100,000 – \$1,000,000	>\$1,000,000
Provisional Loss Reserve	Staff (with review and reporting from the Auditor)		
Restructuring	Staff	Deployment	Board of Directors
Write-Off	Staff	Deployment <u>ACG</u>	Board of Directors

The proposed amount of principal outstanding value for Staff approval of provisional, restructuring, and write-offs is intended to be overly conservative with respect to Staff authority, while appropriately reporting out any unusual activity or trends to the Deployment Committee and Board of Directors. In between report outs, staff will only be able to review and approve in aggregate up to \$500,000 of adjustments. In other words, the Loan Loss Decision Framework and Process allows staff to review and approve of transaction modifications “Up to \$100,000 and No More in Aggregate than \$500,000” between report outs to the Deployment Committee. Given that the Deployment Committee approves of transactions greater than \$500,000 and less than \$2,500,000, and the Audit, Compliance, and Governance Committee oversees the accounting and auditing of assets on the financial statements of the Green Bank, transactions requiring a write-off would be through the ACG Committee after all legal remedies have been pursued by staff on the impaired asset in question.

This the Staff proposed loan loss decision framework for consideration by the Deployment Committee, Audit Compliance and Governance Committee, and the Board of Directors.

**Example Transaction Application to the Loan Loss Decision Framework**

To apply the Loan Loss Decision Framework, here are a few example transactions.

Example Transaction #1 – Smart-E Loan

The first example transaction is a residential loan through the Smart-E Loan Program that is in default – see Table 4.

**Table 4. Smart-E Loan – Write-Off**

<b>Program</b>	Smart-E Loan
<b>Original Principal</b>	\$34,000
<b>Outstanding Principal</b>	\$25,000
<b>Type of Loss Anticipated</b>	Write-Off
<b>Approving Authority</b>	Staff

Since the amount of the principal outstanding is less than \$100,000, then the Staff would be approving this type of loss. In this situation, with regards to the Smart-E Loan, as long as the partner lender has exceeded their 1.5% of losses within their loan portfolio and is seeking to access the 7.5% second loss from the Green Bank per our agreement, then the Staff can write-

off the outstanding principal amount of the transaction by paying off the loss through the use of restricted cash in the loan loss reserve account set aside for the Smart-E Loan program.

Example Transaction #2 – C-PACE

The second example transaction is a C-PACE benefit assessment that requires restructuring – see Table 5.

Table 5. C-PACE – Restructure

<b>Program</b>	C-PACE
<b>Original Principal</b>	\$1,250,000
<b>Outstanding Principal</b>	\$1,100,000
<b>Type of Loss Anticipated</b>	Restructuring
<b>Approving Authority</b>	Deployment Committee

Since the amount of principal outstanding is greater than \$1,000,000, then this transaction would have to be reviewed and approved by the Board of Directors.

Example Transaction #3 – Onsite Distributed Generation Grant by the Connecticut Clean Energy Fund

The third example transaction is a grant provided by the Green Bank predecessor, the Connecticut Clean Energy Fund. In this example, a project host has committed to onsite clean energy for a contractual period of time, however, it may seek to modify that preexisting agreement. There are no assets on the balance sheet from this transaction – see Table 6.

Table 6. Onsite Distributed Generation Grant Program – Restructuring

<b>Program</b>	Onsite DG Program
<b>Original Principal</b>	\$250,000
<b>Outstanding Principal</b>	\$75,000
<b>Type of Loss Anticipated</b>	Restructuring
<b>Approving Authority</b>	Staff

Since the project is not an asset on the balance sheet of the Green Bank, and the principal outstanding value is less than \$100,000, then the staff could review and approve of this transaction modification. Had the principal value of the outstanding principal in the contract exceeded the Staff authority to restructure, the proposed revision would have had to have been approved by the Deployment Committee or the Board of Directors.

Example Transaction #4 – Fuel Cell Project

The fourth example transaction is a loan for a fuel cell project that is a write-off – see Table 7.

Table 7. Fuel Cell Project – Write-Off

<b>Program</b>	Fuel Cell
<b>Original Principal</b>	\$5,000,000
<b>Outstanding Principal</b>	\$2,750,000
<b>Type of Loss Anticipated</b>	Write-Off

<b>Approving Authority</b>	Board of Directors
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Given that all projects greater than \$1,000,000 have to be reviewed and approved the Board of Directors, the write-off of this transaction, whose principal balance outstanding is \$2,750,000, this would have to go to the Board of Directors for review and approval.

**Example Transaction #5 – Multifamily Predevelopment Loans**

The fifth example transaction is a predevelopment loan for a multifamily project that is a restructuring or write-off – see Table 8.

**Table 8. Multifamily Predevelopment Loan Project – Restructuring or Write-Off**

<b>Program</b>	Multifamily
<b>Original Principal</b>	\$50,000
<b>Outstanding Principal</b>	\$50,000
<b>Type of Loss Anticipated</b>	Restructuring or Write-Off
<b>Approving Authority</b>	Staff

The Multifamily predevelopment programs lend funds to identify and build out project plans. The funds are typically not repaid until a term loan to cover the actual project is in place and the predevelopment loan is repaid with the proceeds of the term loan. On some occasions, the outstanding balance of the predevelopment loan is written off or restructured as the term loan is agreed to ensure that the economics of a project work by staff. Given the size of the loan, the restructuring and loan forgiveness is handled by staff.

**Process for Applying Loan Loss Decision Framework**

The following is a breakdown of the proposed processes for using the Loan Loss Decision Framework:

**Process #1 – Provisional Loss Reserve**

On an annual basis the accounting team prepares a detailed analysis of portfolio loans by program. This analysis includes a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.<sup>8</sup> Based upon these inquiries the accounting team assigns a loan loss reserve percentage to the balance of loans for each program to arrive at a total loan loss reserve for the loan portfolio. Currently these percentages range from 5-20% based on the project, product, or program.

The annual loan loss reserve calculation is reviewed for reasonableness by the Green Bank’s audit firm as part of the annual audit process.

On a quarterly basis, with the assistance of Program and Finance Staff, the Accounting Team would make appropriate interim adjustments to the provisional loss reserve.

**Process #2 – Restructuring Transactions**

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<sup>8</sup> It should also be noted that the Comprehensive Annual Financial Review (CAFR) also includes a “high level” breakdown of delinquencies and defaults by financing product or program.

A transaction undergoing a restructuring would undergo the following process:

1. **Restructuring Calculation** – staff requesting a change in a previously approved transaction, must calculate the following:
  - a. **Original Investment** – show the cash flow of expected principal and interest payments over the term of the transaction, including the calculation of the net present value of the transaction;
  - b. **Proposed Restructured Investment** – show the cash flow of expected principal and interest payments over the term of the transaction, including the calculation of the net present value of the transaction; and
  - c. **Comparison** – compare the original to the restructured investment to document any changes in cash flow and net present value.
2. **Documentation** – staff requesting a change must document in a memo the reason for the proposed modification including a description of the project, the calculation showing the original and restructured investment and their comparisons, and preventative measures for avoiding such issues in the future.
3. **Review and Approval** – the documentation must be reviewed and approved by the appropriate authority, including:
  - a. **Staff** – for principal balances less than \$1500,000, senior staff would review and approve and documented through the ARS process;
  - b. **Deployment Committee** – for principal balances greater or equal to \$1500,000 and less than \$1,000,2,500,000, Deployment Committee would review and approve the transaction; or
  - c. **Board of Directors** – for principal balances greater than \$1,000,2,500,000, the Board of Directors would review and approve the transaction.
4. **Reporting** – if a transaction receives the approval from the appropriate authority to be restructured, then the details should be reported in a quarterly memo and made available on an ongoing basis to the Deployment Committee and the Board of Directors.

### **Process #3 – Write-Off Transactions**

A transaction undergoing a write-off would undergo the following process:

1. **Write-Off Calculation** – staff requesting a write-off in a previously approved transaction, must calculate the following:<sup>9</sup>
  - a. **Project Finance** – the amount of outstanding principal and lost interest revenue from the original transaction; and

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<sup>9</sup> Note – for C-PACE transactions, given that principal and interest payments in arrears are senior to the existing mortgage on a property, and future principal and interest payments are subject to the ongoing benefit assessment on a property that survives foreclosure, we didn't include C-PACE transactions as write-offs.



- b. **Smart-E Loan** – the amount of first losses (i.e., up to 1.5% of their portfolio) incurred by the participating lender, and the amount of second loan loss reserves (i.e., up to 7.5% of their portfolio) available through the Green Bank.
2. **Documentation** – staff requesting a write-off must document the reason for the write-off including a description of the project, the calculation showing the value of the write-off, and preventative measures for avoiding such issues in the future.
3. **Review and Approval** – the documentation must be reviewed and approved by the appropriate authority, including:
  - a. **Staff** – for principal balances less than \$1500,000, senior staff would review and approve and documented through the ARS process;
  - b. **Deployment Audit, Compliance and Governance Committee** – for principal balances greater or equal to \$1500,000 and less than \$2,500,000, ~~Deployment~~ **ACG** Committee would review and approve the transaction; or
  - c. **Board of Directors** – for principal balances greater than \$2,500,000, the Board of Directors would review and approve the transaction.
4. **Reporting** – if a transaction receives the approval from the appropriate authority to be written off, then the details should be reported in a quarterly memo and made available on an ongoing basis to the Deployment Committee and the Board of Directors.

### Process for Reporting

Above and beyond applying the loan loss decision framework and process to various transactions, there is a need to frequently report out to the Deployment Committee and the Board of Directors. The following reporting on loan losses should begin in FY 2019:

- **Monthly Financial Statements** – within the monthly financial statements provided to the Board of Directors, there should be a separate section that provides an overview of the provisional loan loss reserves noted for the fiscal year, along with any transactions that have been restructured or written-off through this loan loss decision framework and process; and
- **Quarterly Reports** – provided to the Deployment Committee on a quarterly basis, this memo should provide further detail on loss transactions by program or product to assess trends, including:
  - Number of transactions lost;
  - Amount of loss;
  - Frequency of losses;
  - Percentage of losses; and
  - Thresholds of losses reached consistent with the provisional loss reserve.

Reporting is an essential aspect of the loan loss decision framework and process.

## Summary

As the Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur. The Bylaws of the Green Bank offer guidance, specifically through its Deployment Committee, in terms of managing transactions, and their potential restructuring or write-off. The Loan Loss Decision Framework, in combination with the proposed Process for applying the framework, will serve as the road map for managing assets that are being restructured or written-off on the Green Bank balance sheet.

Note, a follow-up memo outlining a second Loan Loss Decision Framework and Process for managing the restructuring or writing-off of assets on the balance sheets of Special Purpose Vehicles established by the Green Bank, will be proposed for later consideration.

## ACG Resolutions

**WHEREAS**, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

**WHEREAS**, on January 18, 2013, the Board of Directors authorized 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 ("Staff Approval Policy for Projects Under \$300,000");

**WHEREAS**, on July 18, 2014, the Green Bank Board of Directors approved of a recommendation brought forth by the Audit, Compliance, and Governance Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program 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 \$1,000,000 from the date of the last Deployment Committee meeting;

**WHEREAS**, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting; and

**WHEREAS**, the Staff of the Green Bank propose in a memorandum to the Deployment Committee on May 29, 2018, and revised based on feedback by the Deployment Committee for review and recommendation for approval by the ACG Committee [on June 8, 2018](#) a Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet.

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee and the ACG Committee recommends that the Board approve of the Staff proposed Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum dated June 138, 2018 which incorporates feedback from the Deployment Committee and the ACG Committee; and

**RESOLVED**, ~~that the ACG Committee recommends~~ that the Board of Directors authorizes Green Bank staff to evaluate and approve loan loss restructurings or write-offs for transactions less than \$100,000 of the principal amount outstanding and no more in aggregate than \$500,000 from the date of the last Deployment Committee meeting ("Staff Loan Loss Approval Policy for Transactions Under \$100,000") and consistent with the memorandum dated June 138, 2018 which incorporates feedback from the Deployment Committee and the ACG Committee.